

June 22, 2018

City of Houston Housing and Community Development
ATTN: Fatima Wajahat
601 Sawyer, Suite 400
Houston, TX 77007
Submitted via email to Fatima.Wajahat@houstontx.gov

CC: Mayor Sylvester Turner
Tom McCasland, Director, Housing and Community Development
Myra Bontemps, Assistant Director, Recovery and Public Services
Sarah Labowitz, Senior Advisor on Recovery

Dear Ms. Wajahat,

The Houston Organizing Movement for Equity (HOME) Coalition commends the City and Mayor Turner's recognition that rebuilding a stronger, more resilient Houston cannot happen unless it is also a more equitable Houston. We appreciate the robust and collaborative community engagement, through town halls drawing over 600 Houstonians, to inform the City's Local Action Plan in advance of the official public comment period. We also applaud Mayor Turner's commitment to making historic progress towards ensuring that "every Houstonian has a safe, affordable place to live" and the City's stated intention to prioritize low- and moderate-income Houstonians in the recovery.

The draft CDBG-DR Local Action Plan is a good step forward, which the HOME Coalition believes can be strengthened by incorporating the following recommendations to the plan itself and program design. We appreciate the City's ongoing commitment to listen to community voices as the recovery moves forward and stand ready to assist you in that work.

We offer the following recommendations for strengthening the City of Houston's draft Local Action Plan:

Prioritize low- and moderate-income families. The City should allocate 100% of the funding to families at 80% AMI and below. For a family of four in Houston, 80% AMI is \$59,900, almost four times the annual income of one breadwinner earning minimum wage. Not only are low- and moderate-income families the least likely to have disposable income or other resources available and the most housing cost-burdened¹, but unmet needs calculations show that these families also have overwhelming unmet needs.

Allocate funds proportionally by household income. We specifically want the City to commit to dividing all funding sources in each program activity by income categories. The brackets of

¹ Renters with the lowest incomes face the greatest challenge in finding affordable housing. A renter earning the federal minimum wage would need to work 122 hours per week to afford a two-bedroom rental home at the Fair Market Rent. Source: National Low Income Housing Coalition. "Out of Reach" (2018). <http://nlihc.org/oor/about>

LMI should follow the traditional 0-30%, 31-50%, 51-80% of AMI divisions and serve those categories proportionally based on estimates of households harmed in the storm. These categories should be applied to all housing programs, including single family rehabilitation/rebuild, repair reimbursement, new single family home construction (to the extent possible), single family rental, multifamily development, etc., and any future infrastructure improvement projects.

However, as the City acknowledges in its overview of the Action Plan, “Houstonians with the fewest assets have so far received the least help” and “renter needs are not captured as clearly in the current unmet needs analysis”. FEMA data, which is the basis for the current unmet needs assessment, also dramatically undercounts the needs of the lowest income families. HOME supports a proportional allocation, but it must be based on a more accurate unmet needs assessment that reflects the real levels of unmet need for low- and moderate-income Houston families. We recommend using Texas Housers alternate methodology to re-assess unmet needs.

Program selection and design must also reflect the urgent disaster recovery needs of low- and moderate-income disaster victims. We are concerned, for example, that the down payment assistance program will not serve low income families because of the level of income required to qualify for a mortgage, and there is no indication that this program would be tied to buyout and other mobility programs. In the same vein, the new single family home construction program will only benefit current homeowners if they are willing to move. Again, the renters that will benefit will be higher income renters and the program, therefore, will not proportionally serve all income groups, specifically those families earning below 60% AMI. The City must figure out given its proposed selection of these programs, how people affected by Harvey in the three income brackets (0-30%, 31-50%, 51-80% AMI) will be proportionally served.

