

The City of Houston  
Department of Housing and Community Development  
Neighborhood Stabilization Program—Round Three  
Proposed Action Plan



**Housing Director: James D. Noteware**  
**601 Sawyer Street, Fourth Floor**  
**Houston, TX 77007**

**The City of Houston**  
**Housing and Community Development Department**

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## 1. NSP3 Grantee Information

NSP3 Program Administrator Contact Information	
<b>Name (Last, First)</b>	Deidre Rasheed, City of Houston, Housing and Community Development Department
<b>Email Address</b>	Deidre.Rasheed@houstonTX.gov
<b>Phone Number</b>	713-868-8429
<b>Mailing Address</b>	601 Sawyer Fourth Floor, Houston, TX77007

## 2. Areas of Greatest Need

### Map Submission

The map generated at the HUD NSP3 Mapping Tool for Preparing Action Plan website is included as Appendix A.

### Data Sources Used to Determine Areas of Greatest Need

#### Describe the data sources used to determine the areas of greatest need.

Response:

The City of Houston used as utilized to determine the area of greatest needs included the mapping tool with census track foreclosure indicators, the flood plain map, and the location of the proposed neighborhood revitalization strategy area (NRSA) within our jurisdiction.

### Determination of Areas of Greatest Need

#### Describe how the areas of greatest need were established.

Response:

Using the HUD mapping tool, we ensured that the areas of greatest need identified on the attached map had a minimum foreclosure score of 16 (State of Texas has an overall foreclosure score of 16) or above. We overlaid the flood plain map to ensure that we did not target any areas that were located in the flood plain. The target was also located within and around proposed NRSA's in our jurisdiction.

## 3. Definitions and Descriptions

### Definitions

Term	Definition
Blighted Structure	A residential or commercial building that exhibits an extensive level of physical decline or decay.
Affordable Rents	HOME program rents will for projects funded by NSP3. These are updated annually by the U.S. Department of Housing and Urban Development. HOME Program rent limits are available at <a href="http://www.hud.gov">www.hud.gov</a> .

## Descriptions

Term	Definition
Long-Term Affordability	The City of Houston has adopted the HOME Program affordability standards to meet the continued affordability standards of the Neighborhood Stabilization Program. Utilizing these standards, Houston will ensure that all NSP assisted housing remains affordable to individuals or families whose incomes do not exceed 120 percent of area median income. These standards require that rental and homeownership housing must remain affordable for 5 to 20 years, depending on the amount of NSP3 funds invested in the housing unit. Long-term affordability will be enforced through rental and deed restrictions, including resale/recapture provisions. The City shall ensure, to the maximum extent practicable and for the longest feasible term, which the redevelopment of abandoned and foreclosed upon residential properties remain affordable.
Housing Rehabilitation Standards	The City of Houston is currently using the city of Houston rehabilitation standards for single family. We are in the process of developing the multifamily standards; the final draft will be by the end of March, 2011.

## 4. Low-Income Targeting

### Low-Income Set-Aside Amount

Enter the low-income set-aside percentage in the first field. The field for total funds set aside will populate based on the percentage entered in the first field and the total NSP3 grant.

**Identify the estimated amount of funds appropriated or otherwise made available under the NSP3 to be used to provide housing for individuals or families whose incomes do not exceed 50 percent of area median income.**

Response:

Total low-income set-aside **percentage** (must be no less than 25 percent): 25.00%

Total funds set aside for low-income individuals = \$ 847,258.75

### Meeting Low-Income Target

**Provide a summary that describes the manner in which the low-income targeting goals will be met.**

Response:

The City of Houston will host two public hearing as well as the required 15 days.

## 5. Acquisition and Relocation

### Demolition or Conversion of LMI Units

Does the grantee intend to demolish or convert any low- and moderate-income dwelling units (i.e., ≤ 80% of area median income)?	Yes
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If yes, fill in the table below.

