

Executive Summary

The Harris County Program Year 2007 (PY07) Consolidated Annual Performance and Evaluation Report (CAPER) is the fifth and final annual performance report, which describes the actions and funding priorities used to carry out the PY 2003-2007 Consolidated Plan. Over the past five years, Harris County has provided: 754 low-income families with homeownership assistance; constructed 9 new owner-occupied homes; constructed or acquired 380 rental housing units; rehabilitated 63 houses; provided shelter to 15,277 homeless persons; completed 13 community centers serving 58,317 persons; created or enhanced 12 parks serving over 50,000 persons in low-income areas; improved water and sewer services for 89,687 persons in low-income areas; improved streets for 6,800 persons in low-income areas; and provided 28,959 low-income persons with public services such as health services, day care, transportation, services for abused children, and senior and youth services.

This report describes progress made in the PY07 from March 1, 2007 to February 29, 2008 toward the goals set forth in the PY 2003-2007 Consolidated Plan. During PY07, Harris County expended \$15,155,861.47 in Community Development Block Grant, HOME Investment Partnerships, and Emergency Shelter Grant Funds on over 150 projects. Highlights of performance accomplishments according to specific need categories include:

Housing

Assisted 118 homebuyers with direct homeownership assistance. Rehabilitated 31 owner-occupied and 26 renter-occupied housing units, and abated 37 lead contaminated housing units occupied by low-income persons. Created 21 new affordable rental housing units.

Homelessness

Assisted 2,316 homeless individuals and families with shelter and supportive services utilizing ESG and 499 homeless individuals CDBG funds.

Successfully collaborated with the Coalition for the Homeless of Houston/Harris County and the City of Houston on the submission of the PY07 Continuum of Care grant application, which was awarded \$19,783,107 for 22 applicants and 63 programs.

Public Services

Assisted 5,609 low-income persons (5,966 persons in all income levels) with health services, youth and senior services, child care, employment services, and services for abused and neglected children.

Public Facilities and Infrastructure

Served 149,646 low-income persons in 55 projects with the improvement of public facility and infrastructure structures.

Clearance

Assisted local communities by clearing 18 abandoned homes that contributed to slum and blight in the county.

As indicated by program accomplishments, Harris County continued to make strides in promoting affordable housing and providing a suitable living environment for its low-income citizens during PY07.

In regard to the administration of U.S. Housing and Urban Development (HUD) entitlement funds, Harris County Community Services Department has worked diligently to comply with HUD regulations and monitoring guidelines. The county will continue to work with HUD to increase the efficient use of federal funds to serve low-income persons.

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Introduction

A Brief Note to the General Public

The Program Year 2007 Consolidated Annual Performance and Evaluation Report (CAPER) describes Harris County’s use of Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), and Emergency Shelter Grant (ESG) funds, which are grants generated by tax dollars to improve the quality of life for county residents. Accomplishments reported in this document were made between March 1, 2007 and February 29, 2008. These accomplishments were made within the Harris County service area, which includes unincorporated Harris County and a variety of small cities within the county that have signed cooperative agreements of service with Harris County. These small cities are referred to as Cooperative Cities. The cities of Houston, Pasadena and Baytown utilize their own community development resources and therefore are not within the Harris County service area. All Harris County U.S. Department of Housing and Urban Development (HUD) entitlement resources are dedicated exclusively to improve living conditions for low-income individuals and reduce slum and blight.

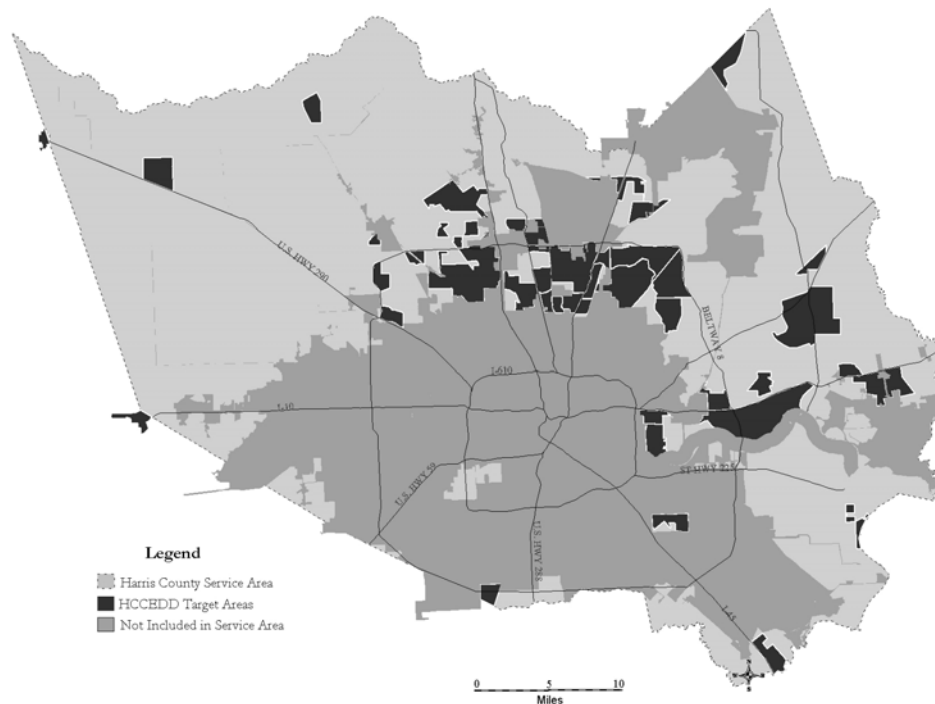
Table 1. PY 2007 Low and Moderate Income Limits

Houston Metropolitan Statistical Area (MSA)	
FY 2007 Median Family Income*	\$57,300
Very Low-Income (30% of the Median)	\$18,300
Low-Income (50% of the Median)	\$30,500
Moderate-Income (80% of the Median)	\$48,800

**Based on a Family of four*

Source: U.S. Dept. of Housing and Urban Development, HUD Program Limits, FY2007

Figure 1. HCCSD Service and Target Areas



What is the CAPER?

The CAPER is both a public awareness and performance evaluation document. It is required by the U. S. Department of Housing and Urban Development (HUD) for any jurisdiction receiving CDBG, HOME and ESG federal “entitlement” grants – funds allocated to Harris County are based on a formula of population and poverty characteristics. In fact, the CAPER is only one part of an extensive community development planning process for long- and short-term solutions for improving the lives of low-income individuals. Harris County’s practices have been specifically developed to assist in mapping strategies for community development and making good use of available resources. The CAPER is Harris County’s evaluation instrument for determining how effective these practices have been in its distribution of services and programs.

The Community Development Process

Long-term strategies for community development in the Harris County service area are dictated by the principles outlined in the Harris County PY 2003-2007 Consolidated Plan. The Consolidated Plan, another requirement of HUD, provides a comprehensive list of countywide needs, goals, strategies, and solutions to be implemented over the course of three or five program years. The Consolidated Plan was significantly affected at a neighborhood level by a series of public meetings held in conjunction with the Harris County Community Planning program.

Harris County Community Planning Program, an initiative developed to complement HUD’s required process, develops long-range revitalization solutions at the community level. Individual communities often face specific needs which are not applicable countywide. Depending extensively on local participation and community empowerment, the program discovers those specific needs and provided goals, strategies and actions that specifically fit that community. *Harris County Community Planning* creates empowerment, enhances problem solving at the local level, and ensures that the plan was truly reflective of community needs.

Resources made available toward community development within Harris County are largely dedicated to projects, programs and initiatives that meet a public need or provide a solution indicated within the PY2003-2007 Consolidated Plan.

Use of county resources, specifically HUD entitlement resources, was monitored throughout PY 2007 to ensure compliance with federal, state and local regulations and to guarantee the effective use of such funds. Now that PY07 has concluded, Harris County has developed the PY07 CAPER. The CAPER provides an account of all resources, and evaluates the county’s ability to utilize resources effectively while addressing the needs established in the PY 2003-2007 Consolidated Plan.

Why is the CAPER Important?

Simply put, a large majority of resources discussed within the CAPER either directly or indirectly flow from tax dollars. This alone warrants a need to use funds and other resources as wisely and prudently as possible. The CAPER reports to the general public and HUD the actual method in which resources were made available for use. In so doing, it provides an additional forum for community input into the community development process. The CAPER also ensures accountability by providing a detailed account of the provision of services by Harris County. Equally important is the fact that the CAPER is an evaluation instrument. It provides a summary of Harris County’s performance as a HUD entitlement fund service provider, complete with strengths and weaknesses. It requires the participating jurisdiction to conduct a self-assessment,

asking the questions: How well did the county utilize its HUD resources? Could more people have been served? Further, the CAPER provides a means by which HUD can ensure that agencies pursue and attain the proper and efficient use of resources.

The CAPER includes 1) a table of Consolidated Plan Annual Progress, 2) a summary of accomplishments, 3) an assessment of performance, and 4) a discussion of citizen participation. Each topic is developed so that the process is understandable to members of the general public.

An Additional Note to HUD Representatives

To make the CAPER more “user-friendly”, a matrix is provided to guide HUD representatives to required information. It also provides an index of information presented by the CAPER to the general public. The CAPER Requirements Matrix is designed to direct the reader to key information directly requested by HUD by listing the page where the information is found.

Table 2. CAPER Requirements Matrix

Assessment of 3- to 5-Year Goals and Objectives	Yes	No	Reporting Method	Notes/Comments
1. Does the report demonstrate how activities undertaken during the program year address pertinent Strategic Plan objectives and areas of high priority identified in the 3- to 5-year plan?	❖		Narrative	p. 13-22
2. Is there an assessment of the relationship of the use of CDBG funds to the high priority needs/objectives in the Plan, including an analysis of the extent to which CDBG funds were distributed among different categories of housing needs identified in the Consolidated Plan?	❖			p. 26-30; 50-53; 56-59
3. Is special attention given to the highest priority activities?	❖			p. 25-30; 48-53
4. If the grantee receives HOME funds from HUD, is there an analysis of the extent to which HOME funds were distributed among different categories of housing needs identified in the grantee’s approved consolidated plan?	❖			p. 26-31; 34; 37-38; 56
5. If the grantee receives HOPWA funds directly from HUD, is there an analysis of the extent to which HOPWA funds were distributed among different categories of housing needs identified in its approved Consolidated Plan?		❖		Do not receive HOPWA funds.
6. If the grantee receives ESG funds directly from HUD, is there a description of the extent to which activities supported directly with ESG funds addressed homeless and homeless prevention goals, objectives, and priorities established in the Consolidated Plan, and if applicable, the Continuum of Care Plan. (May be discussed in the continuum of Care section of the CAPER.)	❖			p. 34-36; 47-48; 62

	Yes	No	Reporting Method	Notes/Comments
1. Does the report contain an assessment of the grantee's efforts in carrying out the planned actions described in its action plan? Does it indicate the grantee: <ul style="list-style-type: none"> a. Pursued all resources that it indicated it would pursue. b. Provided requested certifications of consistency for HUD programs, in a fair and impartial manner. c. Did not hinder Consolidated Plan implementation by action or willful inaction. 	❖		Narrative	p. 44-45
Affirmatively Furthering Fair Housing				
1. Does the report include information regarding actions taken to complete an analysis of impediments to fair housing choice?	❖		Narrative	p. 39-43
2. Does the report include a summary of impediments identified in the analysis?				
3. Have actions been taken during the year to overcome the effects of the identified impediments?				
Affordable Housing				
1. Does the report include the following? <ul style="list-style-type: none"> a. number of extremely low-income (0-31% of MFI) renter households assisted? b. number of extremely low-income (0-31% of MFI) owner households assisted? c. number of very low-income (31-60% of MFI) renter households assisted? d. number of very low-income (31-60% of MFI) owner households assisted? e. number of low-income (61-80% of MFI) renter households assisted? f. number of low-income (61-80% of MFI) owner households assisted? 	❖		HOME – C04PR23 CDBG – narrative	Appendix p. 30-31
2. Is there a comparison of actual accomplishments with proposed goals for the reporting period?	❖		Narrative	p. 13-22
3. Does the report identify actions taken to: <ul style="list-style-type: none"> a. foster and maintain affordable housing? b. eliminate barriers to affordable housing 	❖			p. 40-43
	❖			p. 44-45
4. Have efforts been made to address “worst-case needs” and the needs of persons with disabilities?				p. 45-46
Continuum of Care				
Are the following included:	❖		Narrative	p. 48-49

1. A summary of actions taken to prevent homelessness?	❖			
2. Actions taken to address the emergency shelter and transitional housing needs of homeless individuals and families?	❖			
3. New federal resources obtained during the year from the Continuum of Care SuperNOFA.	❖			
Other Actions			Reporting Method	Notes/Comments
Does the report address actions taken to:	❖		Narrative	p.49-53
1. Address obstacles to meeting underserved needs?	❖			
2. Overcome gaps in institutional structure and enhance coordination?	❖			
3. Improve public housing and resident initiatives?	❖			
4. Evaluate and reduce lead-based paint hazards?	❖			
5. Ensure compliance with program and comprehensive planning requirements?	❖			
6. Reduce the number of persons living below the poverty level?	❖			
Leveraging Resources	Yes	No		
1. Does the report describe progress in obtaining other public and private resources?	❖		Narrative	p. 53
2. Is there a discussion of how federal resources made available from HUD leveraged other public and private resources, including how any matching requirements were satisfied?				
Displacement and 1-4-1 Replacement				
If any CDBG activities involved acquisition, rehabilitation (rental) or demolition of occupied real property, did the grantee submit a narrative that identified the activities?	❖		Narrative	p. 58-59
a. Does it identify steps actually taken to minimize the amount of displacement resulting from the CDBG-assisted activities?	❖			
b. Does it identify steps taken to identify households, businesses, farms, or nonprofit organizations that occupy the site of a CDBG-assisted project subject to the requirements of the URA or Section 104(d) of the 1974 Community Development Act, as amended?	❖			
c. Does it identify whether or not these households, etc., were actually displaced?	❖			
d. Does it identify the nature of their needs and preferences?	❖			
e. Does it describe the steps taken to ensure the timely issuance of information notices to displaced households, businesses, farms, or nonprofit organizations?	❖			
Is the information provided by the grantee satisfactory?				

