

HOUSTON HOUSING AUTHORITY FY 2023 ANNUAL PHA PLAN ATTACHMENT B.1 – REVISION OF PHA PLAN ELEMENTS

A. Statement of Housing Needs and Strategies

The tables below provide information as of September 2022 on HHA’s waiting lists for public housing and the Housing Choice Voucher (HCV) program. Previously submitted information on the City of Houston’s need for affordable housing as detailed in the Consolidated Plan and HHA’s overall strategy for addressing housing needs has not been revised with this submission. As shown, there are 50,860 applicants on the public housing waiting list and 40,955 applicants on the HCV waiting list, approximately 91.7% of whom have incomes at or below 30% of Area Median Income. HHA waiting lists are currently closed. HHA’s waiting lists reflect the high demand for affordable housing noted in the City’s Consolidated Plan.

Program / Income Level	Head of Household Age							Total
	19-25	26-34	35-54	55-64	65+	< 18	N/A	
Public Housing	5152	21323	16507	4457	3401		20	50,860
Extremely Low	5067	20593	15519	4251	3229		20	48,679
Very low	82	625	800	175	140			1822
Low	3	86	156	22	32			299
*Income Info N/A		19	32	9				60
Voucher Program	1643	12828	17408	4855	4044	3	174	40,955
Extremely Low	1582	11547	14626	4114	3509	3	174	35,555
Very low	56	1159	2349	614	451			4629
Low	2	88	340	91	59			580
*Income Info N/A	3	34	93	36	25			191
Grand Total	6795	34151	33915	9312	7445	3	194	91,815

B. Deconcentration and Other Policies that Govern Eligibility, Selection and Admission

HHA’s deconcentration of poverty policy is incorporated into the Public Housing Admissions and Continued Occupancy Policy (ACOP). The policy, which has not been modified since the previous submissions, states:

Deconcentration: If at any time, one of HHA’s properties has an average tenant income greater than 15 percent higher than the Authority-wide average income, extremely low and very low-income applicants will be targeted for admission until it is within 15 percent of the Authority-wide average income. This requirement neither requires nor permits the transfer of families to achieve deconcentration goals.

HHA’s policy provides for deconcentration of poverty and income-mixing by admitting higher income residents into lower income developments and lower income residents into higher income developments where necessary and allowed under HUD regulations. At admission, gross annual income is used to determine eligibility and for income-mixing purposes. HHA utilizes resident income information in its assessment of its public housing developments to determine the appropriate designation to be assigned to the project for the purpose of assisting the HHA in its deconcentration goals. In addition, site-based income preferences are offered at Mixed Finance properties as incentives for eligible families having higher incomes to occupy dwelling units in projects predominantly occupied by eligible families having lower incomes and provide for occupancy of eligible families having lower incomes in projects predominantly occupied by eligible families having higher incomes. HHA tracks the income mix within each project and building to avoid a concentration of higher or lower income families in any one building or development.

HHA periodically updates its Public Housing ACOP and HCV Administrative Plan to reflect changes that reflect evolving HUD requirements and/or agency discretionary policies. As part of the FY 2023 PHA Annual Plan and MTW Supplement process, HHA is proposing modifications to both the ACOP and Administrative Plan that reflect waivers approved or pending approval in the FY 2022 MTW Supplement and other areas. Summaries of proposed changes and the revised policy documents are included as an attachment to this Annual Plan.

C. Financial Resources

The table below summarizes HHA’s preliminary, estimated FY 2023 financial resources to further its mission of providing quality affordable housing to eligible households. As a designated MTW agency, HHA intends to utilize the financial flexibility permitted pursuant to HUD’s MTW Operations Notice. Note also that the MTW Supplement submitted with this Annual PHA Plan requires submission of additional financial information related to the Public Housing Operating Fund. Due to the timing of this submission, information provided in the MTW Supplement reflects unaudited and preliminary data that is subject to revision over the course of the reporting and audit periods.

Annual operating budgets for FY 2023 will be prepared during the fourth quarter of 2022 for approval by the HHA and affiliate Boards.