Question	Number of Units
The number of low- and moderate-income dwelling units—i.e., ≤ 80% of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.	380
The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., ≤ 120% of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion).	10
The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.	20

## 6. Public Comment

### Citizen Participation Plan

**Briefly describe how the grantee followed its citizen participation plan regarding this proposed substantial amendment or abbreviated plan.**

Response:

The City of Houston is currently planning two upcoming public hearings to inform the communal of the details of the proposed NSP plan

### Summary of Public Comments Received.

There will be a public hearing held on March 23<sup>rd</sup> to inform the public of the current plan and allow for public comments.

## 7. NSP Information by Activity

Activity Number 1	
<b>Activity Name</b>	Administration of the Grant
<b>Use</b>	Select all that apply: <input type="checkbox"/> Eligible Use A: Financing Mechanisms <input checked="" type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation <input checked="" type="checkbox"/> Eligible Use C: Land Banking <input checked="" type="checkbox"/> Eligible Use D: Demolition <input checked="" type="checkbox"/> Eligible Use E: Redevelopment
<b>CDBG Activity or Activities</b>	24 CFR 570.201 (a) Acquisition and Rehabilitation, (b), C, public facilities and improvements (i) relocation. 24 CFR 570.202 eligible rehabilitation and preservation of activities for homes and other residential properties
<b>National Objective</b>	Low Moderate Middle Income Housing (LMMH)
<b>Activity Description</b>	The City will establish a land bank through a governmental or nongovernmental nonprofit entity at least in part, to assemble, temporarily manage, and dispose of homes or residential properties that have been foreclosed upon for the purpose of

	<p>stabilizing neighborhoods and encouraging re-use or redevelopment of said properties. The land bank will operate in a specific, defined geographic area as a part of the larger NSP target area. The City may demolish a structure on a property that it will land bank.</p> <p>If the City establishes the land bank as a governmental entity, it may also maintain foreclosed property that it does not own, provided it charges the owner of the property the full cost of the service or places a lien on the property for the full cost of the service. The City will develop a reuse plan that will develop the property for housing or other acceptable NSP use within ten years.</p>								
<b>Location Description</b>	City of Houston HCDD will prioritize the expenditure of NSP 3 funds in its identified area of Greatest Need								
<b>Budget</b>	<table border="1"> <thead> <tr> <th>Source of Funding</th> <th>Dollar Amount</th> </tr> </thead> <tbody> <tr> <td>NSP3</td> <td>\$389,000</td> </tr> <tr> <td>(Other funding source)</td> <td>\$ 0</td> </tr> <tr> <td>(Other funding source)</td> <td>\$ 0</td> </tr> </tbody> </table>	Source of Funding	Dollar Amount	NSP3	\$389,000	(Other funding source)	\$ 0	(Other funding source)	\$ 0
	Source of Funding	Dollar Amount							
	NSP3	\$389,000							
	(Other funding source)	\$ 0							
(Other funding source)	\$ 0								
<b>Total Budget for Activity</b>	\$389,000.00								
<b>Performance Measures</b>	Income Group Projected 0-50%,51-80% and 81-120% AMI, and projected number of beneficiaries								

<b>Activity Number 2</b>	
<b>Activity Name</b>	24 CFR 570.201 (a) Acquisition and Rehabilitation
<b>Uses</b>	Select all that apply:
	<input type="checkbox"/> Eligible Use A: Financing Mechanisms
	<input checked="" type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation
	<input checked="" type="checkbox"/> Eligible Use C: Land Banking
	<input checked="" type="checkbox"/> Eligible Use D: Demolition
	<input checked="" type="checkbox"/> Eligible Use E: Redevelopment
<b>CDBG Activity or Activities</b>	24 CFR 570.201 (a) Acquisition and Rehabilitation, (b), C, public facilities and improvements (i) relocation. 24 CFR 570.202 eligible rehabilitation and preservation of activities for homes and other residential properties
<b>National Objective</b>	Low Moderate Middle Income Housing (LMMH)
<b>Activity Description</b>	Developers and subrecipients will acquire foreclosed and abandoned properties at a maximum of 99% of appraised value. Properties will be secured / demolished as needed for safety and blight removal. HCDD will, through an RFQ/RFP process, select qualified developers and subrecipients to perform all necessary