If no, was the CAPER sent to the Relocation Specialist?				
Self-Evaluation				p. 54-56
1. Is the self-evaluation results-oriented?	❖		Narrative	p. 54
2. Has the grantee considered the following as part of its self-evaluation:	❖			p.54
a. Whether activities and strategies addressed in the strategic plan and action plan are making an impact on identified needs	❖			
b. Which indicators would best describe the results of activities/strategies impacting needs	❖			p. 55
c. What barriers may have a negative impact on fulfilling the strategies and the overall vision	❖			p. 54
d. The status of grant programs	❖			p. 48-51
e. Whether any activities or types of activities are falling behind schedule	❖			p. 55
f. Whether grant disbursements are timely	❖			p. 49
g. Whether actual expenditures differ substantially from line of credit disbursements	❖			p. 50
h. Whether major goals are on target	❖			p. 51
i. What adjustments or improvements to strategies and activities might meet the grantee's needs more effectively	❖			p. 51

CDBG

Summary of Activities Report (C04PR03)	Yes	No	Notes/Comment
1. Are all activities that were underway on the CAPER included on the report?	❖		Appendix
1. Are the 2004 activities relevant to the projects approved in the 2004 Action Plan and any subsequent amendments?	❖		Appendix
2. For each activity, does the activity description provide a clear description of the nature and eligibility of the activity?	❖		Appendix
3. Is the organization carrying out the activity identified?	❖		Appendix
4. Has an appropriate matrix code been included for each activity?	❖		Appendix
5. Is the status of each activity appropriate?	❖		Appendix
6. For each activity in which the status is completed, does it appear that the requirements for meeting one of the national objectives have been met?	❖		Appendix

7. Has beneficiary data been reported for direct benefit activities? Does it correspond with the actual accomplishments reported? <i>(For multi-family housing and job creation activities, this information must be cumulative over the life of the activity. For all other direct benefit activities, the beneficiary data should be provided for just this year's accomplishments.)</i>	❖		Appendix
8. For each activity, have actual accomplishments been entered that include an appropriate unit of measure and the number of units completed during the program year?	❖		Appendix
9. If an activity has not been completed, has information been provided in the accomplishment section that adequately describes the status of the activity?	❖		Appendix
10. If any activity uses the nature and location of the activity to meet the LMC criteria, does the grantee describe how the nature and/or location of the activity demonstrates that the activity benefits a limited clientele, at least 51 percent of whom are low/mod income persons? <i>(This information does not print on the report – you must go into IDIS (view activity module) to verify this information.)</i>	❖		Appendix
11. For LMA benefit activities, have census tract/block group data and the percentage of low/mod persons residing in the area been provided? <i>(This information does not print on the report – you must go into IDIS (view activity module) to verify this information.)</i>	❖		Appendix
a. Are the CT/BG data and percentages valid?	❖		
13. Have street addresses or other location information been provided for each activity (except relocation, planning and administration activities)?	❖		
14. If a survey was used that was not previously approved by HUD, has a copy of the survey instrument and the results obtained been submitted?			n/a
15. For SBA benefit activities, have the boundaries of the designated area been identified, as well as the year of designation and the percentage of buildings deteriorated at the time of designation? <i>(This information does not print on the report - must go into IDIS view activity module to verify this information.)</i>			Appendix
16. For each acquisition activity, has the planned use of the property acquired been identified?	❖		Appendix
17. For each code enforcement activity, have the geographic boundaries of the target area, CT/BG, and percent of low/mod persons resident in the target area been provided? <i>(CT/BG and l/m percentages do not print on the report – must go into IDIS view activity module to verify this information. See #11.)</i>			n/a
18. For each historic preservation activity reported, has it been reported if the structure is residential or nonresidential?			n/a
19. If an activity is designated to specifically address an outstanding noncompliance finding or court order based on a FHEO law, is this noted in the activity description?			n/a

20. Does any activity involve assistance in the form of a guarantee of payment of indebtedness incurred by another party?			n/a
a. If yes, is the amount of the contingent liability that may be required to be repaid with CDBG funds included in the activity description?			
21. Where there is a lump sum drawdown activity, does the amount drawn include only those funds disbursed (or transferred to a reserve account) by financial institutions for assistance provided to the ultimate beneficiary?			Appendix

Multi-Unit Housing Activities	Yes	No	Notes/Comment
1. For each multi-unit housing activity, have the total number of units and the number occupied at the start of the activity been reported?	❖		Appendix; p, 54-55
2. For multi-unit housing activities meeting the low/mod housing national objective, have the following been reported. (<i>This information does not print on the report – must go into IDIS view activity module to verify this information.</i>)	❖		
a. Number of units occupied by low/mod income persons at the start of the activity?	❖		
b. Total number of units to be occupied by low/mod income persons at completion?	❖		
c. Percentage of units to be occupied by low/mod income persons?	❖		
3. Has the maximum amount of CDBG funds to be credited for low/mod benefit been identified in the accomplishment field for each multi-unit housing activity?	❖		Appendix
4. Have the previous low/mod credit and the low/mod credit for this reporting period been provided for each multi-unit housing activity, as appropriate?	❖		Appendix
5. Have the total cost and total CDBG share of that cost been reported in the accomplishment field?	❖		Appendix
Economic Development Activities			
1. For economic development to for-profit businesses, does the activity description, accomplishment section, or narrative identify the form of assistance?	❖		Appendix-No Economic Development activities during PY07.
2. If the assistance is in the form of a loan, have the interest rate and repayment period been shown? (<i>This information does not print on the report – must go into IDIS view activity module to verify this information.</i>)	n/a		
3. For low/mod job creation and retention activities, have the number of permanent full-time and part-time jobs to be held by or made available to low/mod persons been provided? (<i>This information does not print on the report – must go into IDIS view activity module to verify this information.</i>)	n/a		

4. If jobs were made available to low- or moderate-income persons but were not taken by them, does the CAPER provide: <i>(should be included as a narrative unless its in the accomplishment section).</i>	n/a			
a. Narrative of actions taken by the grantee and businesses to ensure first consideration was or will be given to low/mod persons.	n/a			
b. Listing by job title of all the permanent jobs created/retained and those that were made available to low/mod persons.	n/a			
Overall Benefit				
1. Did the grantee meet the overall low/mod income benefit test? <i>(See financial summary or FA review for this information.)</i>	n/a			
2. If no, or if the grantee did not use CDBG funds exclusively for the three national objectives (excluding planning/admin), is a narrative provided that addresses how the use of funds did not address national objectives and how future activities might change as a result of the current experience?	n/a			
HUD-Approved Neighborhood Revitalization Strategy				
Does the CAPER report progress against benchmarks established for the program year? (For EZ/ECs, reports that are required as part of the EZ/EC process shall suffice for purposes of reporting annual progress on neighborhood revitalization strategy areas.)			Narrative N/a	

HOPWA

	Yes	No	Reporting Method	Notes/Comments
1. Does the CAPER include an overview of activities carried out, barriers encountered, actions in response to barriers, and recommendations for program improvement?			Narrative	N/A, Do not receive HOPWA funds
2. If grantees use project sponsors, does the CAPER address how grant management oversight of sponsor activities was undertaken, including how recipients of such assistance were chosen and what services were provided?				
3. Does the CAPER include information on what other resources were used in conjunction with HOPWA-funded activities, including cash resources and in-kind contributions?				
4. Does the CAPER indicate how activities were carried out in collaboration with related programs, including consultations or coordination of planning with clients, advocates, and entities that administer programs under the Ryan White CARE Act, AIDS Drug Assistance Programs, Continuum of Care Homeless Assistance Programs, or other efforts that assist persons living with HIV/AIDS and their families?				

ESG

	Yes	No	Reporting Method	Notes/Comments
1. Does the CAPER include a description of the sources and amounts of funds used to meet the match requirements of the ESG program.	❖		Narrative	Appendix C
2. For each year of funds expended during the program year, was the amount expended for essential services within the 30 percent cap?			C04PR19 and C04PR20 (only if grantee separated activities by eligible category.	
3. For each year of funds expended during the program year, was the amount expended for homeless prevention services within the 30 percent cap?			Otherwise, supplemental	
4. For each year of funds expended during the program year, was the amount expended for administration within the 5 percent cap?			narrative.)	
5. Were each year's grant funds expended within the 24-month time period?				

Public Participation

	Yes	No	Reporting Method	Notes/Comments
1. Did the jurisdiction make the CAPER available to the public for examination and comment for a period of at least 15 days?	❖		Narrative	p. 59
2. Did the performance report provided to citizens identify all federal funds made available for furthering objectives of the Consolidated Plan?	❖			p. 21-26
3. Did the grantee provide the following information in the performance report:	❖			p. 21-26
a. Total amount of funds available (including estimated program income) for each formula grant program.	❖			p. 26
b. Total amount of funds committed during the reporting period.	❖			p. 23-27
c. Total amount expended during the reporting period.	❖			p. 23-27
d. Identify the geographic distribution and location of expenditures.	❖			Appendix; Maps
4. Did the grantee provide the public with a summary of community accomplishments for each priority need designated in the strategic plan?	❖			p. 13-22

Consolidated Plan Annual Progress

Program Years 2003 through 2007

Table 3. Consolidated Plan Goals Summary of Progress

PRIORITY	OBJECTIVE	CUMULATIVE ACCOMPLISHMENTS THROUGH PY07	GOAL	PERCENT COMPLETE
Housing				
	OWNERS			
H	Objective 1: Homeownership -To provide 800 individuals and families with the opportunity for homeownership by February 29, 2008, thus improving quality of life and supplying decent housing. This objective will be accomplished through financial assistance to prospective homebuyers. Financial assistance includes, but is not limited to downpayment and closing cost assistance. Programs providing Downpayment and Closing Cost services should provide a minimum of \$10,000 in downpayment and closing costs per eligible program participant. Harris County places a high priority on projects servicing seniors, the disabled, and persons with HIV/AIDS.	Provided homeownership assistance to 754 low/moderate income individuals and families.	800	94%
M	Objective 2: New Construction -To provide financial assistance to aid in the construction of 80 affordable housing units within the Harris County service area by February 29, 2008 for the purpose of supplying decent housing for low- and moderate income owner occupied households. Harris County places a high priority on projects servicing seniors, the disabled, and persons with HIV/AIDS.	Provided new construction of 9 affordable housing units.	80	11%
H	Objective 3: Single Unit Major Rehabilitation -To provide financial assistance to aid in the major rehabilitation of 50 single family housing units within the Harris County service area by February 29, 2008 for the purpose of supplying decent housing for low- and moderate-income owner occupied households. Harris County places a high priority on projects servicing seniors, the disabled, and persons with HIV/AIDS.	Provided rehabilitation to 12 units.	50	24%
H	Objective 4: Minor Home Rehabilitation -To provide 100 low- and moderate-income homeowners with minor home repair	Provided minor repair to 76 units.	100	76%

PRIORITY	OBJECTIVE	CUMULATIVE ACCOMPLISHMENTS THROUGH PY07	GOAL	PERCENT COMPLETE
	assistance for the purpose of supplying decent housing for low- and moderate-income households. Minor home repair assistance includes but is not limited to rehabilitation of septic systems and water wells. Harris County places a high priority on projects servicing seniors, the disabled, and persons with HIV/AIDS. (CDBG funds use only and involves repairs that cost less than \$10,000 per house)			
M	Objective 5: Lead Based Paint Abatement- To assist in the abatement of lead based paint hazards in 140 owner-occupied, single-family housing units by February 29, 2008 for the purpose of providing safe and decent housing for low- and moderate-income households.	Provided financial assistance to aid in the abatement and rehabilitation of 188 single family housing units.	140	134%
	RENTERS			
H	Objective 6: New Construction- To provide financial assistance to aid in the construction of 300 affordable multi-family housing units within the Harris County service area by February 29, 2008 for the purpose of supplying decent housing to low- and moderate-income renter households. Harris County places a high priority on projects servicing seniors, the disabled, and persons with HIV/AIDS.	Provided new construction of 217 affordable housing units.	300	72%
M	Objective 7: Acquisition of Multi-Family Housing- To provide assistance to acquire 100 multi-family, affordable housing units in the Harris County service area by February 29, 2008 for the purpose of supplying decent housing to low- and moderate-income renter households. (If acquiring and rehabilitating units use code 14G)	Acquired 184 units.	100	184%
M	Objective 8: Rehabilitation, Multi-Unit- To provide financial assistance to aid in the rehabilitation of 15 multi-family, affordable housing units in the Harris County service area by February 29, 2008 for the purpose of supplying decent housing to low- and moderate-income renter households.	Rehabilitated 26 multi-family housing units.	41	63%

PRIORITY	OBJECTIVE	CUMULATIVE ACCOMPLISHMENTS THROUGH PY07	GOAL	PERCENT COMPLETE
H	Objective 9: Rental Assistance- To provide tenant based rental assistance to 200 extremely low- and low-income Harris County families and individuals, by February 29, 2008 for the purpose of supplying decent housing for low- and moderate income renter households.	No progress to date.	200	0%
H	Objective 10: Lead Based Paint Abatement- To assist in the abatement of lead based paint hazards in 20 renter-occupied, single-family housing units by February 29, 2008 for the purpose of providing safe, decent housing for low- and moderate-income renter households.	Abated 17 lead contaminated housing units occupied by low-income persons.	20	85%
Homeless				
H	Objective 1: Essential Services- To provide 2,500 units of outreach, assessment and other essential services for homeless persons and families to improve their overall quality of life and assist in moving them to self-sufficiency by February 29, 2008. Essential services include but are not limited to counseling, case management, food and clothing distribution, job training and placement, life skills training, child care, health care, transportation, emergency dental care, education, housing placement and substance abuse treatment.	Served 3,859 homeless persons.	2,500	154%
H	Objective 2: Homeless Prevention- To provide outreach and homeless prevention services to 500 persons and families at risk of homelessness by February 29, 2008 for the purpose of promoting the sustenance of decent housing for the low- and moderate-income population. Homeless prevention services include but are not limited to emergency housing and utility assistance, security deposits, mediation and legal assistance, case management and counseling.	Served 402 persons.	500	80%
H	Objective 3: Emergency and Transitional Shelters- To maintain and expand operations and support renovations and rehabilitation of structures to provide shelter for 1,300 homeless persons within new and existing emergency and transitional shelters by February 29, 2008 for the purpose of providing decent housing for the homeless population.	Served 15,277 homeless persons.	1,300	1,175%

PRIORITY	OBJECTIVE	CUMULATIVE ACCOMPLISHMENTS THROUGH PY07	GOAL	PERCENT COMPLETE
Public Facilities				
H	Objective 1: General Public Facilities- Provide improvements and/or construction of 10 neighborhood or social service facilities benefiting low- and moderate-income areas by February 29, 2008 for the purpose of improving the quality of life of 20,000 residents of low- and moderate-income communities by promoting the availability of public facilities to the meet unmet neighborhood needs. Neighborhood facilities include but are not limited to community centers, multi-purpose centers, and arts and crafts facilities. Social Service Facilities are structures, which provide space for the purpose of providing a needed service to low- and moderate-income persons such as group homes, libraries, and healthcare faculties.	13 facilities completed serving 58,317 persons.	10	130%
H	Objective 2: Senior Centers- Provide improvements to 6 senior center facilities located throughout the Harris County service area by February 29, 2008 for the purpose of improving the quality of life of 6,000 elderly individuals by promoting the availability of facilities to serve unmet needs. Senior centers are facilities that exclusively provide space for services to persons aged 65 years and older.	2 facilities completed.	6	33%
H	Objective 3: Youth Centers- Provide improvements to 2 youth centers located in the Harris County service area by February 29, 2008 for the purpose of improving the quality of life of 1,000 youth by promoting the availability of facilities to serve unmet needs. Youth centers are facilities that primarily provide space for services to persons aged 18 years and younger.	No progress to date.	2	0%

PRIORITY	OBJECTIVE	CUMULATIVE ACCOMPLISHMENTS THROUGH PY07	GOAL	PERCENT COMPLETE
M	Objective 4: Parks -Provide improvements to and/or construction of 10 parks/recreational facilities benefiting low- and moderate-income areas by February 29, 2008 for the purpose of improving the quality of life of 5,000 residents of low- and moderate-income communities by promoting the availability of green space and playground areas to serve recreational and leisure needs.	12 parks completed.	7	157%
H	Objective 5-Fire Stations -Assist in the acquisition of property, construction and/or provide improvements to one fire station benefiting low- and moderate-income areas in the Harris County service area by February 29, 2008 for the purpose of improving the quality of life and sense of safety of 1,000 residents of low- and moderate-income communities by promoting the availability of adequate fire safety facilities.	No progress to date.	1	0%
M	Objective 6: Removal of Architectural Barriers -Provide improvements to 3 facilities and structures to removal barriers for handicap accessibility in the Harris County service area by February 29, 2008 for the purpose of improving the quality of life of 1,000 disabled persons.	No progress to date.	3	0%
Economic Development				
H	Objective 1: Direct Financial Assistance to For-Profits -To provide direct financial assistance to for-profit businesses by February 29, 2008, for the purpose of creating/retaining 25 jobs with at least 51% reserved for low and moderate income persons thus expanding economic opportunity and improving the quality of life for unemployed and underemployed individuals.	No progress to date.	25	0%
H	Objective 2: Microenterprise Assistance -To provide financial and technical assistance and training to enable 50 low and moderate-income persons the opportunity for entrepreneurship by February 29, 2008. Training and assistance to include but not limited to business counseling and micro-loan availability.	No progress to date.	50	0%