HHA FY 2023 Estimated Financial Resources

Source	Estimated Amount
Housing Choice Voucher Program	\$171,473,539
Mainstream Voucher Program	\$4,540,184
Mod Rehab Voucher Program	\$1,848,185
Emergency Housing Voucher Program	\$775,000
Continuum Of Care Program	\$2,142,600
Section 8 New Construction	\$1,992,313
Public Housing Operations	\$25,633,862

Source	Estimated Amount
Capital Funds Program	\$9,554,927
Resident Services / Self Sufficiency	\$369,219
Jobs Plus Grant	\$475,000
Central Office	\$6,140,893
Business Activities	\$29,336,786
Real Estate Component Units	\$20,307,713
State / Local	\$575,689
TOTAL	\$275,165,910

D. Rent Determination

HHA’s policies related to rent determination including HUD-approved MTW waivers as applicable are included in the Public Housing ACOP and HCV Administrative Plan. As part of the Annual Plan process and as noted above, HHA has proposed modifications to both the Public Housing ACOP and HCV Administrative Plan. Summaries of proposed changes and the revised policy documents are included as an attachment to this Annual Plan.

HHA has been designated an MTW agency by HUD as part of Cohort 2 of the MTW Expansion initiative. Under Cohort 2, HHA is participating in a national rent reform evaluation that will impact both the public housing and HCV programs. As part of the process for applying for MTW designation, HHA developed a proposed alternative MTW rent policy, conducted an extensive resident/community engagement process to review the policy and secured HHA Board of Commissioners approval.

HHA projects that initial enrollment (and random assignment of eligible households) in the MTW rent reform evaluation study will commence in the last quarter of FY 2022 or first quarter of FY 2023 and continue throughout FY 2023. As part of the implementation planning process, HHA has worked with HUD and its national evaluation team to review and finalize all applicable policies and processes related to MTW rent reform including, but not limited to, those related to selecting “control” and “treatment” groups for the evaluation. The FY 2022 MTW Supplement, which includes other allowable waivers applicable to all HHA households, was approved by HHA’s Board and submitted to HUD after a public comment period. As of September 2022, HUD has conditionally approved the FY 2022 MTW Supplement, with the exception of Safe Harbor Waivers and an Agency-Specific Waiver that continues to be reviewed by HUD.

HOUSTON HOUSING AUTHORITY FY 2023 ANNUAL PHA PLAN

ATTACHMENT B.2 – NEW ACTIVITIES

A. HOPE VI/Choice Neighborhoods

HUD’s Choice Neighborhoods program funding provides an opportunity to develop and implement comprehensive revitalization plans that address the needs of older HHA public housing developments, the neighborhoods in and around these developments, and the residents that live in public housing and the neighborhood. Choice Neighborhoods is a highly competitive grant program through which HUD provides Planning and Implementation grant funding in support of the Choice Neighborhoods program goals related to Housing, Neighborhood and People.

HHA, with the City of Houston as Co-Applicant, was awarded an FY 2020 Choice Neighborhoods Planning grant to develop a Transformation Plan for Cuney Homes and the Third Ward neighborhood. Initial planning activities began in FY 2021 and continued throughout FY 2022 in accordance with the grant proposal and budget approved by HUD. Upon completion of the Transformation Plan in FY 2023, HHA intends to apply for a Choice Neighborhoods Implementation grant.

Also in FY 2023, HHA may apply for a Choice Neighborhoods Planning Grant for Kelly Village (TX005000014) and/or Irvinton Village (TX005000007), which were built in 1939 and 1942, respectively. Kelly Village, located in Houston’s historic Fifth Ward, and Irvinton Village, located north of downtown Houston, are two of HHA’s oldest properties and would greatly benefit from any modernization/rehabilitation work.

B. Mixed Finance/Modernization or Development

In FY 2023, HHA will continue an ambitious development and preservation initiative to revitalize and/or preserve affordability of the existing housing portfolio and to expand the availability of affordable housing units throughout the City. Under the direction of a new executive management team established in 2022, HHA will continue to collaborate with and may designate additional, qualified development partners and sites selected in accordance with HHA Board-approved procedures. In these efforts, HHA utilizes all available and appropriate funding/financing tools and strategies including Low Income Housing Tax Credits (LIHTC), Mixed Finance Development, Rental Assistance Demonstration (RAD) conversions, Public Facilities Corporation (PFC) designation related development, Project Based Vouchers (PBV), MTW funding, Community Development Block Grant, FEMA and other sources.

HHA may utilize MTW funding and/or programmatic flexibility in its development activities and may acquire, rehabilitate or develop “Local, Non-Traditional” units as defined in the MTW Operations Notice, subject to applicable HUD approvals.

HHA will continue to evaluate and pursue where feasible the acquisition or development of

public housing units (potentially utilizing “Faircloth to RAD” authority as discussed below in the “Rental Assistance Demonstration Program” narrative) as part of the overall development initiative. All development activities require review and approval by the HHA Board of Commissioners and are subject to HUD and/or other regulatory review and approval.