	<p>repairs to bring the property up to Housing Rehabilitation Standards, new construction of vacant land and resell these properties to qualified low-income buyers. These properties will be sold to income-qualified households earning less than 120% of AMI. Developers and subrecipients will be required to set aside at least 25% of their of their NSP allocation to serve households at or below the 50% AMI category. Households earning less than 50% AMI will be affirmatively sought for participation in this program. Any proceeds from sale will be returned to HCDD or retained by the developer or subrecipient, in accordance with established resale / recapture provisions and terms of the NSP agreement as developer or subrecipient.</p> <p>Homebuyers will be required to take an 8 hour training course to qualify for purchasing one of these homes.</p> <p>Use of sub-prime loans will be disallowed. In lieu of such loans, additional subsidies will be considered to assure buyers are committed to mortgages they can sustain. Home buyers may qualify for down payment assistance under HCDD's existing HAP program. Affordability periods will reflect total subsidy in place per homeowner to be determined through a subsidy layering analysis. Long term affordability will be ensured via the affordability covenants and / or second mortgage normally placed by HCDD on homes serviced via the HAP down payment assistance program.</p>	
<b>Location Description</b>	City of Houston HCDD will prioritize the expenditure of NSP 3 funds in it its identified area of Greatest Need	
<b>Budget</b>	<b>Source of Funding</b>	<b>Dollar Amount</b>
	NSP3	\$ 1,713,035
	(Other funding source)	\$0
	(Other funding source)	\$0
<b>Total Budget for Activity</b>	\$1,713,035	
<b>Performance Measures</b>	Income Group Projected 0-50%,51-80% and 81-120% AMI, and projected number of beneficiaries	
<b>Projected Start Date</b>	5/1/2011	
<b>Projected End Date</b>	5/1/2015	
<b>Responsible Organization</b>	<b>Name</b>	City of Houston
	<b>Location</b>	601 Sawyer Fourth Floor, Houston TX 77007
	<b>Administrator Contact Info</b>	Deidre Rasheed 713-868-8429 deidre.rasheed@houstonTXgov

<b>Activity Number 3</b>		
<b>Activity Name</b>	Demolition & Land Bank	
<b>Use</b>	Select all that apply: <input type="checkbox"/> Eligible Use A: Financing Mechanisms <input type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation <input checked="" type="checkbox"/> Eligible Use C: Land Banking <input checked="" type="checkbox"/> Eligible Use D: Demolition <input checked="" type="checkbox"/> Eligible Use E: Redevelopment	
<b>CDBG Activity or Activities</b>	24 CFR 570.201 (a) Acquisition and Rehabilitation, (b), C, public facilities and improvements (i) relocation. 24 CFR 570.202 eligible rehabilitation and preservation of activities for homes and other residential properties	
<b>National Objective</b>	Low Moderate Middle Income Housing (LMMH)	
<b>Activity Description</b>	<p>The City will establish a land bank through a governmental or nongovernmental nonprofit entity at least in part, to assemble, temporarily manage, and dispose of homes or residential properties that have been foreclosed upon for the purpose of stabilizing neighborhoods and encouraging re-use or redevelopment of said properties. The land bank will operate in a specific, defined geographic area as a part of the larger NSP target area. The City may demolish a structure on a property that it will land bank.</p> <p>If the City establishes the land bank as a governmental entity, it may also maintain foreclosed property that it does not own, provided it charges the owner of the property the full cost of the service or places a lien on the property for the full cost of the service. The City will develop a reuse plan that will develop the property for housing or other acceptable NSP use within ten years.</p>	
<b>Location Description</b>	City of Houston HCDD will prioritize the expenditure of NSP 3 funds in its identified area of Greatest Need	
<b>Budget</b>	<b>Source of Funding</b>	<b>Dollar Amount</b>
	NSP3	\$ 389,000
	(Other funding source)	\$0
	(Other funding source)	\$0
<b>Total Budget for Activity</b>	\$389,000	
<b>Performance Measures</b>	Number of redeveloped units	
<b>Projected Start Date</b>	5/1/2011	
<b>Projected End Date</b>	5/1/2015	
<b>Responsible Organization</b>	<b>Name</b>	Deidre Rasheed
	<b>Location</b>	City of Houston HCDD
	<b>Administrator Contact Info</b>	601 Sawyer Houston, TX 77007