PRIORITY	OBJECTIVE	CUMULATIVE ACCOMPLISHMENTS THROUGH PY07	GOAL	PERCENT COMPLETE
M	Objective 3: Technical Assistance -To assist 3 businesses in expanding, maintaining, and improving operations by providing financial and/or technical assistance for the purpose of retaining and creating jobs particularly jobs for low- and moderate-income persons thus expanding the economic opportunity and improving the quality of life for unemployed and underemployed individuals. Technical assistance includes, but is not limited to, marketing, referrals, workshops, small business training and counseling, and competitive business planning.	No progress to date.	3	0%
M	Objective 4: Brownfields -To providing direct financial to 1 public entities, education institutions, community development corporations and/or Brownfield site owners for the purpose of cleaning up and reusing Brownfield, thus reducing potential health problems, potential spreading of contamination and creating employment opportunities for Harris County low- to moderate-income communities.	No progress to date.	1	0%
Infrastructure				
H	Objective 1: Street Improvements -Construct and improve 30,000 feet of roadways benefiting low-income areas of the Harris County service area by February 29, 2008 for the purpose of improving the living environment and quality of life of 15,000 low- and moderate-income persons.	Served 6,800 persons.	15,000	45%
H	Objective 2: Water/Sewer Improvements -Provide improvements to 90,000 square feet of water/sewer lines and 3 water/sewer facilities benefiting low- and moderate-income areas within the Harris County service area by February 29, 2008, for the purpose of improving the living environment and quality of life of 20,000 low- and moderate-income persons. Improvements may include, but are not limited to sewage treatment facilities, rehabilitation of manholes, rehabilitation of water storage tanks, and construction and maintenance of lift and pump stations.	Served 162,786 persons.	20,000	814%
H	Objective 3: Sidewalks/Pathways -Construct and improve 3 miles of sidewalks/pathways benefiting low and moderate-income areas within the Harris County service area by February 29, 2008, for the purpose of improving the living environment and	No progress to date.	5,000	0%

PRIORITY	OBJECTIVE	CUMULATIVE ACCOMPLISHMENTS THROUGH PY07	GOAL	PERCENT COMPLETE
	improving the quality of life for 5,000 low- and moderate-income persons.			
H	Objective 4: Flood drain improvements -Construct and improve 1,000 feet of flood drains/3 projects benefiting low and moderate-income areas of the Harris County service area by February 29, 2008 for the purpose of improving the living environment and quality of life of 1,000 low- and moderate-income persons.	Completed 1 project serving 1,200 persons.	3 projects /1,000	33%
Public Services				
H	Objective 1: General Services -To provide general public services to 15,000 low and moderate persons to increase quality of life and general well-being for individuals and families throughout the HCCSD service area. Services include but are not limited to food and clothing distribution, housing counseling, and neighborhood clean up.	3,919 persons served.	15,000	26%
H	Objective 2: Senior Services (Special Needs Population) -To provide senior services to 2,450 elderly and frail elderly persons to enable them to increase or maintain quality of life and promote physical, mental, and social well-being. Senior services include but are not limited to food and clothing distribution, housing counseling, transportation services, enrichment classes, exercise and recreation programs, healthcare/medication assistance, <i>emergency</i> dental care and services for Alzheimer's disease patients and their families.	3,218 seniors served.	2,450	131%
H	Objective 3: Youth Services -To provide youth services for 12,000 low- and moderate-income persons, 5-19 years of age, for the purpose of enriching, protecting, and improving quality of life by February 29, 2008 . Youth services include but are not limited to counseling, after-school programs, sports and recreational programs, education and tutoring programs, life skills building, self-esteem building, drug and alcohol education, youth retreats, mentor programs, summer youth programs, and job and career counseling.	14,022 youth served.	12,000	117%

PRIORITY	OBJECTIVE	CUMULATIVE ACCOMPLISHMENTS THROUGH PY07	GOAL	PERCENT COMPLETE
H	Objective 4: Health Services -To provide health prevention, services, and outreach to 7,500 low and moderate income persons to increase the mental, physical, and social well-being of the individual and family by February 29, 2008. Health prevention, services, and outreach include but are not limited to immunization, health clinic service, mobile care, vision care, dental care, nutrition counseling, tele-medicine, after hours care, physical rehabilitation, and health education and awareness.	5,301 persons served.	7,500	71%
H	Objective 5: Services to Persons with Disabilities (Special Needs Population) -To provide services to 450 disabled adults to enable them to increase or maintain their quality of life and promote physical, mental, and social well-being. Services to the disabled include but are not limited to counseling, housing placement, food and clothing distribution, transportation services, enrichment classes, exercise and recreation programs, job training and placement and independent living skills training.	187 persons served	450	42%
M	Objective 6: Transportation Services -To promote transportation services to 500 low and moderate-income persons by February 29, 2008 to increase mobility to access essential service, facilities, jobs and employment centers thus improving the quality of life.	631 persons served	500	126%
H	Objective 7: Services for Persons with HIV/AIDS (Special Needs Population) -To provide services to 300 persons with HIV/AIDS and their families to increase or maintain their quality of life and promote physical, mental, and social well-being by February 29, 2008. Services to persons with HIV/AIDS include but are not limited to counseling, education, housing placement, referral and outreach, health services, transportation services, food and clothing distribution, independent living skills training, job training and placement and awareness.	No progress to date.	300	0%
H	Objective 8: Abused and Neglected Children -To provide services to 1,500 abused and neglected children by July 31, 2012 for the purpose of enabling a secure and stable environment thus increasing quality of life. Services include but are not limited to advocacy, counseling, childcare, and protection.	1,630 children served.	1,500	109%

PRIORITY	OBJECTIVE	CUMULATIVE ACCOMPLISHMENTS THROUGH PY07	GOAL	PERCENT COMPLETE
M	Objective 9: Child Care Services- To provide child care services to 100 low- and moderate-income persons to enable families to find safe, secure, and enriching environments for children, while allowing parents the ability to access education, job search, job training and placement services and employment by February 29, 2008. Childcare services include but are not limited to childcare referral and information, and provision of childcare.	51 persons served	100	51%
M	Objective 10: Crime Awareness and Juvenile Justice- To assist and provide 1,000 low- and moderate income youth and their families with crime awareness, prevention and juvenile justice programs by February 29, 2008. Services in this objective include, but are not limited to juvenile justice, delinquency and gang prevention services, crime awareness activities, in areas at particular high risk of crime to hinder potential criminal activity and increase safety awareness thus improving the quality of life. Crime awareness, prevention, and juvenile justice programs includes, but is not limited to police storefronts, safety and self-defense workshops, crime watch programs, equipment, and security guards.	No progress to date.	1,000	0%
Other				
H	Objective 1: Clearance and Demolition- To eliminate 100 dilapidated and/or unsafe structures located in low and moderate-income areas in an effort to improve integrity of Harris County neighborhoods by February 29, 2008.	106 houses demolished.	100	106%
M	Objective 2: Nonprofit Technical Assistance- To provide assistance to 6 non-profit organizations, including assistance to Community Housing Development Organizations (CHDOs) and Community Based Development Organizations (CBDOs), to build capacity to support revitalization activities in low and moderate-income communities. Assistance includes but is not limited to technical assistance, referral services, and providing research and information services.	Assisted 2 organization with CHDO operating funds and technical assistance to 9 CDCs.	6	183%

PRIORITY	OBJECTIVE	CUMULATIVE ACCOMPLISHMENTS THROUGH PY07	GOAL	PERCENT COMPLETE
H	<p>Objective 3: Planning-To support, encourage and facilitate countywide service planning and local community planning activities through the Harris County service area for the purpose of preparing for the future and ensuring stabilization and needed expansion of services and facilities through February 29, 2008. Local planning activities to provide neighborhood level plan for 5 low- and moderate-income target areas by developing and conducting a planning process, supporting research and analyses, and providing technical assistance. Four plans to be submitted to the U.S Department of Housing and Urban Development as Neighborhood Revitalization Strategies (NRS) by February 29, 2008.</p>	<p>7 communities served.</p> <p>Airline Aldine (update) Barrett Station (update) Cloverleaf Kohrville Linus McNair</p>	5	140%

Summary of Resources and Accomplishments

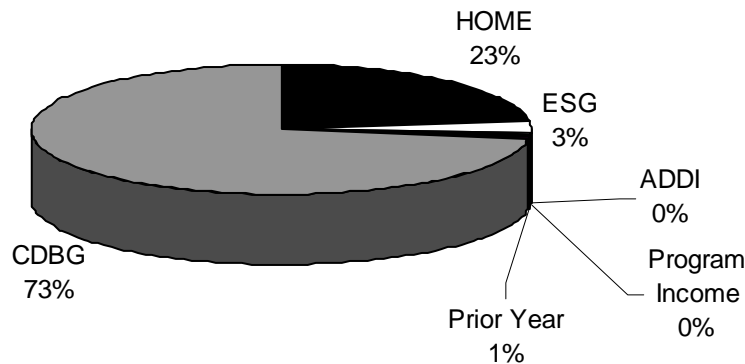
Resources Available

In recent years, Harris County, as a whole, has expanded its funding base beyond a reliance on federal HUD entitlement funds. The increase in funding sources is largely a result of the county's continued commitment to expanding its role in community revitalization. Projects and partnerships funded through Harris County programs often include substantial public and private funds leveraged to maximize success. Other Harris County departments have actively sought over 200 Federal, state, and local grants to improve the quality of life in the county. In addition, other outside agencies throughout the county offer services to low-income communities and in many cases complement the county's HUD entitlement programs' efforts.

Federal Entitlement Resources

For PY07, Harris County received funds through four of the five major formula grants issued by HUD: Community Development Block Grant (CDBG), Emergency Shelter Grant (ESG), American Dream Downpayment Initiative (ADDI), and the HOME Investment Partnerships Act. The City of Houston's Department of Housing and Community Development was responsible for the administration of Harris County's Housing Opportunities for Persons with AIDS (HOPWA) allocation. In total, Harris County received \$32,680,527.37 in CDBG, HOME, ADDI, and ESG funds for PY 2007.

Chart 1. PY 2007 HUD Entitlement and Program Income Funds



Other Resources, Federal and Non-federal

Housing Choice Voucher Program

The Harris County Housing Authority-Housing Choice Section 8 Rental Assistance program provides rent subsidies for very low-income individuals and families, as well as, persons who are elderly or disabled to maintain their rents at affordable levels. The program offers the freedom of choice to recipients so that they may find housing units suitable to their needs. The Harris County Housing Authority expended \$13 million (excluding administrative and operational funds) in housing assistance payments for PY07. During PY07, the program provided approximately 1,800 individuals and families monthly rental subsidy payments.

Continuum of Care

Harris County, in conjunction with the Coalition for the Homeless of Houston/Harris County and the City of Houston, developed Harris County's Continuum of Care program, a network of comprehensive housing and services for the homeless in Harris County. The Continuum of Care creates a pathway enabling homeless individuals and/or families to access emergency shelter; move into transitional housing; receive supportive services; and find permanent supportive housing or live independently in market housing.

In PY07, the Continuum received \$19,783,107 to assist homeless families and persons through the Supportive Housing, Shelter Plus Care Programs, and Single Room Occupancy. Grants were allocated to 22 applicants and 63 programs that provided: literacy/education training, preventive health care, transportation, supportive service for drug-dependent individuals, transitional housing and supportive services for homeless HIV infected women and their children, transitional housing and supportive services to battered women and their children, and permanent housing for homeless persons with disabilities and their families. Harris County administered grants to six agencies. Those agencies performed 17 projects with an award of \$3,970,200.

Lead Based Paint

Harris County, through the Harris County Public Health and Environmental Services Department (HCPHES), has been addressing the lead-based paint issue since 1992. Services for lead-based paint hazard control include: public education and outreach, screening and identification of lead-based paint hazards by HCPHES, lead inspection and specifications for abatement by a lead-based paint testing service, hiring of a certified contractor, relocation of the family by HCPHES, abatement by the certified contractor, and clearance by the inspector.

Harris County Public Health and Environmental Services received a *Lead Hazard Control Grant* in the amount of \$2,127,810.00 for the Healthy Homes Program to reduce lead-based paint hazards in 160 units in Harris County.

Other Federal Funds

Disaster Housing Assistance Program (DHAP). DHAP is a result of an interagency agreement between HUD and FEMA. It replaces the existing FEMA rental-subsidy program. It is designed to move Katrina/Rita evacuees that were affected by the Hurricane that are currently receiving rental assistance toward self-sufficiency and permanent housing. The DHAP program has expended \$300,000.00 in case management.

Reliant Care Funds was established in 2002 to provide utility assistance payment for Reliant Energy customers experiencing extreme hardships, such as loss of income, job, illness or home emergency repair. The CARE program received \$431,437.75 and has expended all of the funds.

Reliant Settlement Funds were made possible from a rate case settlement with Center Point Energy. HCSS received \$1,311,781.00 to assist Reliant customers who experience severe financial hardship with their electric bill. HCSS has expended \$51,752.30.

Emergency Food and Shelter Program (EFSP) was established to provide utility assistance to Hurricane Katrina and Rita evacuees that are now Harris County residents and not receiving FEMA assistance. Harris County received \$583,909.00 in grant funds and served 3,023 residents.

State Funds

Low Income Housing Tax Credits. Low Income Housing Tax Credits (LIHTC) provide a financial incentive to developers to build affordable rental units for low-income families and individuals. During PY07 seven (7) developers applied for certifications of consistency with the Consolidated Plan for tax-credit applications to build 1,907 new units within the Harris County service area.

Disaster Recovery Funds. The Texas Department of Housing and Community Affairs (TDHCA) awarded \$20 million in PY 07 to provide Katrina and Rita residents that were affected by the hurricane with mental health services, medical services, substance abuse counseling, juvenile counseling and services, and counseling for disaster victims. Four organizations in Harris County were awarded:

1. Harris County Sheriff's Department was awarded \$6,707,000.00.
2. Harris County Mental Health Mental Retardation Authority (MHMRA) was awarded \$3,500,050.00.
3. Harris County Hospital District was awarded \$6,285,000.00.
4. Harris County Juvenile Probation Department was awarded \$225,686.00.
5. Harris County DHAP Transportation \$3,200,000.00.

Local Funds

Tax Increment Reinvestment Zone Funds. During PY07, Harris County utilized special tax increment reinvestment zone (TIRZ) funds earmarked for the creation of affordable housing to provide additional funding for homeless shelters and downpayment assistance. The county also partnered with the Harris County Housing Finance Corporation to increase homeownership opportunities in the county through the Downpayment Assistance Program (DAP) Plus program. This program assists the revitalization of low-income areas by supporting the creation of new homes in the community. In local funds, the county expended \$472,000.00 for affordable housing (assisting an additional 13 households).

Harris County Housing Finance Corporation (HFC). Harris County received non-federal grant funds from HFC to provide minor home repair to replace or repair septic and/or water wells. In PY 07, HFC was awarded \$150,000.00, served 8 residents, and expended \$79,596.00 for this program. An additional \$150,000.00 was allocated to the Madge Bush Transitional Housing Project to rehabilitate 14 units.

Other County Department Resources. Harris County Community Services Department represents only one of the many departments within Harris County working diligently to improve the quality of life for all Harris County residents including those low-income individuals and families within the county's service area. In fact, the vast majority of county departments, in some manner, act to improve the quality of life and enhance community revitalization in the county and work to serve families through prevention, investigation, and protective services. At the same time, they serve thousands of persons in education, health, public service, and public safety -- all priorities of the Consolidated Plan. With 5,370 road miles

and approximately 140 parks and community centers maintained by Harris County precincts, infrastructure and civic enrichment programs are always priorities.

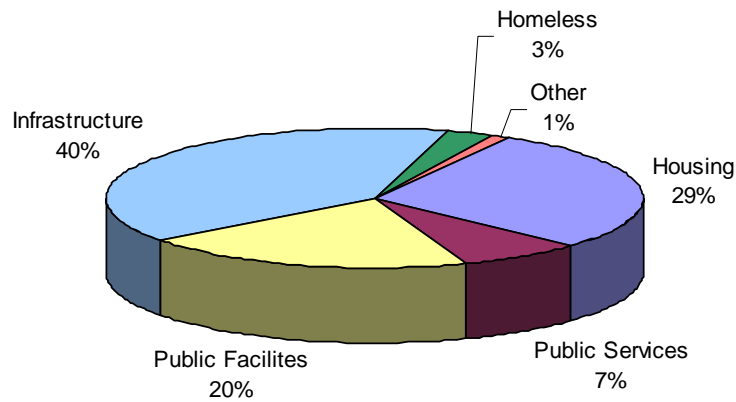
Analysis of the expenditures in the major areas of the 2003-2007 Consolidated Plan, such as housing, infrastructure, economic development, and health, indicate how the activities of other county departments complement the actions taken by Harris County HUD programs. Housing and homelessness receive little assistance from other departments, yet these concerns are well funded by Harris County HUD programs. Conversely, the Harris County Department of Health, spends a substantial amount of funds providing health services such as immunization, prenatal care, and pediatric health care thus allowing Harris County HUD programs to concentrate their resources in other areas.