Development projects in the planning or development phases undertaken by HHA and/or its development partners are summarized on the following chart, which may be modified during the fiscal year based on evolving needs and funding, subject to the approval of the Board of Commissioners. Timetables, unit configurations and other program elements are preliminary and subject to change. See also RAD narrative below:

Project Name/Location	Description	Type	Estimated Timetable
2636 Fountainview	4-story Building	Rehab	2023
Cuney Homes	Mixed Development (1,100 units)	New Const	2023
Ewing	High Rise	New Const	2023
Fulton Village	2-story Townhomes	Rehab	2023
Independence Heights II	2-story Apartment Buildings	New Const	2023
Kelly I	2-story Apartment Buildings	Rehab	2023
Kelly II	2-story Apartment Buildings	New Const	2023
Lincoln Park	2-story Apartment Buildings	Rehab	2023
Oxford Place	2-story Apartment Buildings	Rehab	2023

HHA has also received grants from the Texas General Land Office (GLO) to develop tax credit and mixed-finance units using CDBG disaster recovery funds. HHA anticipates more disaster recovery money and intends to pursue a number of new mixed finance developments using CDBG disaster recovery funds in FY 2023 and beyond. Sites at the intersection of Crosstimbers and N. Main, , and replacement units on Lyons Avenue (Kelly II) are in planning stages for development with some public housing units.

HHA may commit public housing operating reserves, including but not limited to the proceeds from the disposition of public housing properties, with HUD approval, under the Operating Fund Financing Program for eligible mixed finance development transactions or Replacement Housing Fund.

For informational purposes, HHA notes that it is planning on exercising its right to remove limited partners from the following properties: Pinnacle at Wilcrest, Willow Park, Oxford Place, and Lincoln Park.

C. Demolition/Disposition

Section 18 refers to the regulations and process through which HUD authorizes Housing Authorities to dispose of and/or demolish public housing units. Disposition and/or demolition is oftentimes part of an overall strategy to redevelop or replace public housing units. The table below describes public housing developments, or portions thereof, for which HHA will apply or are currently pending for demolition or disposition approval under Section 18. Due to changes

related to HUD application submission or processing, construction and/or other timetables, the information on this table may appear in prior or future plans:

Dev Name/#	Type (Demo and/or Dispo)	# Affected Units	Unit Sizes and Accessibility	Status/Timetable
Clayton Homes	Demo/Dispo due to flood (with sale to TXDOT)	184	18 - 1bd units 62 - 2bd units 60 - 3bd units 44 - 4bd units	2023
Forest Green	Demo/Dispo due to flood	100	10 - 2bd units 70 - 3bd units 20 - 4bd units	2023
Irvinton Village	Demo/Dispo due to flood	10	4 - 1bd units 4 - 2bd units 2 - 4bd units	2023
Kelly Village	Demo/Dispo (with sale to TXDOT)	270	72 - 1bd units 106 - 2bd units 72 - 3bd units 20 - 4bd units	2023

HHA plans to undertake the following Section 18 demolition/disposition related activities in FY 2023:

- HHA is proceeding with the Section 18 disposition of the remaining portions of the Clayton Homes public housing development to TXDOT, pursuant to approvals received from HUD in FY 2021. Relocation of Clayton Homes residents began in FY 2021 and was completed in September 2022.
- As noted in prior Annual Plans, HHA plans to submit a Section 18 disposition application for a portion of Kelly Village (TX005000014) Subject to HHA Board of Commissioners, HUD and other approvals, a portion of the site will be sold to TXDOT in conjunction with a highway expansion project.
- HHA plans to submit a Section 18 demolition application for a portion of the Irvinton Village (TX005000007) site (approximately 10 units) which was subject to severe hurricane-related flooding. FEMA will fund the demolition and the planned redevelopment of the 10 units on an alternate site (TBD).
- HHA plans to submit a Section 18 demolition and disposition application for the Forest Green development (TX005000009). Forest Green suffered extensive hurricane-related flooding and other damages. HHA is currently looking at sites for replacement housing. FEMA funding will support the redevelopment.

Subject to HUD approval, HHA may utilize the “Faircloth to RAD” program discussed below in the “Rental Assistance Demonstration Program” narrative or the RAD “transfer of assistance” provision to develop replacement units for demolished public housing.