Create family-sustaining jobs. Rather than embedding job creation into the Economic Revitalization and Public Services Programs, the City should create a stand alone program specially for disaster recovery that ties direct deliverables to local hire and earn-and-learn job training. The City should prioritize creating family-sustaining jobs for local residents by creating a Disaster Recovery Workforce Development and Training Program. As the city rebuilds, local residents impacted by the storm should be given priority for jobs created by the rebuilding process. Such a program would ideally create a pipeline to train and introduce residents low to moderate income residents from Harvey impacted neighborhoods to construction career jobs, by partnering with local pre-apprenticeship programs that will offer direct entry into a DOL-registered apprenticeship or DOL-certified third party accredited bilingual craft training program. The Disaster Recovery and Workforce Development Training Program agreement should also require that disaster related apprentices be placed on eligible new construction, repair, remodel, or renovation projects, including those designated as Better Builder® sites, identified in the Disaster Recovery Workforce Development component of the plan. This will ensure fair wages, workers compensation coverage, health and safety protections, and independent compliance monitoring intended to help families in impacted areas gain viable access to career pathway.

Ensure public services programs match needs. We recommend that the City prioritize the following public services that have increased access to disaster recovery programs for lower income families and communities of color following past disasters:

- Legal Services, particularly to help families clear title so that they can access mobility and buyout programs. The State funded a successful title clearing project following Hurricane Ike. The issue of heirs' property disproportionately affects Black families and communities.
- Comprehensive and effective mobility counseling to ensure that both renters and homeowners can make informed choices about where to live and have access to less vulnerable neighborhoods.
- Job training programs that prepare local residents for the jobs associated with disaster recovery programs, both construction and administrative.
- Navigators/case coordinators that can help families through the process of applying for benefits and the recovery process, and connect them to other services if necessary.

Extend rental affordability. Any multifamily property funded by CDBG-DR funds must be subject to a Land Use Restriction Agreement (LURA) requiring a 40 year minimum affordability period for affordable units. This 40 year period preserves affordability for developments that otherwise would be converted into market rate units in transitional areas over the course of time.

Make buyouts fair for families. The buyout program should make people whole. In other words, no family should have to take on additional debt to relocate to a comparable home in a safer neighborhood. If a family owns a three bedroom home free and clear, the relocation funds they receive should be enough to purchase a three bedroom home free and clear in a location suitable to the family's needs with no threat of flooding. The City should also establish a minimum buyout per household of no less than \$200,000 (including any accompanying "housing incentive"). Failing to fully fund relocation costs will also exclude the lowest income families from buyout programs, abandoning them in high-risk neighborhoods.

Neighborhoods or neighbors that were doubly impacted by flood waters polluted with chemicals, oils, waste, or sewage as indicated with overlays should be prioritized for buyouts. By doing so, the City of Houston can simultaneously mitigate the risk of flooding and hazardous toxics. Areas that face environmental and flooding risks should also be considered for additional funding for clean-up and better monitoring. Properties that are bought out should not be redeveloped for housing, or major non-green infrastructure projects.

Prioritize intentional and ongoing community engagement. The City should proactively seek out partnership opportunities with community-led groups to better understand and address the needs of low-income people and communities of color. Community organizations should be at the heart of doing outreach and bringing people into the rehabilitation process. To ensure deep and rigorous community input, the HOME Coalition would like to meet with city staff and contractors designing the programs early and often, from the program design and the RFP stage to program completion. Additionally, we recommend the creation of a community engagement advisory board made up of community leaders to provide the City with regular input. We recommend prioritizing community leaders from the zip codes with high unmet needs as members of the advisory board².

² Houston zip codes with unmet need (and high low-income and/or communities of color populations): 77060, 77090, 77088, 77016, 77078, 77028, 77026, 77096, 77021, 77033, 77039, 77093, 77037, 77044, 77075

We offer the following recommendations for program design and implementation:

Ensure the system is easily navigable through quality case management and transparency. One of the most challenging parts of the recovery for residents has been understanding programs, preparing paperwork, and applying for assistance. Information must be presented clearly and quality case managers must be available to assist in navigation. Residents and case managers must be able to easily know their status in recovery programs and understand eligibility, denials, and ability and the appeal process.