Funds Authorized/Expended

Entitlement funds are authorized for expenditure following the completion of project selection and the subrecipient contract process. For this narrative, authorized funds represent 1) funds previously expended, 2) funds expended during PY07, and 3) funds yet to be expended, thus it represents the initial allocation set aside to fund projects reported in this document. Conversely, expended funds represent funds expended during PY07 only. Authorized funds for projects active during PY07 amounted to \$48,402,951. These projects expended entitlement funds amounting to \$15,155,861.47 during PY07.

Accomplishments According to Consolidated Plan Need Areas

Chart 4: PY07 Expenditure of Entitlement Funds According to Consolidated Plan Priority Area



One of the primary functions of the CAPER is to report on an entitlement community’s annual efforts to implement its Consolidated Plan. Implementation of the plan is measured through the accomplishments attained through projects and programs implemented during the program year. The following section summarizes Harris County’s PY07 efforts including accomplishments according to the needs and strategies reported in the Harris County 2003-2007 Consolidated Plan. The priority need areas stated in the Consolidated Plan include: Public Facilities and Improvements, Economic Development, Homelessness, Housing, Infrastructure, and Public Facilities and Improvements. *Chart 4. Expenditure of Entitlement Funds According to Consolidated Plan Priority Area* indicates funds expended to meet the full range of community development and housing needs.

Economic Development

Harris County did not authorize the use of CBDG funding for economic development projects during the 2007 program year. In the future, the county may participate in activities such as small business loan program and business development initiatives creating jobs for income eligible persons.

Homelessness

CDBG funding in the amount of **\$282,822.43** was authorized during PY07 for 7 projects that provided essential services and shelter exclusively for homeless persons and expended **\$172,634.13** during PY07. These programs provided services to **499** individuals and families who were homeless or “at risk” of becoming homeless. Activities funded included supportive services and emergency shelter services to the homeless. In PY07, Harris County authorized the use of **\$471,229.00** in ESG funding for **8** homelessness projects. Of these funds, **\$329,677.46** was expended during PY07 and a total of **2,316** homeless persons benefited through the ESG authorized funds.

Homeless projects addressed the following 2003 Consolidated Plan Strategies: Essential Services, Homeless Prevention, and Emergency and Transitional Shelters.

Housing

Harris County continued to advance the availability of decent, safe and affordable housing through **36** HOME and CDBG housing projects (some projects received both types of funding). Harris County authorized the use of **\$6,949,715.09** for **16** housing projects in PY07 CDBG funding; **\$1,136,171.48** was expended during the program year, and a total of **100** households benefited.

During PY07, Harris County authorized **\$20,964,089.61** in HOME funds for **17** housing projects. Of these HOME funds, **\$2,859,677.02** was expended and **122** households benefited or housing units were created. Harris County authorized **\$134,510.00** and expended **\$107,255.00** in ADDI funds for **11** first-time homebuyers.

In local funds, the county expended \$472,000.00 for affordable housing assisting an additional 13 households, and \$79,596.00 for minor home repair assisting 8 residents.

Program purposes included programs providing downpayment and closing costs assistance, acquisition of rental units, and owner occupied housing rehabilitation services. Housing-related activities addressed the following 2003 Consolidated Plan Housing Strategies: Homeownership, Single Unit Rehabilitation, Lead Based Paint Abatement, and Acquisition.

Public Facilities and Improvements

In PY07, Harris County authorized the use of **\$10,543,195.03** in CDBG funds for **22** public facilities and **\$16,110,302.94** for **33** infrastructure improvement projects. Activities funded included Community centers, parks, road improvement projects, water supply and sewer system improvements and storm drainage improvements and flood abatement. Harris County expended **\$2,219,080.60** in CDBG funds for public facilities and **\$3,762,046.17** for infrastructure. Total person served was 59,416 persons served in Public Facilities and 90,230 persons served in Infrastructure and 19 projects completed (7 public facilities and 12 infrastructure projects).

Public Facilities and Infrastructure activities addressed 2003 Consolidated Plan Strategies General Facilities, Senior Facilities, Parks, Street Improvements, Water and Sewer Improvements, and Construction of Facilities.

Other

During PY07, Harris County authorized the use of **\$289,621.62** in CDBG funds for **2** activities to address community development needs in the areas of clearance and demolition and expended **\$138,336.83**. In PY07, **18** abandoned and unsafe units were demolished. The aforementioned projects addressed 2003 Consolidated Plan Strategies of Clearance and Demolition.

Public Services

Harris County authorized the use of **\$2,998,609.31** in CDBG funds for **45** public service projects in PY07. A total of **\$1,496,415.98** was expended during PY07, and **5,609** low-income persons (5,966 persons in all income levels) benefited. Each of these projects addressed community development needs in the areas of youth, health, transportation, abused and neglected children, and crime awareness.

PY07 public service activities addressed 2003 Consolidated Plan Strategies General services, Youth Services, Health Services, Services for the Disabled, Child Care, Senior Services, Services for Abused and Neglected Children, and Employment Training.

Affordable Housing Accomplishments

Furthering affordable housing encompasses one of the primary purposes of HUD and is therefore a major component in reporting and evaluating performance. This section summarizes Harris County’s efforts to further affordable housing during PY07. These achievements utilized CDBG, ADDI and HOME funds to promote the availability of affordable housing and increase the amount of decent, safe housing stock. The following tables and charts identify the number of beneficiaries (persons, households, and housing units) by income and ethnicity. It also identifies the type and number of projects funded and the amount of entitlement funds expended during PY07. It should also be noted that the county expended local funding to support affordable housing. In local funds, the county expended \$472,000.00 for affordable housing assisting an additional 13 households, and \$79,596.00 for minor home repair assisting 8 residents.

Table 5. Summary of Affordable Housing Accomplishments

Activity (HUD Matrix Code)	Number of Projects	Total Served PY07	HOME Assisted Owners	ADDI Assisted Owners	CDBG Assisted Owners	HOME Assisted Renters	CDBG Assisted Renters	Amount Authorized	Expended in PY07
Direct Homeownership Assistance (13)	12	118	101	11	6	0	0	\$11,713,183.13	\$1,525,005.08
Construction of Housing (12)	11	21	0	0	0	21	0	\$12,178,631.48	\$1,539,670.46
Rehabilitation-Single Unit Residential (14A)	9	31	0	0	31	0	0	\$1,342,092.95	\$314,154.30
Lead-Based/Lead Hazard Test/Abate (14I)	3	37	0	0	37	0	0	\$2,693,848.00	\$694,273.66
Rehabilitation of Multi-Residential (14B)	1	26	0	0	0	0	26	\$301,000.00	\$30,000.00
Total Served	37	233	101	11	74	21	26	\$28,228,755.56	\$4,103,103.50

Note: Categories contain past year projects making final draws.

Chart 5. Affordable Housing Accomplishments: Persons Assisted According to Race/Ethnicity

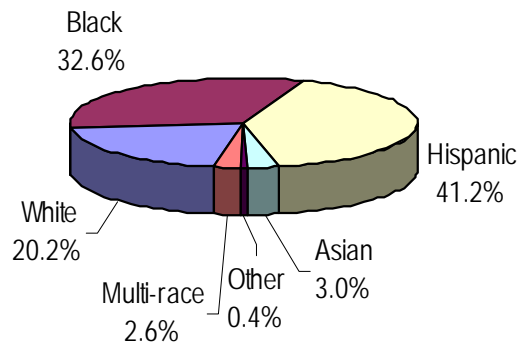


Table 6. Housing Accomplishments According to Income

Priority Need Category	Units
Owners : (186 households)	
Extremely Low (0-30% MFI)	30
Very Low (30-60% MFI)	45
Low (60-80% MFI)	111
Renters: (47 households)	
Extremely Low (0-30% MFI)	31
Very Low (30-60% MFI)	16
Low (60-80% MFI)	0
Total	233

MFI: Median Family Income, See Table 1. P5 2007 Low and Moderate Income Limits

Table 7. Housing Accomplishments According to Race/Ethnicity

Housing by Race/Ethnicity	
Hispanic	96
Non Hispanic	137
<i>White</i> <i>47</i>	
<i>Black</i> <i>76</i>	
<i>Asian</i> <i>7</i>	
<i>Other</i> <i>1</i>	
<i>Multi-race</i> <i>6</i>	
Total	233

Table 8: Priority Housing Needs/Investment Plan Goals

Priority Need	5-Yr. Goal Plan	2003 Goal Act	2004 Goal Act	2005 Goal Act	2006 Goal Act	2007 Goal Act	Total 2003-2007
Renters							
0 - 30 of MFI	157	-	65	64	41	31	358
31 - 60% of MFI	90	31	87	9	79	16	312
61 - 80% of MFI	103	11	32	-	0	0	146

Priority Need	5-Yr. Goal Plan	2003 Goal Act	2004 Goal Act	2005 Goal Act	2006 Goal Act	2007 Goal Act	Total 2003-2007
Owners							
0 - 30 of MFI	100	11	5	24	15	30	175
31 - 60 of MFI	415	79	95	70	57	45	753
61 - 80% of MFI	505	124	154	38	102	111	1026
Homeless							
Individuals and Families	1,800	1,101	3,535	3,573	3,712	2,316	16,037
Non-Homeless Special Needs							
Elderly	200	20	116	7	12	5	360
Frail Elderly	-	-	-	-	-	-	
Severe Mental Illness	-	-	-	-	-	-	
Physical Disability	100	15	13	17	9	2	156
Developmental Disability	-	-	-	-	-	-	
Alcohol/Drug Abuse	-	-	-	-	-	-	
HIV/AIDS	5	-	-	-	-	-	5
Total (Non-Homeless Special Needs)	305	35	129	24	21	7	521

CDBG Specific Accomplishments

CDBG funds, which comprise the majority of Harris County entitlement funds reported in this document, were established to provide specific eligible services and other activities specifically for improving the quality of life for low-income persons. This section of the CAPER is dedicated to summarizing CDBG program accomplishments in eight non-housing community development areas of eligible activities: public service, public facilities, infrastructure, crime awareness, special needs groups, workforce development, and area benefit projects. CDBG public service and crime awareness projects primarily benefited low-income limited clientele. Special needs programs primarily benefited those persons, who are elderly, disabled, are infected with HIV/AIDS, and/or have a substance abuse problem. Public facilities and infrastructure projects primarily consisted of the construction and renovation of public buildings that served a majority low-income area or a low-income limited clientele and public works improvements located within low-income areas. This section concludes with a description of the accomplishments of area benefit projects that benefited all persons residing in a particular geography.

Public Services

Table 9. Public Service Projects Accomplishments Table

Priority Need Category/Matrix Code	Projects Funded	Amount Authorized	Amount Expended	Total Assisted
Senior Services (05A)	7	\$368,731.43	\$187,059.68	945
Service for the Disabled (05B)	1	\$31,228.30	\$0.00	0
Youth Services (05D)	26	\$1,468,954.30	\$703,158.32	2734
Transportation (05E)	2	\$428,836.00	\$307,333.00	228
Employment Training (05H)	6	\$118,997.42	\$0.00	0
Health Services (05M)	3	\$256,294.69	\$125,659.99	1499
Abused and Neglected Children (05N)	3	\$272,205.00	\$173,204.99	560
Subsistence Payments (05Q)	1	\$53,362.17	\$0.00	0
Total	49	\$2,998,609.31	\$1,496,415.98	5,966

Note: 1) Several projects remain open pending final draws.
 2) Homeless projects were reported under Public Services (05) category are discussed on page 33.

Chart 6: Public Services Expenditures by Project Type

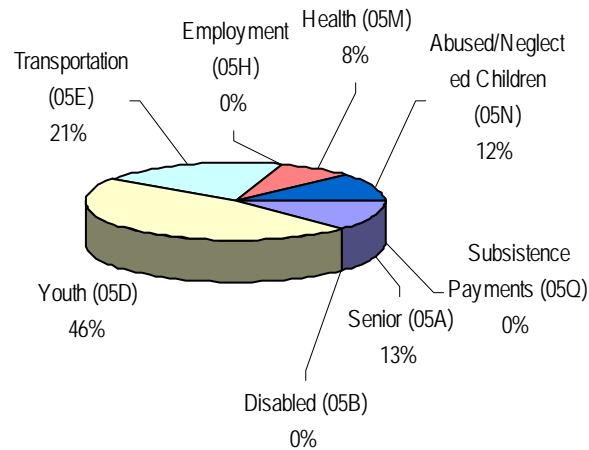
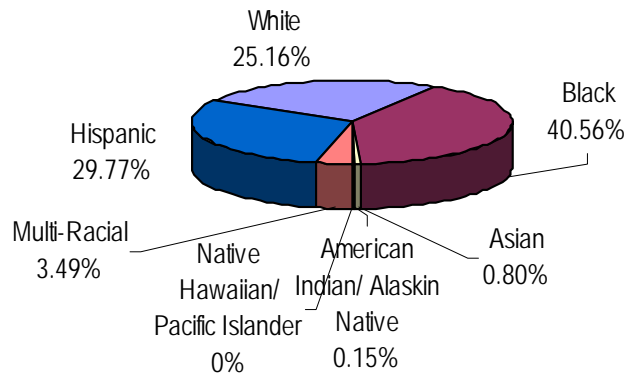


Chart 7: Public Services Activities Persons Served by Race/Ethnicity



Public Facilities/ Infrastructure

Table 10. Summary of Accomplishments for Public Facilities

Priority Need Category/Matrix Code	Projects Funded	Projects Completed	Persons Served	Amount Authorized	Amount Expended
General (03)/(03E)	8	5	46,594	\$5,719,086.48	\$1,004,323.51
Senior Centers (03A)	2	0	0	\$710,000.00	\$100,712.00
Homeless Facilities (03C)	5	1	24	\$2,651,072.55	\$329,131.01
Parks, Recreational Facilities (03F)	7	1	12,798	\$1,463,036.00	\$784,914.08
Total	22	7	59,416	\$10,543,195.03	\$2,219,080.60

Chart 8: Public Facilities Expenditures by Project Type

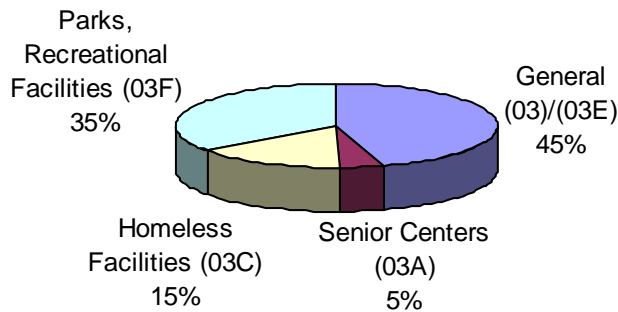


Table 11. Summary of Accomplishments for Infrastructure

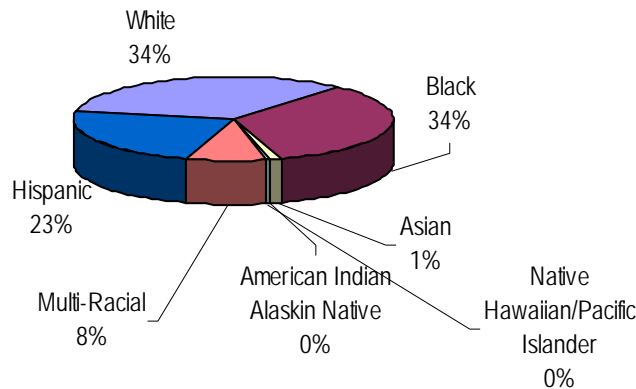
Priority Need Category/Matrix Code	Projects Funded	Projects Completed	Persons Served	Amount Authorized	Amount Expended
Flood Drainage Improvements (03I)	2	0	0	\$958,439.00	\$288,063.13
Water /Sewer Improvements (03J)	26	10	89,687	\$13,950,739.81	\$3,387,615.89
Street Improvements (03K)	4	2	543	\$1,201,124.13	\$86,367.15
Total	33	12	90,230	\$16,110,302.94	\$3,762,046.17

Water and sewer improvement projects accounted for 90 percent of infrastructure improvement projects expenditures. Street improvements were 2.3 percent and drainage 7.7 percent of infrastructure projects expenditures.