D. Designated Housing for Elderly and Disabled Families

The table below identifies public housing developments, or portions thereof, that HHA has continually operated as, has designated, or will apply for designation in FY 2023 for occupancy by elderly and/or disabled families only.

Dev Name/#	Designation Type	Status	Date Approved, Submitted or Planned for Submission	# of Units Affected by Designation	Expiration Date of Designation
Lyerly Senior Apartments	Elderly/Disabled	Approved	February 8, 2022	199	February 8, 2024
Bellerive Senior Apartments	Elderly/Disabled	Approved	February 8, 2022	210	February 8, 2024

E. Rental Assistance Demonstration Program

In FY 2023, HHA will continue and expand initiatives to ensure the long-term preservation of affordable housing by converting public housing developments to project-based assistance pursuant to HUD’s Rental Assistance Demonstration (RAD) program. Through RAD conversion, HHA has the opportunity to access additional private and/or other capital resources if needed to revitalize, redevelop and/or address capital needs while ensuring that existing residents right to return to the converted projects and other resident rights are protected.

In addition to converting existing public housing to project-based assistance, HHA intends to expand affordable housing opportunities as feasible utilizing the “Faircloth to RAD” program established by HUD. “Faircloth authority” refers to a cap that Congress established in 1998 on the number of public housing units that the federal government would support. HHA currently has available Faircloth units for which HUD can provide rental assistance provided that HHA can finance the acquisition or initial construction costs

RAD conversion allows HHA to transition from the current public housing funding platform to either the Project Based Voucher (PBV) or Project Based Rental Assistance (PBRA) program, which are more stable, predictable and sustainable funding sources. To date, and for the developments noted herein, HHA has elected to convert to the PBV program. HHA or its affiliates will continue to own each converted property, and the PBV program Housing Assistance Payments Contracts will be administered by HHA.

In converting public housing developments, HHA may utilize a blend of RAD program authority and Section 18 disposition authority to the extent allowable under the HUD RAD Notice, HUD

PIH Notice 2018-04 and/or other relevant HUD regulations and guidance. . HHA may also utilize MTW funding and/or programmatic flexibility as allowed under the RAD Notice and/or the MTW Operations Notice.

To date, HHA has successfully converted APV/HOAPV and Sweetwater Point Apartments using the RAD PBV/Section 8 blend method. In addition, HHA has received a RAD Commitment to Enter into a Housing Assistance Payments Contract (CHAP) for the following public housing site. HHA intends to proceed with RAD conversion to the PBV program for this site in FY 2023 or thereafter.

Property Name	Occupancy Type	Bedroom Sizes					Total Units
		1	2	3	4	5	
Heatherbrook Apartments	Family		23	23	7		53
TOTAL		0	23	23	7	0	53

Heatherbrook (TX005000008) is a mixed-income housing community located in north Houston. The property was built in 2004 and consists of 176 units on 13.8 acres. Only 53 of the units are public housing, with the remainder being tax credit only and unrestricted units. The project reached the end of its initial tax credit compliance period in 2019.

In planning and implementing RAD conversions, HHA is committed to ensuring that residents of each converting project are kept fully informed and that resident notifications, relocation and all other processes impacting existing residents are conducted in accordance with RAD program requirements. In converting to the PBV program, HHA will adopt and implement the resident rights, participation, waiting list and grievance procedures listed in Section 1.6, Attachment 1B of the RAD Notice H-2019-09 PIH-2019-23 Rev. 4, the RAD Fair Housing, Civil Rights, and Relocation Notice - Notice H 2016-17, PIH 2016-17 (HA), PIH-2012-32 and the Joint Housing/PIH Notice H-2014-09/ PIH-2014-17.

HHA is currently compliant with all fair housing and civil rights requirements. HHA is not under a Voluntary Compliance Agreement, consent order or consent decree or final judicial ruling or administrative ruling or decision and assures that compliance will not be negatively impacted by conversion activities. Pursuant to Section 5.2 of the RAD Fair Housing, Civil Rights and Relocation Notice, HHA certifies that RAD conversion activities will comply with all applicable site selection and neighborhood reviews and that all appropriate procedures have been and will continue to be followed.

HHA currently maintains site-based waiting lists for each public housing development. When a public housing development converts to project-based assistance under RAD, HHA will close the public housing site-based waiting list for that development in accordance with its policies. For RAD converted projects, HHA may operate either a centralized waiting list or site-based waiting lists in accordance with RAD and other applicable HUD requirements

HHA is in the process of developing financing and other technical plans for Heathbrook in preparation for RAD conversion. Upon conversion, HHA’s annual Capital Fund Program (CFP)

budget will be reduced based on the pro rata share of the CFP budget attributable to each converted public housing development. The table below provides preliminary annual and five-year estimate of the CFP budget reduction based on current year funding amounts.