Deidre.rasheed@houstonTXgov

**Activity Number 4**

<b>Activity Name</b>	Acquisition & Rehabilitation	
<b>Use</b>	Select all that apply:	
	<input type="checkbox"/>	Eligible Use A: Financing Mechanisms
	<input checked="" type="checkbox"/>	Eligible Use B: Acquisition and Rehabilitation
	<input checked="" type="checkbox"/>	Eligible Use C: Land Banking
	<input checked="" type="checkbox"/>	Eligible Use D: Demolition
	<input checked="" type="checkbox"/>	Eligible Use E: Redevelopment
<b>CDBG Activity or Activities</b>	24 CFR 570.201 (a) Acquisition and Rehabilitation, (b), C, public facilities and improvements (i) relocation. 24 CFR 570.202 eligible rehabilitation and preservation of activities for homes and other residential properties	
<b>National Objective</b>	Low Moderate Middle Income Housing (LMMH)	
<b>Activity Description</b>	Developers and subrecipients will acquire foreclosed and abandoned multi family properties at a maximum of 99% of appraised value. Properties will be secured / demolished as needed for safety and blight removal. HCDD will, through an RRF process, select qualified developers to perform all necessary repairs to bring the property up to Multifamily Rehabilitation Standards, This properties will have a minimum of 150 units and of those units some will be will be required to set aside for households with a 50% or less AMI. in accordance with the loan agreement the established resale / recapture provisions and terms of the NSP agreement as developer.	
<b>Location Description</b>	City of Houston HCDD will prioritize the expenditure of NSP 3 funds in it its identified area of Greatest Need	
<b>Budget</b>	<b>Source of Funding</b>	<b>Dollar Amount</b>
	NSP3	\$1,000,000
	(Other funding source)	\$ 0
	(Other funding source)	\$ 0
<b>Total Budget for Activity</b>	1,000,000	
<b>Performance Measures</b>	Income Group Projected 0-50%,51-80% and 81-120% AMI, and projected number of beneficiaries	
<b>Projected Start Date</b>	5/1/2011	
<b>Projected End Date</b>	5/1/2015	
<b>Responsible Organization</b>	<b>Name</b>	City of Houston Housing and Community Development Department
	<b>Location</b>	601 Sawyer, Fourth floor, Houston, TX 77007

## 8. Certifications

### Certifications for State and Entitlement Communities

(1) **Affirmatively furthering fair housing.** The jurisdiction certifies that it will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.

(2) **Anti-displacement and relocation plan.** The applicant certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan.

(3) **Anti-lobbying.** The jurisdiction must submit a certification with regard to compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.

(4) **Authority of jurisdiction.** The jurisdiction certifies that the consolidated plan or abbreviated plan, as applicable, is authorized under state and local law (as applicable) and that the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.

(5) **Consistency with plan.** The jurisdiction certifies that the housing activities to be undertaken with NSP funds are consistent with its consolidated plan or abbreviated plan, as applicable.