Housing and Homelessness

As seen in Table 5, CDBG funds (authorized \$6,949,715.09 and expended \$1,136,171.48) were used to serve 100 households in Harris County housing projects. The areas of service included homeownership, minor home repair and lead-based paint abatement. The county authorized \$282,822.43 and expended \$172,634.13 in CDBG funding in 7 projects and served 499 persons with homeless services in PY07. Note that homeless services were reported under the matrix code 05 General Services and 03T Operating Costs of Homeless programs.

Chart 9: Homeless Activities Persons Served by Race/Ethnicity



Other

In PY07, Harris County funded two projects through the HCPHES to conduct clearance and demolition of abandoned residential property in the service area. The county authorized \$289,621.62 and expended \$138,336.83 in CDBG funds and demolished of 18 units.

Table 12. Summary of Accomplishments for Other

Priority Need Category/Matrix Code	Projects Funded	Projects Completed	Units Served	Amount Authorized	Amount Expended
Clearance and Demolition (04)	2	1	18	\$289,621.62	\$138,336.83
Planning (021A)	0	0	0	\$0.00	\$0.00
Total	2	1	18	\$289,621.62	\$138,336.83

Area Benefit Projects

Table 13. Summary of Accomplishments for Low Income Area Benefit Projects

Project Type	LMA Projects Funded	Projects Completed	Persons Served	Amount Authorized	Amount Expended	Low Income Percent
General (03)/(03E)	8	5	46,594	\$5,719,086.48	\$1,004,323.51	63.0%
Parks, Recreational Facilities (03F)	7	1	12,798	\$1,463,036.00	\$784,914.08	57.2%
Flood Drainage (03I)	2	0	0	\$958,439.00	\$288,063.13	74.9%
Water /Sewer Improvements (03J)	26	10	89,687	\$13,950,739.81	\$3,387,615.89	65.4%
Street Improvements (03K)	4	2	543	\$1,201,124.13	\$86,367.15	63.5%
Total	46	7	149,622	\$25,761,156.94	\$1,807,089.55	64.8%

ESG Specific Accomplishments

During PY07, Harris County expended \$654,043.26 ESG dollars in assisting 2,316 homeless persons with shelter and supportive services (ESG administration expenses were an additional \$23,690.00).

Chart 10. ESG Activities Persons Served by Race/Ethnicity

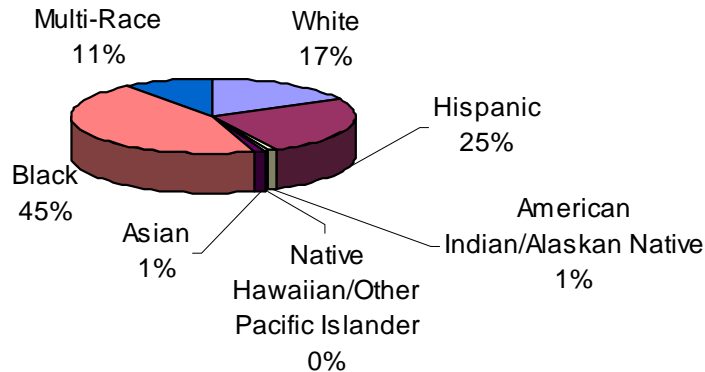


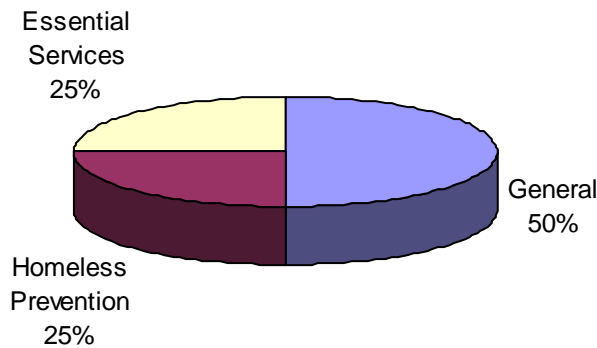
Table 14. ESG Project Accomplishments

Year	Local ID	Project Title	Services Provided	Total Persons Served in PY07	Total Authorized	Expended in PY07
2002						
	2002-0071	Bread of Life Renovation Project	Shelter Renovation/Rehab	0	\$297,297.99	0
			2002 Total		\$297,297.99	0
2003						
	2003-0057	Star of Hope Mission Transitional Living Center Rehabilitation	Shelter Renovation/Rehab	0	\$207,965.30	\$206,965.30§
			2003 Total		\$207,965.30	\$206,965.30
2004						
	2004-0057	Services for the Emergency Aid and Resource Center for the Homeless (SEARCH) – Resource Center	General Shelter Operations/Essential Services	0	\$71,657.42	\$14,368.22§
			2004 Total		\$71,657.42	\$14,368.22
2006						
	2006-0043	The Bridge Over Troubled Waters- Harris County Emergency Shelter Grant Program	Emergency Shelter	0	\$58,485.02	\$13,023.78§
	2006-0044	Houston Area Women’s Center – Essential Services for Homeless/Battered Women and Children	Mentoring and Intake Operations/Client Mentoring/Client Intake	0	\$92,227.33	\$24,020.30§
	2006-0045	Star of Hope Women & Family Shelter	Emergency Shelter	0	\$86,800.00	\$22,866.66§
	2006-0046	New Horizon Family Center ESG Grant	Operations/Essential Services	0	\$58,669.97	\$4,462.48§
	2006-0047	Catholic Charities of the Diocese of Galveston	Emergency Rental, Mortgage, Utility/Case Assessment	0	\$38,810.09	\$7,824.49§
	2006-0048	Catholic Charities of the Diocese of Galveston – Villa Guadalupe Transitional Housing Facility	General Operations/Operations and Personnel	0	\$20,000.00	\$3,302.38§
	2006-0049	Northwest Assistance Ministries Assistance Program	Emergency Rental, Mortgage, Utility/Case Assessment	0	\$83,039.69	\$27,532.19§
			2006 Total		\$438,032.10	\$103,032.28
2007						
	2007-0040	Catholic Charities of the Diocese of Galveston – Family Assistance Program	Emergency Rental, Mortgage, Utility/Case Assessment	38	\$39,975.00	\$30,961.87
	2007-0041	Catholic Charities of the Diocese of Galveston – Villa Guadalupe Transitional Housing Facility	General Operations/Operations and Personnel	44	\$25,522.00	\$19,019.93
	2007-0042	Houston Area Women’s Center – Essential Services for Homeless/Battered Women and Children	Mentoring and Intake Operations/Client Mentoring/Client Intake	664	\$107,816.00	\$70,812.88
	2007-0043	Northwest Assistance Ministries Assistance Program	Emergency Rental, Mortgage, Utility/Case Assessment	64	\$100,000.00	\$82,426.89
	2007-0044	Star of Hope Men’s Development Center Utilities	General Shelter Operations	859	\$68,952.00	\$40,742.47

2007-0045	The Bridge Over Troubled Waters- Harris County Emergency Shelter Grant Program	Emergency Shelter	240	\$52,500.00	\$37,636.35
2007-050	The Door Battered Women's Shelter Roof Replacement	Shelter Renovation/Rehab	0	\$21,777.00	\$0.00
2007-051	New Horizons Center	Operations/Essential Services	407	\$54,687.00	\$48,077.07
2007 Totals			2,316	\$471,229.00	\$329,677.46

Notes: § Final draws are in process.

Chart 11: Distribution of ESG Funds by Consolidated Plan Priorities



ADDI Specific Accomplishments

For PY07, ADDI activities expended \$107,255.00 and assisted 11 low-income households with first-time homebuyer downpayment assistance.

Table 15. ADDI Project Accomplishments

Matrix Code	Year	Project Title	Status	Households Assisted PY 07	Total Authorized	Expended in PY07
13	2006-0053	Mortgage Assistance Program-ADDI	Underway	4	\$67,255.00	\$47,255.00
13	2007-0047	Mortgage Assistance Program-ADDI	Underway	7	\$67,255.00	\$60,000.00
TOTAL				11	\$134,510.00	\$107,255.00

HOME Specific Accomplishments

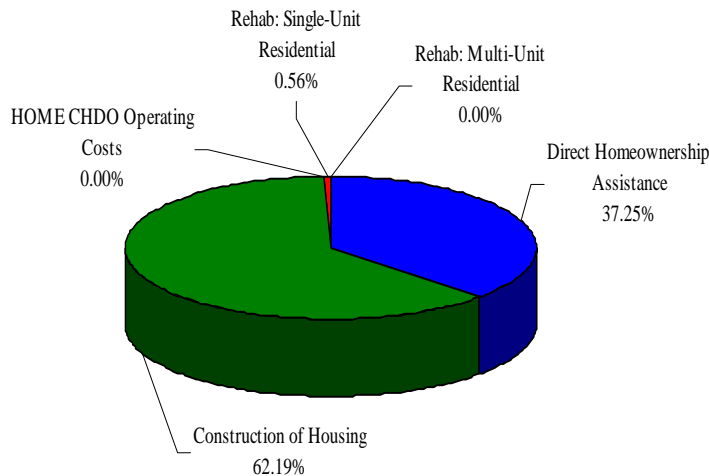
For PY07, HOME activities expended \$2,859,677.02 assisted 122 low-income households with housing related services.

Table 16. HOME Project Accomplishments

Matrix Code	PID	Project Title	Status	Households Assisted PY 07	Total Authorized	Expended in PY07
12	1998-0077	Tejano Center Housing Program	COMP	0	\$756,243.48	0
12	2002-0084	HCHA Cornerstone Village	COMP	0	\$1,400,000.00	0
12	2004-0046	Bayou Housing Partners-La Porte	UNWY	0	\$173,000.00	\$46,325.48
12	2004-0054	Village at Louetta	COMP	0	\$1,809,204.00	0
12	2004-0055	HCHA Primrose at Bammel	COMP	20	\$1,799,634.00	0
12	2004-0056	HCHA Baybrook Park Retirement	COMP	1	\$720,000.00	0
12	2005-0017	HCHA Waterside Court	UNWY	0	\$1,985,000.00	467,699.98
12	2005-0058	HCHA Olive Grove/Magnolia Estates	UNWY	0	\$790,000.00	\$668,760.00
12	2006-0050	City of LaPorte Northside Neighborhood	UNWY	0	\$457,300.00	\$79,105.00
12	2006-0054	HCHA HomeTowne at Tomball	UNWY	0	\$1,233,250.00	\$277,780.00
13	2002-0046	La Porte-Downpayment Program	UNWY	0	\$339,404.35	0
13	2002-0083	Mortgage Assistance Program	UNWY	0	\$2,572,500.00	0
13	2003-0006	Mortgage Assistance Program	COMP	0	\$1,500,000.00	0
13	2004-0047	DownPayment Assistance Program	UNWY	0	\$1,962,421.47	0
13	2005-0018	HC Down Payment Assistance Program	COMP	70	\$1,521,655.33	\$967,840.17
13	2006-0051	HC Down Payment Assistance Program	COMP	31	\$406,724.98	\$352,166.39
13	2007-0046	Harris County Downpayment Assistance Program	UNWY	0	\$1,537,752.00	0
TOTAL				122	\$20,964,089.61	\$2,859,677.02

Note: Several older projects are making final draws in PY07.
 Table does not include PY07 HOME/ADDI Administration Expenditures of \$346,531.00.

Chart 12: Distribution of HOME Funds Expenditure by Consolidated Plan Priorities



Assessment of Performance (HUD Required Narratives)

Fair Housing

Harris County completed the *Analysis of Impediments to Fair Housing Choice*, its study of fair housing in Harris County in 1995 and updated the analysis in 2003. It was also updated in 2008 with the next consolidated plan. This plan was developed through a series of collaborative initiatives involving a multi-disciplinary consortium of banking and housing organizations/agencies. A lack of affordable housing was identified as a major impediment to fair housing. A detailed description below of the impediments identified in the study and recommended strategies.

Impediment: Overt Discrimination

Overt discrimination is the impediment that most often denies fair housing opportunities. Persons who are lower income or of minority status are often discriminated against through racial steering, denial of apartment showings, and higher rental charges.

Impediment: Financing

Banks and mortgage institutions fail to participate in the provision of housing opportunities for lower income groups and minorities.

Impediment: Insurance Discrimination

Insurance companies may compound the problem of discriminatory lending practices by denying loans based on the age of housing stock in the neighborhood, appraisal value, the condition of the housing stock and the frequency of crime in the area. These factors disproportionately affect lower income homebuyers.

Impediment: Community Pressure

Community attitudes about the presence of housing for lower income persons reduce the availability of affordable housing opportunities.

Public Policy Issues

Public policy issues impacting housing costs include: 1) fees assessed by water and sewer service districts serving subdivisions in the unincorporated area, 2) various complex land-use regulations and strict building codes of cooperative cities, and private sector deed restrictions utilized by a number of subdivisions place an undue burden on extremely low-, low-income households.

Strategies

1. Aggressively enforce and enhance existing fair housing laws.
2. Eliminate discriminatory lending.
3. Eliminate barriers to affordable housing development.
4. Encourage educational activities which promote awareness about fair housing and individuals rights to fair housing choice.

5. Encourage assistance to families.

Actions

HCCSD sought to increase public awareness of Fair Housing in PY07 by participating in community fairs, circulating flyers at public meetings, and updating community development corporations on Fair Housing rights. In addition, HUD's Fair Housing guide is distributed to all new DAP participants and is available to the public along with HUD's Housing Discrimination Complaint Form. During the program year, HCCSD allocated funds to the creation of new affordable multi-family units in partnership with the Harris County Housing Authority. HCCSD also continued to maintain the Housing Resource Center (HRC), which is a clearinghouse of housing related information and links in Harris County. During Hurricanes Katrina and Rita, the HRC's website and staff provided and continues to provide valuable information on shelters, refugee resources, and permanent housing in the area.

Assessment

Harris County HUD entitlement programs furthers fair housing through the allocation of dollars to support the construction of affordable housing units, by assisting low-income homebuyers with downpayment costs, and through the rehabilitation of owner and renter-occupied low-income housing units. The support of such projects not only serves to encourage access to affordable housing, but also furthers fair housing by increasing housing options for this segment of the population. Harris County also continues to be the housing information clearinghouse for all county residents through the nationally recognized Housing Resource Center. The center reaches out to all cultures and life situations including but not limited to the elderly, low-income families, and female-head of households. Though these actions are limited, they indicate Harris County's recognition of the need for action and its ability to respond to fair housing issues.

Affordable Housing

Barriers to Affordable Housing

When compared to similar counties, housing in Harris County is relatively affordable. However, for a number of reasons, many low-income persons still cannot find quality, affordable housing to meet their needs. For the most part, this is the result of market-driven economics in the Harris County area and national housing trends. For a number of years, builders have utilized existing subdivided, improved land left vacant as a result of the economic bust of the 1980s. As a result, developers have been able to provide new homes at a lower rate, with some homes affordable for middle-income and even low-income households. During this program year, the national housing market a significant correction (decline) in housing values. Harris County's housing market, however, saw little decline in housing values and continues to grow, such land is becoming scarce. At the same time, 30-year mortgage rates still remain very low.