Property Name	Estimated Annual CFP Budget Reduction	Estimated Five Year CFP Budget Reduction
Heatherbrook Apartments	122,102.38	610,511.88

HHA may also contribute Operating Reserves, Capital Funds and/or other funds towards RAD conversions, subject to HUD approval as part of the RAD Financing Plan for each site

Subject to HHA Board approval, HHA may also apply for additional RAD conversions during FY 2023 or future periods for the public housing developments noted below. HHA will follow all required resident notification, public participation and other applicable requirements as part of future conversions.

Property Name	PIC Number	Total Units
Kelly Village	TX005000014	270
Forest Green	TX005000009	100
Bellerive Apartments	TX005000013	210
Lyerly Apartments	TX005000012	200
Kennedy Place Apartments	TX005000019	108
Fulton Village Apartments	TX005000011	108
Lincoln Park Apartments	TX005000018	200
Oxford Place	TX005000015	230
Irvinton Village	TX005000007	318
Cuney Homes	TX005000005	593

F. Project-Based Vouchers

HHA operates a Project-Based Voucher (PBV) program in accordance with HUD regulations and HHA policies as defined in the HCV Administrative Plan. HHA also intends to implement allowable PBV waivers as approved by HUD in the FY 2022 and future MTW Supplements to improve program efficiency, streamline administration and support expansion of affordable housing opportunities. In the FY 2022 MTW Supplement, HUD approved HHA’s request for a waiver to eliminate the requirement for a third party to conduct inspections of HHA-owned or controlled PBV units. For FY 2023, HHA has requested HUD approval in the MTW Supplement of a waiver to eliminate the requirement for a third party to conduct rent reasonableness determinations on HHA-owned or controlled PBV units.

As part of planned RAD conversions, HHA projects that it will enter into PBV Housing Assistance Payments (HAP) contracts in FY 2023 or beyond for additional public housing developments including, but not limited to Heatherbrook and other public housing properties as referenced above in the “Rental Assistance Demonstration Program” narrative.

In addition to planned RAD conversions, as of September 2022, HHA projects that it will enter into new PBV HAP contracts in FY 2023 or thereafter for the following projects:

Project Name	Projected PBV Units
2100 Memorial Road	40
Magnificat	149
Manson Place for Scholars (Brinshore)	66
Temenos Place	95
Tejano Center (Sunrise Lofts)	89
800 Middle Street	95
Standard at Jensen	85
TOTAL	619

Consistent with the Administrative Plan, and as allowed under PIH Notice 2017-21, HHA may attach PBVs to projects in which HHA has an ownership interest or has control of, without following a competitive process, in cases where HHA is engaged in an initiative to improve, develop, or replace a public housing property or site. Both the Jensen Street and Middle Street developments referenced above, which will provide replacement housing opportunities for Clayton Homes residents, fall into this category.

The listing of projected new PBV HAP contracts may be modified over the course of the fiscal year. In FY 2023, HHA intends to issue additional competitive PBV Request for Proposals and, subject to HHA Board of Commissioners approval, to award PBV Housing Assistance Payments (HAP) contracts to qualified developments that expand housing opportunities including, but not limited to, permanent supportive housing, housing for transition-age youth, and housing in high opportunity areas.

G. Other Capital Grant Programs

HHA’s existing public housing portfolio needs continuous investment, and there is a backlog of unfunded capital needs. The planned redevelopment and RAD conversion activities referenced above are intended to address some of these needs and to ensure the long-term preservation of affordable housing. In addition to these activities, HHA will review all available HUD Capital Grant program funding opportunities - including, but not limited to, the Lead Based Paint Capital Fund Program, the Housing-related Hazard Capital Fund Program, Emergency Safety and Security Grant - and submit applications where feasible and appropriate in FY 2023.

HOUSTON HOUSING AUTHORITY FY 2023 ANNUAL PHA PLAN ATTACHMENT B.3 – PROGRESS REPORT

HHA has established five (5) broad goals and a series of related strategies as a strategic framework that guides agency activities and resource allocation decisions. The following is a brief statement of HHA’s progress in meeting the mission and goals described in HHA’s 5-Year Plan, which was submitted in January 2020. See also prior years’ progress reports for additional details.