No mold left behind. Any house that has had any kind of repairs since the storm, particularly those repaired through PREPS, should be inspected for mold and moisture, and unless the home is going to be demolished and rebuilt, the mold must be properly treated. The inspection must require checking for mold behind sheetrock, behind bathtubs, and in sub-flooring, as well as ensuring that any flooded, porous material has been removed, as this was neglected in the PREPS program and other rebuilding. Families should be presented the option of gaining a Certificate of Mold Damage and Remediation. If homes are gutted, they must be properly remediated and dried in line with the CDC and NIEHS's guidelines. Assessment for rebuilding costs must include any necessary gutting and treatment.

Promote environmentally-friendly standards. Any repair or reconstruction should follow modern and energy-efficient building codes and standards. Reconstruction, repair and new construction of residential buildings should follow the Energy Star program, and/or the HUD CPD Green Building Retrofit Checklist for non-substantially damaged residential buildings. In addition we recommend requiring the following standards:

- Require the 2015 International Energy Conservation Code for all commercial buildings, including multi-family buildings over three stories
- Require new residential buildings be built solar-ready, thus easily able to incorporate solar energy in the future by reserving adequate roof space
- Require compliance with modern plumbing codes, such as the 2015 UPC or 2015 IPC, which will help lower utility and energy bills
- Give priority to new construction or major reconstruction of multi-family buildings that are designed to meet a more robust standard, such as the ASHRAE 189.1 - 2014 Standard for the Design of High-Performance Green Buildings, or the recently published ASHRAE 189.1 - 2018 Standard for the Design of High-Performance Green Buildings.

Ensure proper oversight and quality control of construction. The City should require certified quality and code compliance inspections on all projects. Funding should also be allocated to train contractors, building code officials and builders on code compliance. Every project must have at least a midpoint and final inspection completed by a trained inspector and based on publicly available inspection criteria. Inspection criteria should be reviewed by community, aid, and constructions groups before finalized. There also must be a hotline for concerns with construction and contractors, although it should be assumed most issues will not be reported. Therefore a third party agency entrusted with quality control should proactively

contact every family within one week of each inspection to detect any issues. Every family must have a copy of the hotline number, final inspection criteria, their work order, and program details.

Offset the burden of insurance. We recommend that Homeowner Assistance Program, Homebuyer Assistance Program, and Buyout Program funds pay for three years of flood insurance for recipient families for whom insurance is a significant financial strain (specifically households at 80% AMI and below).

Repercussions for source-of-income discrimination. All rental properties receiving CDBG-DR funding must agree to take Housing Choice Vouchers and not to discriminate based on source of income. Landlords that are on record as refusing tenants with vouchers or otherwise discriminating based on source of income should be reported to the City of Houston's Office of the Inspector General or the Harris County District Attorney's office. The Land Use Restriction Agreement (LURA) placed on all rental properties receiving disaster recovery funds must set out income and rent restrictions; the affordability period; and requirements that all rental projects must accept Housing Choice Vouchers. In addition, the City should develop criteria to select projects for CDBG-DR funding that provide incentives to developers that increase the number of affordable units, the length of the affordability period, the set-asides for the lowest income tenants, and/or the number of units accessible to people with disabilities beyond the targets established by the needs assessment, Action Plan, and other program documents.

Again, thank you for the opportunity to provide comments to the City's draft Local Action Plan. We look forward to continuing to collaborate to bring about an equitable recovery.

Sincerely,

HOPE Coalition Members:

Texas Organizing Project

Workers Defense Project

Texas Gulf Coast Area Labor Federation

Texas Appleseed

Texas Environmental Justice Advocacy Services

Service Employees International Union

Plumbers Local Union 68

Texas Building and Construction Trades Council

Houston Gulf Coast Building and Construction Trades Council

Laborers International Union of North America, LIUNA Local 350 and the Southwest Laborers District Council

International Brotherhood of Electrical Workers, Local 716 International Union of Painters and Allied Trades, District Council 88 West Street Recovery

FIEL Houston

Faith in Texas

Air Alliance

Sierra Club Houston

Coalition of Community Organizations
S.A.F.E. Diversity Communities
Living Hope Wheelchair Association
Action CDC