(6) **Acquisition and relocation.** The jurisdiction certifies that it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the notice for the NSP program published by HUD.

(7) **Section 3.** The jurisdiction certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.

(8) **Citizen participation.** The jurisdiction certifies that it is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.

(9) **Following a plan.** The jurisdiction certifies it is following a current consolidated plan (or

Comprehensive Housing Affordability Strategy) that has been approved by HUD. [Only States and entitlement jurisdictions use this certification.]

(10) **Use of funds.** The jurisdiction certifies that it will comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act and Title XII of Division A of the American Recovery and Reinvestment Act of 2009 by spending 50 percent of its grant funds within 2 years, and spending 100 percent within 3 years, of receipt of the grant.

(11) **The jurisdiction certifies:**

- a. that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income; and
- b. The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

(12) **Excessive force.** The jurisdiction certifies that it has adopted and is enforcing:

- a. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and
- b. A policy of enforcing applicable state and local laws against physically barring entrance to, or exit from, a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.

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

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

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

(16) **Vicinity hiring.** The jurisdiction certifies that it will, to the maximum extent feasible, provide for hiring of employees that reside in the vicinity of NSP3 funded projects or contract with small businesses that are owned and operated by persons residing in the vicinity of NSP3 projects.

(17) **Development of affordable rental housing.** The jurisdiction certifies that it will abide by the procedures described in its NSP3 Abbreviated Plan to create preferences for the development of affordable rental housing for properties assisted with NSP3 funds.

\_\_\_\_\_

Signature/Authorized Official

\_\_\_\_\_

Date

\_\_\_\_\_

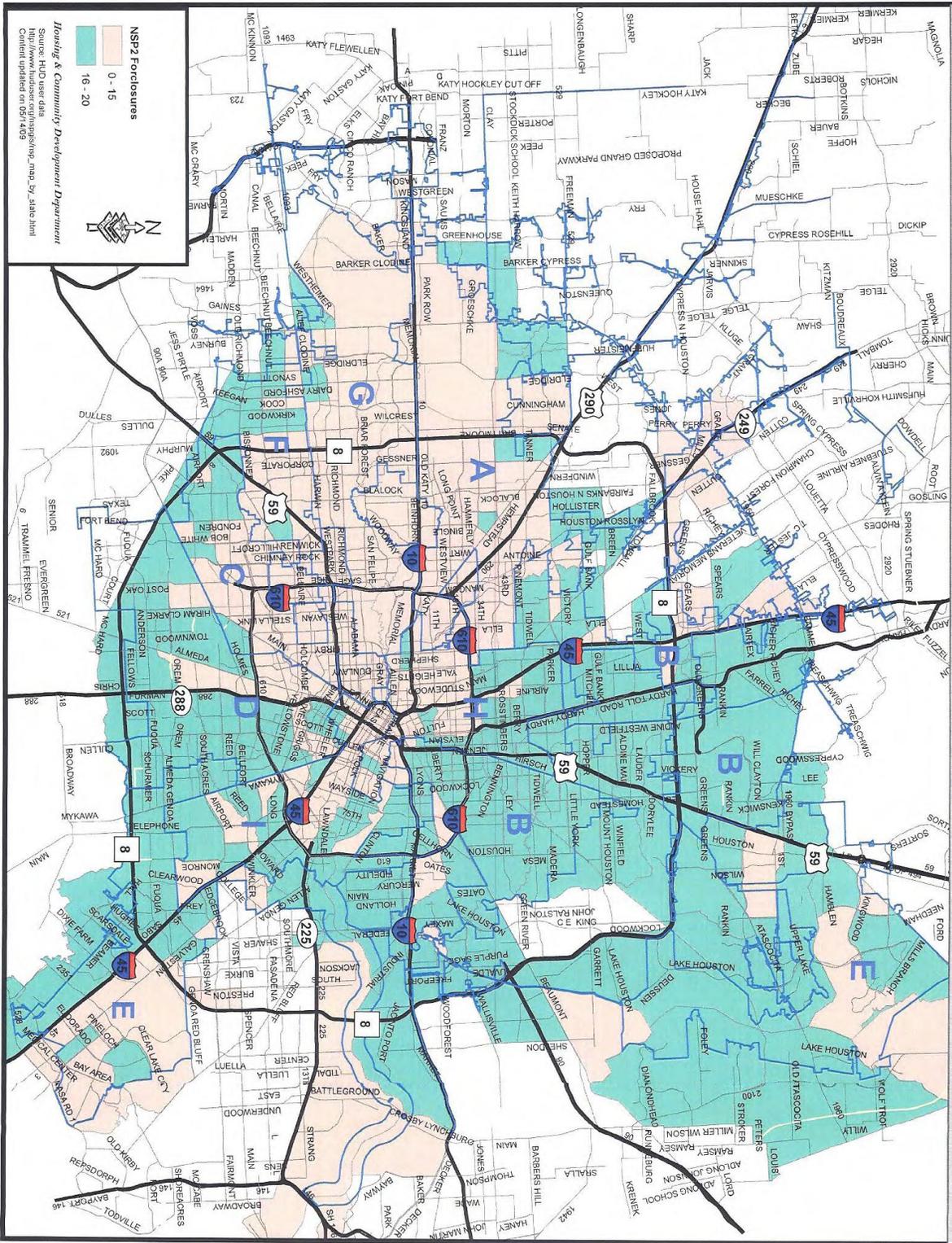
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**Appendix A**  
**NSP Target Areas**