In addition to the rising cost of land in Harris County, many low-income potential homebuyers lack the downpayment to purchase a house, thus presenting another barrier to obtaining affordable housing. In fact, the lack of downpayment funds has been cited as a major barrier for first-time homebuyers. The majority of homes that are affordable for very low- and low-income households are substandard or inappropriate for that

particular household. Additionally, the percentage of units with potential lead-based-paint contamination is extremely high in the service area. In 2000 (last official census), approximately 30 percent of the homes in Harris County were classified as substandard; three percent were dilapidated and 7.1 percent of homes were vacant.

For some households, an affordable housing unit may not be an appropriate unit. Most housing, regardless of affordability, is not appropriate for disabled persons. Depending upon the disabilities involved, rehabilitation of a home into a barrier-free environment can be relatively expensive. Even newly constructed housing often fails to address the needs of disabled persons. Many seniors, particularly the frail elderly, are faced with a similar dilemma. Large families are often forced into an overcrowded environment because smaller units are more affordable and much more readily available.

If public policy plays a role in creating barriers to the development of affordable housing, its role is relatively small. State policy impacts affordable housing only in its regulation of water districts. The state allows three types of water districts: fresh water supply districts (FWSD), water control and improvement districts (WCID), and municipal utility districts (MUD). These districts provide financing for water and sewer improvements through bonds. Most of the water and sewer services for residential subdivisions in unincorporated Harris County are provided by water districts. Payment of fees assessed by the local FWSD, WCID or MUDs can significantly impact the housing cost burden very low-, and low-income families.

Harris County, like all Texas counties, has no regulatory powers over area land use. As a result, there are no zoning ordinances to control and plan housing development. Only minimal building codes are in effect in the unincorporated area of the county. In the absence of county land-use policies, most subdivisions have developed complex systems of deed restrictions, ranging from allowable land uses to required upkeep. While a home in a subdivision may initially be affordable, a homeowner's ability to maintain a home according to the specifications of the homeowner's association and local deed restrictions may keep extremely low- and low-income families from finding affordable housing. Many subdivisions with homes that are affordable and available to extremely low- and low-income households have permitted local deed restrictions to lapse or become invalid, often as a result of the inability to meet the legal fees necessary to enforce the private restrictions.

Each of the 34 incorporated cities, towns and villages have the legal authority to regulate land use within their boundaries. However, the extent to which land-use regulations are maintained and enforced varies considerably among those communities. Regulations requiring large residential lots, a minimum building footprint, a minimum landscaping footprint, extensive setbacks or other aesthetic requirements may increase housing costs beyond a range that is affordable to extremely low-, very low- and low-income households.

Public policy issues impacting housing cost-burden include fees assessed by water and sewer service districts serving subdivisions in the unincorporated area. Additionally, each of the cooperative cities in the service area has various land-use regulations, which may impact the cost and/or availability of area housing. Finally, private sector deed

restrictions utilized by a number of subdivisions may place an undue burden on very low- and low-income households.

Strategies to be utilized by Harris County in overcoming the barriers identified above include the following:

Strategy One. To promote and support affordable housing opportunities throughout the service area, including downpayment assistance programs, new construction, minor home repair, and rehabilitation of affordable housing units for the purpose of increasing the availability of housing to the very-low and low-income persons.

Strategy Two. Expand the Harris County Housing Resource Center to be an information clearinghouse for those interested in the search of affordable housing initiatives in the service area.

Strategy Three. Promote the development of collaborations and partnerships of both non-profit and for-profit builders, developers, and other interested parties for the purpose of increasing the capacity for the development of affordable housing in the service area.

Strategy Four. Promote and assist in the development of applications for additional funds for the use in development of affordable housing in the service area, including Low-Income Housing Tax Credits and Homeownership Zones.

Strategy Five. Promote and provide technical assistance for the review and revision of land-use regulations in cooperative cities that may present an obstacle in the development of affordable housing.

Actions

Harris County has continually moved to promote the availability of affordable housing for its lower-income residents. The county is fully aware that homeownership is an essential factor for neighborhood stabilization. The summary below reflects the actions taken to eliminate barriers to, encourage, and support the development of affordable housing by this Department from March 1, 2007 to February 28, 2008.

Harris County expended \$4,103,103.50 in CDBG/HOME/ADDI entitlement funds to further affordable housing throughout the county. Direct homeownership assistance, new construction housing, rehabilitation, and Lead-based paint abatement were provided to 233 low-income households. In local funds, the county expended \$472,000.00 for affordable housing assisting an additional 13 households, and \$79,596.00 for minor home repair assisting 8 residents. Detailed information regarding the progress in meeting the County's affordable housing goals is found in the Summary of Affordable Housing Accomplishments in this report.

- Harris County continued the Community Housing Development Organization (CHDO) Certification Program this year. The CHDO Certification Program enables communities to develop a full range of services and opportunities for citizens in need of housing. The program provides operating expense grants and project-specific

pre-development loan assistance to certified Harris County CHDOs. Recertification is required each year or before allocation of new program year funds for a proposed CHDO project.

During PY07, several organizations inquired about and received CHDO Certification Program qualifications and guidelines. However, two organizations submitted an application and received CHDO certification. Four CHDO's applied for recertification during PY07.

- The Harris County Housing Resource Center also provided additional information and referral service to affordable housing in the county. The information provided includes rental housing, homeownership, homeless shelters, homebuyer counseling, and social services. The center provides services in several languages and uses a phone system and internet website to reach a large clientele.
- Harris County continued to partner with the Harris County Housing Authority to increase the county's inventory of affordable multi-family units. Currently, six multi-family complexes totaling 860 units have been developed to provide housing for seniors and families.
- Harris County continued to partner with the Harris County Housing Finance Corporation to provide direct homeownership assistance to eligible homebuyers, and encourage the creation of new housing in the target areas. This program is in addition to the CDBG, HOME, and ADDI funded DAP and is called the DAP-Plus. The program expended \$203,000.00 and assisted 14 households to acquire homes in the county's target areas.
- To support community-based organizations, HCCSD continued the Three Track program to build organizational capacity. The aim of the program is to increase the knowledge and skill base of an organization and enable them to development projects that create affordable housing for their community.

These actions are in line with the principles of action stated in the Harris County 2003 Consolidated Plan. Affordable housing for very low- and low-income persons is a high priority need for County residents. Harris County is committed to supporting affordable housing opportunities throughout the service area including the rehabilitation of existing structures.

All affordable housing actions taken during PY07 addressed three barriers to affordable housing with strategies aimed at overcoming these barriers, identified in the 2003 Consolidated Plan. The following table summarizes actions taken according to strategy addressed.

Summary of Actions Taken to Eliminate Barriers, to Encourage, and Support the Development of Affordable Housing

Strategy	Action
<p>1. To promote and support affordable housing opportunities throughout the Harris County service area, including downpayment assistance programs, new construction and rehabilitation of affordable housing units for the purpose of increasing the availability of housing to the very-low, low-income persons.</p>	<p>Harris County expended \$28,048,314.70 in CDBG/HOME/ADDI entitlement funds to further affordable housing throughout the county. Direct homeownership assistance, new construction housing, minor repair, rehabilitation, and lead-based paint abatement were provided to 233 low-income households. In local funds, the county expended \$472,000.00 for affordable housing assisting an additional 13 households, and \$79,596.00 for minor home repair assisting 8 residents.</p> <ul style="list-style-type: none"> ▪ HCCSD continued a Community Housing Development Organization (CHDO) Certification Program this fiscal year and included a Re-certification Program for organizations re-applying for HUD funds. Through CHDO status, organizations have the opportunity to attain funding heretofore not available to them, therefore overcoming the lack of capacity barrier to developing affordable housing. ▪ HCCSD continued the operation of the Three Track program to build organizational capacity. The aim of the program is to increase the knowledge and skill based of the organization to enable them to development projects that created affordable housing and increase the quality of life for their community.
<p>2. To act as a clearinghouse for affordable housing information in the county.</p>	<ul style="list-style-type: none"> ▪ The Harris County Housing Resource Center provides additional information and referral service to affordable housing in the county. The information provided includes rental housing, homeownership, homeless shelters, homebuyer counseling, and social services. The center provides services in several languages and uses a phone system and internet website to reach a large client-based. During Hurricanes Katrina and Rita, the HRC acted as a central depot of local shelters, resources, and permanent housing

Strategy	Action
	to evacuating families and local assisting organizations.
<p>3. Promote the development of collaborations and partnerships of both non-profit and for-profit builders, developers, and other interested parties for the purpose of increasing the capacity for the development of affordable housing in the Harris County service area.</p>	<ul style="list-style-type: none"> ▪ Harris County has continued collaborate with nonprofit intermediaries like the OneStar Foundation, and Local Initiatives Support Corporation (LISC) to promote coordinated training for capacity building. ▪ Harris County continues to work with non-profit and for-profit builder to increase the affordable housing stock in the county. ▪ Harris County has also partnered with the Harris County Housing Finance Corporation to provide direct homeownership assistance to eligible homebuyers. This program is in addition to the CDBG, HOME, and ADDI funded DAP.
<p>4. Promote and assist in the development of applications for additional funds for the use in development of affordable housing in the Harris County service area, including Low-Income Housing Tax Credits and Homeownership Zones.</p>	<ul style="list-style-type: none"> ▪ Harris County provided 7 Certifications of Consistency with the Harris County Consolidated Plan, which are required for applications for Low Income Housing Tax Credits and HUD 202 applications. These applications, if approved by the state and HUD, will bring 1,907 additional affordable multi-family and senior units to Harris County.
<p>5. Promote and provide technical assistance for the review and revision of land-use regulations in cooperative cities that may present an obstacle in the development of affordable housing.</p>	<ul style="list-style-type: none"> ▪ No actions taken to address this strategy in PY07.

Worst Case Housing Needs/Housing Needs for Persons With Disabilities

Worst case housing is defined as low-income renter households who pay more than half their income for rent, live in substandard housing (which includes homeless persons) or have been involuntarily displaced. Many of the households exhibiting worst case housing needs are assisted through the Harris County Housing Authority Housing Choice Voucher Program-Section 8 Assisted Housing Choice program. The Authority grants a special consideration exception to the disabled for the \$25.00 minimum rent requirement, awards higher rents to landlords who make needed modification to rental units used by disabled persons, and gives preferences to elderly/disabled persons on the waiting list. As discussed in a previous section, affordable housing is a significant problem for Harris County elderly and disabled population. During PY07, Harris County

allocated funds for the acquisition and construction of multi-family units (with an emphasis on disabled and elderly citizens) and increased the available number of housing units for these populations. The Harris County Downpayment Assistance Program (DAP) program also offers greater subsidies for disabled homebuyers. In an effort to increase public awareness of local housing services, Harris County has developed the Housing Resource Center, using Harris County general funds, to act as a clearinghouse of information to Harris County residents. Residents are encouraged to contact the 24-hour service line and interactive website for referrals to local resources.

Assessment of Housing Projects Performance

- Assessment of the performance of PY07 affordable housing projects includes an explanation of projects failing to meet expectations and actions to correct these shortcomings. In addition, areas of improvement identified in the PY07 CAPER Assessment section provide a basis for an analysis of the county’s ability to address the needs identified in the Consolidated Plan, and its capacity to remove the barriers that prevent the public from reaching their goals in affordable housing.
- The county identified these projects and assigned appropriate actions and/or explanations for failing to meet expectations in the table below:

Table 17. Affordable Housing Activities Failing to Meet Service Goals

Project ID	Project Name	Service Goal	Served in PY 07	Total Served	Explanation/Action
Construction of Housing					
1999-130 (1997-0085 in IDIS) Activity #1158	Great Northwest CDC Trace Meadows	18	0	0	CSD is reviewing alternative options for meeting its goal.
2004-0046, IDIS # 2175	Bayou Housing Partners	3	0	0	Awaiting sell of homes in order to complete beneficiary information in IDIS in order to complete.
2006-0050, IDIS Activity # 2475	City of La Porte-Northside Neighborhood Project	5	0	0	For two (2) the three (3) homes, construction is completed. Anticipate all construction will be completed and sale of homes will be completed in PY 08
Rehabilitation: Single Unit Residential					
2007-029	HCPHES Lead Based Paint Abatement Program	23	16	16	16 Lead Abatement activities are completed. Awaiting final retainage request.

Project ID	Project Name	Service Goal	Served in PY 07	Total Served	Explanation/Action
2007-038	Harris County Minor Repair Program	10	3	3	Seven (7) additional home repair activities are underway.
2007-039	Harris County Health & Safety Program	6	0	0	Four (4) home repair activities are underway.

- During PY 2005, HCCSD continued to concentrate its housing rehabilitation and repair efforts on housing units which HUD deemed as unacceptable workmanship by two previous Harris County subrecipients. As a result of the focus on HUD's required corrective actions, in PY 2006 and 2007 performance in new rehabilitation and repair activities utilizing federal funds has had a slow start. The county expects that in PY2008, activity will increase and completion data from PY 2006 and 2007 will be reported.
- Harris County has achieved great success in its stated objective of expanding the opportunities for homeownership. The county has made a concerted effort to expand opportunities for homeownership for its target population with the creation of the HCCSD Downpayment Assistance Program (DAP) serving 118 households with entitlement funds homeownership services. It has taken steps to assist the underserved populations such as those of limited income, disabled, and the elderly. To this end, DAP provides a special category of homeownership funding to allow disabled citizens to acquire affordable housing. ADDI funds were once again added to the county's available resources as well as a partnership between Harris County and the Harris County Housing Finance Corporation for the DAP-Plus program. The DAP-Plus program assisted 13 households in PY07.
- Below is a listing of the HCCSD Downpayment Assistance Program's Community Outreach Efforts during PY 2007.

Activity	Number served
Conducted DAP training to loan professions	175 Loan officers/processors
Conducted or presentation to associations, conventions, housing fairs, and homeownership seminars	31 functions with total attendance of over 300 persons
Radio Presentation	Guest on KHOU – The Real Estate Corner

- In addition to the DAP program, the county has expended its services to include Housing Repair. The purpose of the program is to provide financial assistance to

- low-income elderly and/or disabled homeowners for the purpose of providing decent, safe, and sanitary housing conditions, as well as improving quality of life. The program provides assistance in the form of a grant or deferred payment loan to qualified homeowners. The program assisted 31 households in PY07. Five were elderly and 2 were disabled.
- Harris County has identified the lead-based paint problem as a priority matter for Harris County. The Harris County response was a major initiative to free homes from lead-based paint. Education and paint removal were the goals. Harris County's Lead-Based Paint Program will continue to place priority in the Lead-Based Paint Initiative and will continue to target this area for improvement during the next program year. Under HCPHES the program is able to streamline its lead screening and abatement process. The program abated 37 homes of lead contamination in PY07.
 - Harris County has identified the need to expand its efforts in nuisance abatement and rehabilitation of County housing. HCCSD has partnered with the Harris HCPHES for the last nine years to further the effort of nuisance abatement in the county. During PY07, 18 abandoned houses were cleared.
 - Harris County Housing Authority has made significant process in improving administration of the Housing Choice Voucher Program (adding more vouchers to Harris County's supply) and added to the county's short supply of affordable apartment units through the acquisition and construction of multi-family complexes.

Continuum of Care

During the reporting period, the following actions were taken to assist the homeless and those with special needs:

Actions

- In PY07, Harris County, the Coalition for the Homeless and the City of Houston (the Collaborative) were successful for the eleventh consecutive year in securing the Houston/Harris County Continuum of Care grant for additional funds to serve the homeless. The Continuum received \$19,783,107 to assist homeless families and persons through the Supportive Housing, Shelter Plus Care Programs, and Single Room Occupancy. Grants were allocated to 22 applicants and 63 programs that provided: literacy/education training, preventive health care, transportation, supportive service for drug-dependent individuals, transitional housing and supportive services for homeless HIV infected women and their children, transitional housing and supportive services to battered women and their children, and permanent housing for homeless persons with disabilities and their families. Harris County administered grants to six agencies. Those agencies performed 17 projects with an award of \$3,970,200.
- Through its entitlement funds, the county supports the operation of a number of homeless shelters. During the reporting period, Harris County HUD programs allocated approximately two million dollars in ESG and CDBG funds to area homeless organizations. Funded projects include emergency shelters, supportive services, and programs aimed at prevention of homelessness.