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# NSP 3 Forclosures By Council District



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**Appendix B**  
**NSP2 Public Notice**

## PUBLIC NOTICE

The City of Houston's (City) Housing & Community Development (HCDD) proposes to amend its 2010-2014 Consolidated Plan and Action Plan to include funding that has been allocated to it under the Neighborhood Stabilization Program (NSP) enabled by the Dodd-Frank Wall Street Reform Act and Consumer Protection Act of 2010 (NSP3). The Department has determined that for NSP3, the states and local governments with the greatest need for neighborhood stabilization funding are those communities that have high numbers of foreclosed and/or vacant properties in the neighborhoods with the highest concentrations of foreclosures, delinquent loans, and subprime loans. The United States Department of Housing and Urban Development (HUD) has notified the City of Houston of its rights to submit an action plan under an application for \$3,389,035 in NSP3 funds.

Under NSP3 rules, these funds must be used to assist households that earn up to 120% of the Area Median Income for the Houston Metropolitan Statistical Area (MSA). It is further noted that 25% of the total allocation must be set aside to assist people who earn less than 50% of the Area Median Income for the Houston MSA.

HCDD, on behalf of the City proposes to budget the allocation to the following combination of eligible activities and in the amounts as follows:

Single Family Acquisition Rehabilitation	\$ 1,713,035
Multifamily Acquisition and Rehabilitation	\$ 1,000,000
Demolition	\$ 338,000
Administration	\$ 338,000
<b>Total</b>	<b>\$ 3,389,035</b>

The public is invited to comment on this proposed amendment to the 2010 Consolidated Plan and 2010 Annual Action Plan for a period of 15 days, from Saturday February 12, 2011 through Monday, February 27, 2011. Contact Deidre Rasheed ([Deidre.Rasheed@HoustonTXgov](mailto:Deidre.Rasheed@HoustonTXgov)) or Peggy Colligan ([Margaret.Colligan@HoustonTXgov](mailto:Margaret.Colligan@HoustonTXgov)) for more details. You may also call (713) 868-8300.

**Appendix C:  
Summary of Public Comments**

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**INFORMATION PENDING**

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**Appendix D:**  
**Application for Federal Assistance (SF 424)**

**Appendix E:**  
**NSP3 Action Plan Content and Checklist**

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