Assessment

- Several activities added and continued to improve the PY 2007 Continuum of Care Consolidated Grant Application process, such as the continued use of a full-time project manager, providing a budget development workshop, the provision of more technical assistance, and a review of the Consolidated Grant Application by an independent grant consultant and review team.
- To determine the overall success of Houston/Harris County's Continuum of Care system, the Collaborative should develop measurable objectives that correlate to the Gaps Analysis. At the end of each program year, the Collaborative should evaluate the outcomes. Based on those outcomes, new objectives should be established.

Other Actions

The following is a narrative discussion and assessment of planned actions, compliance with the 2003 Consolidated Plan and program requirements and other issues related to HCCSD's programmatic performance in these areas.

- **SUPERNOFA FUNDS PURSUED**-As discussed above, Harris County pursued one of the SuperNOFA Competitive grants, the Continuum of Care.
- **FEDERAL FUNDS**-In PY07, Harris County was award federal funds to increase mobility and transit opportunities in areas underserved by METRO Transit Authority. These funds will create new park-n-rides, flexible route busing, and circulator routes.

In PY07 Harris County Transit Services received \$1.7 million from the Federal Administration Grant (FTA) and \$124,000.00 from the Congestion Mitigation and Air Quality (CMAC) to develop a pilot project to provide a Park & Ride Service from Baytown to Downtown Houston and to provide taxi services for the elderly and disabled. Both services combined have transported over 14,700 passengers.

In PY07, the county received Disaster Recovery funding from the State in the amount \$20 million to continue extended services and reimburse providers, particularly in the areas of affordable and decent housing and security.

Harris County Public Health and Environmental Services received a *Lead Hazard Control Grant* in the amount of \$2,127,810.00 for the Healthy Homes Program to reduce lead-based paint hazards in 160 units in Harris County.

- **INSTITUTIONAL STRUCTURE/COORDINATION**-HCCSD continues to work with other Harris County departments, such as Public Health & Environmental Services, Public Infrastructure, Harris County Flood Control District, Library District, and Justice to maximize federal dollars and decrease gaps in service. Innovative partnerships also assist the department to efficiently expend CDBG, ESG, and HOME funding and serve many Harris County extremely low-, very low-, and low-income households. HCCSD's partners ranges from for-profit developers to grass-root community groups.

Harris County has partnered with the Harris County Housing Authority to increase the county's inventory of affordable multi-family units. Currently, six apartment

complexes have been completed. Harris County has also partnered with the Harris County Housing Finance Corporation to provide direct homeownership assistance to eligible homebuyers. This program is in addition to the CDBG, HOME, and ADDI funded DAP.

The county departments of Office of Economic Development and the Public Infrastructure Department collaborated to provide technical assistance on water and sewer projects, particularly for inspection and review. They have also partnered to conduct an assessment of needs and resources for water and sewer services in the Harris County HUD target areas.

- **CONSOLIDATED PLAN IMPLEMENTATION-** Harris County did not hinder Consolidated Plan implementation by action or willful inaction, but actively addressed strategies of the 2003 Consolidated Plan by funding projects which specifically met the needs of low-income persons. Program Year 2007 represents the fifth and final year of the 2003-2007 Consolidated Plan.

- **MEETING UNDERSERVED NEEDS**

Underserved Needs & Obstacles to Meeting Underserved Needs.

Harris County Underserved Needs include but are not limited to: Housing, Special Needs of the Non-Homeless, Homelessness, Non-Housing Community Development Needs (Public Facilities, Public Services, Infrastructure, Economic Development, Education and Workforce Development, and Public Safety). In the attempt to meet the needs of Harris County's low-income population, many obstacles exist. Personal issues such as physical or mental health problems, lack of affordable child care, bad credit, low educational attainment, and lack of transportation to service locations may regularly put opportunities out of reach for disadvantaged persons. Many times, if an individual or family has more than one of these problems, these barriers can compound on each other, causing a seemingly impossible situation in which quality of life improvements are unlikely.

Lack of public awareness of available programs is a major obstacle to community development efforts. In an effort to increase public awareness, Harris County makes information on community development services available to persons at community outreach meetings, website, RFP meetings, and professional consultation forums. In addition, all public notices, press releases, and invitation letters are complete with Harris County HUD program contact information. Public awareness is also addressed at the subrecipient level by individual Harris County HUD program affiliated service providers. Harris County has also developed a Housing Resource Center to act as a clearinghouse for information on local initiatives offering housing services.

The Harris County Housing Resource Center (HRC), a service of the Harris County Community Services Department provides a vast array of housing and related information primarily targeted to families and individuals that are experiencing housing crises or are in need of affordable housing. HRC's mission is to aide the community in finding decent, safe, and affordable housing in a manner that promotes equal opportunity and fair housing. In accomplishing this goal, the HRC is committed to serving as a viable community resource that is accessible to

everyone. They are committed to bridging the communication gap in housing information between the community and other supportive and social services organizations. Services that the HRC provides include Affordable Housing Assistance; Homeownership Assistance; Emergency Assistance; and Support Services.

In 2007, HRC made available to the public free affordable housing information. This service links property owners with those in need of quality affordable housing. Revisions were also made to the HRC website and the HRC brochure. HRC participated in a number of community outreach programs including:

- Housing Opportunities for People With Aids (HOPWA)
- Houston Center for Independent Living
- Care for Elders with Sheltering Arms
- Elder Care Network
- United Way
- Mobile Health and Education Fairs
- Voluntary Organizations Active in Disasters (VOAD)
- One Voice: basic needs committee on housing
- Community Development Organization
- Coalition for the Homeless

Another major obstacle of many non-profit service providers is capacity building, or the ability to bring the organization to the point of being fully staffed and functional. This may be very difficult for organizations that begin with little or no resources, other than Harris County HUD program funding. For this reason, organizations that wish to conduct programs or projects with HOME funds are required by HUD to have matching funds of greater than or equal to 25 percent of the amount granted by Harris County's HOME program. Similarly, organizations that are granted ESG funds must have matching funds of greater than or equal to 100 percent of the amount granted by Harris County ESG program.

Harris County continues to place high priority on meeting the underserved needs for Harris County residents. All projects funded during PY07 at least partly satisfied an existing unmet need of low-income persons. Harris County recognizes that many obstacles exist to meeting underserved needs. These obstacles include: Current funding policy, i.e. utilization of census tracts and not block groups to determine low income areas, does not favor urban counties, therefore Harris County must become innovative in securing funding for underserved Harris County residents by using income surveys. The size of the county is also an obstacle to meeting the underserved needs. Programs must offer multi-locals or require the client to travel to a central location. If the client has limited transportation options this becomes a barrier.

Harris County maintained several collaborative efforts during PY07 as innovative ways to overcome these obstacles. The CHDO certification program is an effort that Harris County continued, which supports the development of affordable housing. The county continued its partnership with the Best Practice awarded Houston/Harris County Continuum of Care collaborative. In the future, Harris

County plans to focus on projects and further collaborative building to benefit special needs populations (elderly/frail elderly, persons with disabilities, persons with alcohol/drug addiction problems, and persons with HIV/AIDS) that often face more than one barrier in obtaining affordable housing, sustaining a decent quality of life, and/or accessing economic opportunity.

- **PUBLIC HOUSING/RESIDENT INITIATIVES-** Although **no** public housing exists in the county, Harris County strived to create affordable housing in the county. The Harris County Housing Authority has developed six apartment complexes. These are tax-credit, Harris County, and Harris County Housing Authority partnership projects.
- **COMPLIANCE WITH PLANNING/PROGRAM REQUIREMENTS-** The Grants Management section of HCCSD is charged with monitoring compliance for all HUD programs administered by Harris County. HCCSD requires subrecipients to submit monthly, quarterly, and annual program and financial reports to facilitate monitoring. The Development & Direct Services section prepares the Annual Action Plan, which details the use of federal HUD entitlement funds. The Planning Section prepares the Consolidated Annual Performance and Evaluation Report (CAPER), which tracks the county's overall performance with respect to its Consolidated Plan and Annual Action Plan and evaluates the county's efforts at implementing the plans' goals and objectives.
- **PERSONS BELOW POVERTY-**The primary purpose of the Harris County HUD programs is to reduce the number of persons and families living in poverty by providing social and economic opportunities via development, housing, social services, and other activities that provide lower income persons an opportunity to improve their living standards. The primary goal of all the projects funded during PY07 was to reduce poverty and improve the quality of life for low-income persons. Harris County Community Planning is a neighborhood level initiative that seeks to assist communities to reduce poverty and revitalize their neighborhoods.
- **HARRIS COUNTY COMMUNITY PLANNING-**As part of its neighborhood level planning process, Harris County Community Services Department was actively involved in the development of the Spring Heights community revitalization plan. This plan will act as a guide map for community-based initiatives that assist disadvantaged persons within their community. In PY07, the planning process begun with public meetings and a charrette. In PY08, the plan should be complete.
- **THREE TRACK PROGRAM-** Nonprofit Education- The Three Track Program was developed to assist communities who have participated in the Harris County Community Planning program. The program provides training for the three levels of the program, start-up, immediate, and advanced non-profits. Each level assists the community to develop and strengthen a nonprofit Community Development Corporation (CDC) to serve their community. This program will allow the community and local CDCs to fully utilize their community plan and make positive change in their area.
- **CERTIFICATIONS OF CONSISTENCY-**Harris County provided certifications of consistency with the Consolidated Plan to 7 developers during PY07. Certifications were provided upon request in a fair, impartial, and timely

manner. The certifications were requested in conjunction with the application for Low Income Housing Tax Credits (LIHTC) and will develop 1,907 affordable rental housing units in the county.

Assessment

Harris County recognizes that opportunities remain for continued improvement in the organization and in the efficiency of its future performance. The following is a highlight of several promising opportunities that Harris County will be challenged within the upcoming months:

- Harris County will continue to review and expanding several policies and procedures in the areas of Site and Neighborhood Standards for multi-family and single-family developments, a citizenship policy, multi-family project concentration, and minimum acceptable standards for residential acquisition, rehabilitation, and construction of new and existing homes.
- Harris County will continue to ensure that staff receives the necessary training, particularly in HUD entitlement programs, to ascertain compliance with HUD grant rules and regulations.
- Harris County will continue to facilitate HUD Entitlement grant program trainings to local organizations, subrecipients, and interested parties.
- Harris County will continue to improve its allocation, expenditure and disbursement processes, and continue to improve the process of subrecipient oversight.
- Harris County will continue to work to improve the overall financial management system to which they have made great strides in clearing outstanding findings with HUD.

Leveraging/Match

The funding of projects active during PY07 included significant amounts of project specific match as well as leveraging. Project match is required funds and/or in-kind services provided by the subrecipient that will be matched with entitlement funding to operate a specified program or complete a specific project. Leveraging is sources of project funds (non-HUD funds) that an organization utilizes to operate the proposed project, but are not required as is the case with match. Examples of leveraging include, but are not limited to other federal and state grant awards, proceeds from fundraisers, and grants from foundations. The following list details leveraged amounts according to Consolidated Plan priority need areas reported for PY07:

- Public Service projects leveraged allocated funds with \$1,020,495.00.
- Infrastructure projects utilized \$1,048,807.00 in leveraged funds.

Other sources of leveraged funds included forgone taxes, construction materials, and bond financing. For information regarding HOME matching funds, please refer to Appendix C. For a detailed explanation of ESG matching funds, please refer to the ESG Match report on pages 59-60.

Citizen Comments

No citizen comments were received for PY 07.

Self Evaluation

Impact of activities.

Harris County continued to make major strides in promoting affordable housing and providing a suitable living environment for low-income citizens during PY07. One measure of impact is the number of persons served and projects completed. In housing, the impact of Harris County's efforts resulted in direct homeownership assistance, home repair, construction of rental housing units, and lead abatement of housing units, which assisted 166 low-income persons. Harris County's efforts in other areas produced similar positive results. Public service activities provided a variety of services to more than 5,909 low-income persons. Likewise, activities benefiting the homeless population resulted in shelter and services to more than 2,316 homeless individuals and families with ESG funds and 499 homeless individuals with CDBG funds.

Barriers to fulfilling strategies.

While successful in implementing activities that addressed priority needs outlined in the 2003 Consolidated Plan, Harris County realizes that barriers still exist to fulfilling strategies and assessing impact. One such barrier is capacity of local nonprofit organizations to initiate change and measure impact. During the Summer of PY07, HCCSD conducted HUD Entitlement training (CDBG, ESG, and HOME) and a grant writing workshop for local organizations to improve grant writing capacity. Harris County strives to improve and expand technical assistance to local nonprofits and provide on-going information.

The continuation of the CHDO certification program and the addition of the CHDO re-certification program are examples of an action taken to overcome the lack of organizational capacity for local nonprofits who work on housing related issues. HCCSD has also instituted the Three Track Program to assist participating communities in the HC Community Planning program to create and expand local CDCs and gain valuable community development training. Nonprofits are offered the opportunity to building management and financial skills.

Another barrier to fulfilling strategies is the lack of strong intergovernmental coordination on the outset of projects. During PY07, Harris County continued a working relationship with several nearby cities and other county agencies to collaborate on projects, such as water/sewer improvements and social service programs. However, there still remains a need to strengthen and foster intergovernmental, particular when projects cross multiple jurisdictional boundaries. The effect of this has been more efficient project development schedules and the cutting of "red tape."

Explanation of activities or types of activities falling behind schedule.

This section discusses projects that have been delayed and the reasons for the delay. These projects often have complex management requirements or procedures that must be addressed before funds are expended. The majority of these projects involve construction, which must be evaluated for environmental concerns. Also to be noted is that in PY05 Harris County converted its program year from August 1st to July 31st to March 1st to February 28th. To complete this process Harris County shorten its PY05

program year. In PY07, the county continued to put projects back on schedule and return to a normal business schedule.

Nuisance abatement projects require several months of research and public notice prior to demolition. If in the event, a homeowner comes forward to reclaim their property, this time is foregone and the health inspector moves on to another home. These proceedings have concluded and work has begun with 18 abatements being completed.

It is not uncommon for most construction projects to take several years to complete. At the inception of the program year, environmental reviews are conducted. The environmental review process typically takes a minimum of 3 months, but in recent months one of the review agencies has prolonged the process and another has set up new procedures requiring more examination by the county. Once the environmental review has been completed and a release of funds has been secured, project designs begin. Architectural projects in the range of \$500,000 to \$1,000,000 require a minimum of a 12-month design time. This includes time for all appropriate city, county and state reviews and permits, as well as entity approvals. Once the design is approved, the preparation of the construction documents and bidding require an additional 4 months. Bidding tabulation, construction contract approval, and receipt of a purchase order are estimated to take approximately 3 months. The actual time of construction on these projects is at least a year. If acquisition is involved, an additional 9 months must be added to the above time frame.

To assist in improved construction project management, HCCSD has encouraged developers particularly in the public facilities and infrastructure areas to apply for funds on a phase by phase basis. Many projects in PY07 were funded for phase I design or phase II construction. This has allowed HUD funds to be used more efficiently in the year they are allocated.

Are grant disbursements timely?

During PY07, Harris County completed a Timeliness Work-Out Plan and was successful in making the HUD timeliness, within the 1.5 ratio of expended funds to entitlement resources.

Do grant expenditures differ substantially from line of credit disbursements?

The procedure for the distribution of grant funds at Harris County requires that all checks written for grant expenditures be made from the general operating funds of Harris County. Expenditures are then reimbursed to Harris County from the segregated grant cash accounts. In the past the reimbursement to Harris County for the expenditures of grant funds has not been timely in all instances. HCCSD staff continues to work towards a monthly reconciliation process to ensure that the line of credit drawdowns reimburse Harris County for its grant expenditures on a timely and methodical basis.

Are major goals on target-what adjustments or improvements might meet needs more effectively?

Projects funded during this reporting period specifically addressed a need/strategy identified in the 2003 Consolidated Plan, thus allowing Harris County to remain on

target with major goals.

In the area of economic development, Harris County has been exploring opportunities and developing an Economic Development Strategic Plan. Previous administrators of HUD entitlement funds often did not adhere to HUD regulations when allocating entitlement funds as loans to local businesses. The current administrators of HUD entitlement funds in Harris County have worked diligently to overturn and clear these ineligible loan findings. HCCSD will be presenting its plan to the HUD representative for review. It is expected that in the next program years, Harris County will begin to execute its plan for economic development starting with the creation of a strategic plan in PY 2006-2007 and program development in PY08.

The county also created a Harris County Transit Plan in PY05. In PY07, the county sought and was granted Federal Transit funds to improve and expand transit opportunities in the underserved sections of the county. The funding was used to develop the Baytown Park-n-Ride, flexible routes, and circulator routes. It will also provide funding for elderly and handicap transportation programs.

Harris County has made concentrated efforts to continue improvements in terms of development of subrecipient contracts, accountability and specificity, and increased monitoring. We have taken steps to improve expenditure of funds and address slow moving projects by developing a monthly project timeliness report. We have also taken steps to enhance the RFP criteria and the review/selection process, which will increase the quality of projects and increase monitoring efficiency. Harris County will continue to assess and evaluate these processes to aid in remaining on target with planned goals. Harris County staff has been working closely with HUD representatives to reconcile HUD entitlement programs.

What is the status of Harris County’s Performance Measurement System?

During PY07, the county collected and reported on the performance outcomes of all open projects. See Appendix F for the performance measurement matrix.

Program Specific Assessment

CDBG

Assessing the Use of CDBG Funds to address Consolidated Plan Priorities

All CDBG funds expended during PY07 addressed 2003 Consolidated Plan priorities. *Table 17. PY07 CDBG Expenditures According to Consolidated Plan Priority Need Areas* details the expenditures of CDBG funds according to Consolidated Plan priority needs areas.

Table 18. PY07 CDBG Expenditures According to Consolidated Plan Priority Need Area

Area	Expenditure	Percent
Economic Development	\$0.00	0%
Homelessness	\$172,634.13	2%
Housing	\$1,136,171.48	13%
Infrastructure	\$3,762,046.17	42%

Other	\$138,336.83	2%
Public Facilities	\$2,219,080.60	25%
Public Services	\$1,496,415.98	17%

Of the total CDBG expenditures in PY07, projects in the infrastructure category made up the highest percentage of the 2007 expenditures. Public facility projects were second with 25 percent of the PY07 expenditures. Public Services projects were the third greatest expenditure.

An analysis of the use of CDBG funds to address priority needs was also conducted. A summary of this analysis is provided in *Table 18. CDBG Expenditures According to Priority Needs*. [Also, please see Table 3 (pp. 11-18) for more detail.]

Table 19. CDBG Expenditures According to Priority Needs

Priority Need Area	Expended in PY07	Priority Level
Housing	\$1,136,171.48	H
Homeless	\$172,634.13	H
Public Facility		
General Facility	\$1,004,323.51	M
Senior Centers	\$100,712.00	H
Homeless Shelters	\$329,131.01	H
Youth Centers	\$0.00	H
Parks and/or Recreational Facilities	\$784,914.08	H
Parking	\$0.00	H
Infrastructure Improvement		
Street Improvements	\$86,367.15	H
Water/Sewer Improvements	\$3,387,615.89	M
Flood Drainage Improvements	\$288,063.13	H
Public Service Needs		
Senior Services	\$187,059.68	M
Youth Services	\$703,158.32	H
Handicapped services	\$0.00	H
Health Services	\$125,659.99	M
Transportation	\$307,333.00	
Abused and Neglected Children	\$173,204.99	H
Subsistence Payments	\$0.00	M
Employment Services	\$0.00	H
Economic Development		
Direct Financial Assistance to For-Profits	\$0.00	M
Technical Assistance	\$0.00	M
Micro-Business	\$0.00	M
Other		
Clearance and Demolition	\$138,336.83	H

Priority Need Area	Expended in PY07	Priority Level
Planning	\$0.00	M
Total CDBG Amount Expended During PY07 Addressing Priority Needs:	\$8,924,685.19	

Note: Total does not include CDBG Administration expenditure.

Changes in Program Objectives

Amendments made to the 2003 Consolidated Plan Program Objectives during PY07 included the revision of policies for housing projects. As this is the fifth and final year of the 2003-2007 Consolidated Plan changes to objectives were made that reflected changes in population (Hurricane Katrina evacuated families) and community needs.

Compliance with Certifications

Harris County maintains compliance with all certification requirements outlined in the 2003 Consolidated Plan.

Use of funds not addressing National Objectives

All CDBG funds authorized and expended during PY07 were utilized in compliance with the three national objectives of the CDBG program.

Actions Taken to Minimize Displacement

Harris County undertook no activities involving permanent displacement or relocation in PY07. Our policy states "the permanent displacement of homeowners, tenants, businesses, non-profit corporations or farms is discouraged. If permanent displacement is necessary, it must comply with federal regulations."

Relocation Process must comply with the following:

- Harris County will follow the requirements of the Uniform Relocation Act (URA) or Section 104 (d) of the 1974 Community Development Act, as amended. These requirements provide for uniform, fair and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects.
- In the case of temporary and voluntary displacement, Harris County or their subrecipient will inform program participant of relocation services available. Commonly the information is distributed by flyer to homeowners or tenants, who are receiving rehabilitation services.
- If permanent displacement is necessary, homeowners, tenants, businesses, farms, or non-profits that occupy the site of the CDBG-assisted project will be identified through tax records and/or visual inspection and informed by certified letter.
- Harris County or their subrecipient will serve as liaison between program participant, contractor, landlords, movers, etc. to ensure a problem free transition. The Harris County or their subrecipient will identify and accommodate the displaced household or business when possible as to their

need or preference for a particular unit size and location. These will be determined in the in-take process for relocation services.

- Harris County or subrecipients submits necessary documentation to secure relocation payments.
- Relocation evaluation form is forwarded to program participant to evaluate the success of the relocation.
- If complaints arise Harris County program administrators, their subrecipient and the program participant will enter into informal complaint resolution
- Documenting relocation services and maintaining files on each program participant by Harris County subrecipients.

Economic Development Activities

Harris County has completed the Economic Development Plan for Harris County. This plan was completed in PY 2007.

Activities Benefiting Limited Clientele not Presumed Benefit

For activities benefiting low-income limited clientele, subrecipient organizations collected income data from primary and secondary data sources, such as check stubs, or verification of participation in public assistance programs. This information was not collected for persons defined as presumed benefit. The presumed benefit category includes homeless persons, battered or abused spouses or children, elderly persons, disabled persons, illiterate persons, or persons living with HIV/AIDS.

Program Income

During PY07, loan repayments to the Small Business Development and Revolving Loan Program, the Housing Rehabilitation Program and sale of equipment, generated program income. Harris County receipted \$167,476.39 in program income (CDBG) in PY07. For a detailed list of program income, see appendix B-Financial Summary-CDBG Loans/Program Income.

Rehabilitation Projects

During PY07, Harris County provided owner occupied housing rehabilitation for low-income homeowners. HCCSD's Housing Construction and Inspection Services (HCIS) section administered this program. The scope of the program included provision of assistance for the repair and/or installation of water wells and septic systems as well as rehabilitation services necessary to address projects that were deemed deficient by HUD. The County expended \$314,154.30 in CDBG funds and provided services to 31 low-income households. Assistance was provided in the form of grants with emphasis on elderly households and HUD designated corrective action repairs.

Neighborhood Revitalization Strategy

Harris County did not submit any Neighborhood Revitalization Strategy in PY07. HCCSD will be applying for strategy zone area designation from HUD in its next Consolidated Plan submission for Airline in PY08.

HOME

Analysis of the Distribution of HOME funds among Consolidated Plan Housing Needs

All HOME funds authorized and expended during PY07 addressed 2003 Consolidated Plan Housing priorities. Of the activities operating during the 2007 Program Year, twelve projects expended \$1,525,005.08 addressed Homeownership; eleven projects expended \$1,539,670.46 addressed New Construction Housing; no organization expended funding for Single Unit Rehabilitation (Owner-Occupied), and no organization expended funding in the CHDO Operating Costs category.

HOME Match Report

See Appendix D for the HOME match report.

Program Income

During PY07, multi-family housing development loans generated program income. The HOME program income was \$73,653.89. For a detailed list of program income, see appendix B-Financial Summary-HOME Program Income.

Affirmative Marketing

In 1992, Harris County received approval from HUD of its affirmative marketing policies and procedures for the sale or rent of housing. This policy pertains to all HUD-assisted housing containing five or more units. The policy requires that all owners of federally assisted housing affirmatively market their housing units. Harris County assesses the success of owners' affirmative marketing efforts on a quarterly and annual basis. If the efforts do not result in attracting eligible persons from all racial, ethnic and gender groups in the housing market area, Harris County determines the necessary corrective actions.

For PY07, the marketing efforts of HOME-funded projects that provided rental units were analyzed. The following table summarizes the ethnicity of tenants of HOME-assisted affordable housing units.

Table 20. PY07 HOME-Assisted Rental Units According to Ethnicity (Occupied Units Only)

Project	White	Black	Hispanic	Asian	Indian	Black/White	Other	Total
Cornerstone Village	1	32	0	1	0	0	1	35
Destiny Village	13	7	8	1	0	0	0	29
Enclave at Quail Crossing	8	2	1	0	0	0	0	11
Enclave at Copperfield	13	12	12	0	0	0	1	38
Louetta Village	29	7	5	1	0	0	3	45
Mid Towne II	2	0	2	0	0	0	0	4
Northland Woods	1	26	6	0	0	0	0	33
Northline SRO	12	9	0	0	0	0	0	21
Sprucewood Apts.	9	1	2	0	0	0	0	12

Project	White	Black	Hispanic	Asian	Indian	Black/White	Other	Total
The Bridges Apts.	9	8	98	0	1	0	0	116
Baybrook Park	12	1	2	1	0	0	0	16
Primrose at Bammel	6	32	3	1	0	0	3	45
Total	115	137	139	5	1	0	8	405

In coordination with the development of its HOME Program Description, Harris County includes a policy for outreach to minority and women-owned businesses. All contracts involving the construction of HOME assisted housing outline the policy for outreach to minority and women-owned businesses.

Harris County uses an outreach program to increase the participation of minority and women-owned businesses. The program consists of these components:

- Harris County will maintain an inventory of certified minority and women's business enterprises that includes their capabilities, services, supplies, and products.
- Harris County will develop a brochure describing contract/subcontract opportunities, and disseminate it annually to the businesses included in the inventory.
- For each major contracting opportunity (\$50,000+), a formal notice of bids will be placed in one major newspaper and a press release will be sent to the smaller newspapers.
- Harris County sponsored business opportunity-related meetings with minority and women business organizations during the year.
- Harris County will use the services and assistance of the local offices of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.
- Harris County will require prime contractors to take affirmative marketing steps.

Results of On-Site Inspections of Affordable Rental Housing

During PY07, HOME-assisted rental housing units were inspected by HQS certified inspectors. HCCSD has continued to develop an inspection plan to meet inspection responsibilities in the area of affordable rental housing. The following table summarizes the PY07 inspection results.

Table 21. PY07 Rental Housing Inspection Summary (HOME Assisted Projects Only)

Project	Date of Inspection	Results/Comment (If there is a failed inspection date of clearance included, if applicable)
Primrose at Bammel	11/16/07	
Louetta Village	10/16/07; 10/25/07	

Project	Date of Inspection	Results/Comment (If there is a failed inspection date of clearance included, if applicable)
Cornerstone Village	10/9/07; 10/16/07; 10/24/07; 11/5/07	
Baybrook Park Retirement	10/01/07; 10/16/07	
Destiny Village	3/23/07; 1/23/08; 2/6/08	
Enclave at Copperfield	11/29/07	
Enclave at Quail Crossing	9/25/07	
Northland Woods	9/5/07;	
Bridges Apartments	3/26/07; 4/16/07; 9/21/07; 9/25/07; 10/01/07; 10/04/07	Unit #1406: failed 10/01/07; passed 10/4/07
Sprucewood Apartments	11/16/07	
Mid-Towne II	11/5/07;	
SHED Northline Inn SRO	1/9/08; 1/28/08; 2/14/08; 2/27/08	All units were inspected and passed.

ESG

Analysis of the distribution of ESG Funds addressing Consolidated Plan Homelessness Priorities

All ESG funds authorized and expended during PY07 addressed 2003 Consolidated Plan Homelessness priorities [See ESG accomplishment information on p.34-36]. Of the 8 activities operating during the program year, 1 project expending \$70,812.88 addressed Essential Services. Two projects expending \$113,388.76 addressed Homeless Prevention. The remaining 4 projects expended \$145,475.82 for operations and maintenance of emergency shelters and addressed Emergency and Transitional Shelters. [Also, please see Chart 9 (pp.32) for more detail.]

Sources and Amounts of Funds Used for ESG Program Match

All matching funds for the ESG Program were provided by subrecipient nonprofit organizations. Details of the specific amounts and sources of match for the ESG program can be found in Appendix D Match Reports.

ESG Cap Analysis

The ESG program mandates spending caps in three areas of eligible activities. These caps include a 30 percent cap on essential services, a 30 percent cap on homeless prevention, and a 5 percent cap on administration. Harris County expended ESG funds within the required caps. See *Appendix E: ESG Cap Analysis* summarizing expenditures according to activity.

Citizen Participation

Harris County has always considered citizen participation to be vital to the development of successful planning and community revitalization efforts for low- and moderate-income communities.

Harris County makes certain that HUD entitlement related public meetings and newspaper ads provide citizens with information about the use of funds available for community development projects as well as the amount of funds expected to be used for activities that benefit persons of very-low and low-income. These actions ensure that low- and moderate-income persons have access to information pertaining to all HUD related community development activities.

Actions to Solicit Citizens Input

Harris County HUD entitlement programs provided several opportunities for public comment on the Consolidated Planning process during the 2007 program year. These opportunities included public hearings for the Annual Action Plan (AAP), previous year CAPER and the 2003 Consolidated Plan. Notices for opportunities for public comment were published in local newspapers prior to each event.

The public was given a 15-day review and comment period for the Harris County PY 2007 CAPER prior to its submittal to the U. S. Department of Housing and Urban Development (HUD). A legal notice was published in the *Houston Chronicle* advising the public of the CAPER's availability between May 6-20, 2008. A public hearing on the CAPER was held May 15, 2008.

Harris County is committed to citizen participation as a crucial element in promoting community-based solutions. The county continues to create new and innovative ways to gain public response to initiatives and projects for community revitalization. Despite the significant effort made by Harris County in the area of citizen participation it is anticipated that future program years will include even more opportunities for active citizen participation in the revitalization process.

Other Efforts

In addition to a broad based citizen participation effort, HCCSD annually conducts an extensive public outreach effort in the Request for Proposal (RFP) Process that is used to determine the projects to be funded with CDBG, ADDI, HOME and ESG funds. This action further ensures that the RFP process is a fair, open, and competitive process in which participation by organizations throughout the community is essential. The RFP process includes a number of opportunities for public interaction, including a proposal information workshop in which potential applicants are informed of the guidelines for the application and review process.

Appendix

A: Economic Development Attachment

B: Financial Summary

C: IDIS Reports

D: Match Reports

E: ESG Cap Analysis

F: Performance Measurement Matrix

G: Geographic Analysis

H: Public Comments

A: Economic Development Attachment

Special Economic Development Activities

March 1, 2007 through February 29, 2008

No new business development or micro-loans were made during this reporting period. For specific information regarding past business development loan payments made during this reporting period, please see the schedules entitled “List of Outstanding Loans – with PY 2007 Activity and Program Income Calculation” and “List of Outstanding CDBG Loans– with PY 2007 Activity and Returned Funds Calculation” in the Financial Summary Appendix of this document.

TECHNICAL ASSISTANCE

No economic development technical assistance activities were undertaken during the 2007 program year.

B: Financial Summary

C: IDIS Reports

D: Match Reports

E: ESG Cap Analysis

F: Performance Measurement Matrix

G: Geographic Analysis

H: Public Comments