HHA Goal: Increase the quantity and quality of affordable housing.

Strategy: Apply for additional rental vouchers.

Under the direction of a newly established executive management team, HHA is currently working to maximize utilization in FY 2022 and beyond including increasing payment standards to expand the range of housing opportunities available to voucher holders. In FY 2021, HHA was awarded 750 Emergency Housing Vouchers and is continuing to work with the City and Continuum of Care agencies to lease. Also in FY 2021, HHA entered into an \$11 million contract with the City and is currently working to provide one year of rental assistance and security deposits to an additional 1000+ low-income households under the HOME TBRA program. Participating families will be eligible for supportive services through partnerships with local providers. HHA received 112 new Mainstream Vouchers under the CARES Act and has applied for 100 more. HHA also secured \$4.77 million in CARES Act funding to ensure that there were adequate funds for FY 2021 leasing. HHA will continue to pursue opportunities to increase the availability of tenant-based vouchers for low-income and vulnerable populations. New partnerships will also be sought to offer project-based vouchers to eligible clients.

Strategy: Acquire and develop new affordable housing.

Following an extensive HUD review and approval process, HHA completed the acquisition in 2021 of two new land parcels East of Downtown (800 Middle, 100 Jensen). Upon completion of all planned phases, these developments will collectively provide over 1,300 units of new mixed-income housing including over 300 PBV replacement housing units. While not involving direct HUD funding, HHA is also working with an extensive array of development partners to expand affordable housing through the use of Public Facilities Corp designation. Finally, HHA has entered into agreements for 22 PBV developments that provide long-term affordable housing opportunities, much of which is newly constructed. HHA plans to enter into new PBV HAP contracts for an additional 619 units at seven developments in FY 2023.

Strategy: Seek land in high opportunity areas.

As funding becomes available to acquire sites for development in high opportunity areas, HHA will continue to pursue land acquisitions that are appropriate for LIHTC and other mixed-income developments. As noted, the 800 Middle and 100 Jensen mixed-income developments are two recent examples of successful land acquisition efforts that will result in new affordable housing being built in opportunity areas. In addition, HHA is exploring options for land acquisition in the Third Ward/Cuney Homes area and in the Fifth Ward/Kelly Village II area.

Strategy: Pursue recapitalization with tax credits.

Utilization of LIHTC funds is an important component of HHA's RAD and other preservation efforts. As previously reported, HHA received a 2019 TDHCA allocation of \$19+ Million in 9% tax credits for rehabilitation of 6000 Telephone Road. The Project is currently under construction with completion and re-occupancy anticipated by December 2023.

Strategy: Utilize Capital Fund and other resources to rehabilitate and improve property condition.

HHA completed \$1.38 million in capital improvements at various sites in FY 2022. Planning continues for the redevelopment of Forest Green, including an additional 10 units to replace flood-damaged units at Irvinton.

Strategy: Complete and maximize performance through conversion of HHA's first four public housing developments with CHAPs, under HUD's Rental Assistance Demonstration.

HHA has successfully converted Allen Parkway Village, Historic Oaks at Allen Parkway Village, and Sweetwater Point Apartments to the RAD PBV/Section 8 blends. As noted in the "New Activities" narrative, conversions are currently planned for the Heatherbrook Apartments

Strategy: Modernize, rebuild, and/or demolish (if it can be replaced) aging units incrementally through the Capital Fund Program and other sources as available.

HHA was awarded a Choice Neighborhoods Planning Grant to develop a comprehensive Transformation Plan for Cuney Homes and the Third Ward neighborhood, centered on community input and involvement. Through this initiative, HHA is developing a feasible plan and strategy to ensure the preservation of affordable housing resources in the neighborhood, along with comprehensive supportive services and neighborhood improvements. See also above information and "New Activities" narrative.

Strategy: Partner with Centerpoint and other energy providers by seeking additional funding grants for energy saving opportunities for properties in HHA's portfolio that qualify under their programs.

HHA entered into a HUD sponsored Energy Performance Contract (EPC) with Siemens Industry Incorporated. This incentive greatly reduced the agency's energy consumption. At the same time, HHA was actively negotiating the lowest electric utility rate possible for its entire portfolio. Because cost savings are a direct result of reduced consumption in an EPC, a reduced utility rate would compromise the dollar savings amount achieved. Since HUD has recognized this fact it offers PHAs the opportunity to apply for a Rate Reduction Incentive. HHA applied for and received the Rate Reduction Incentive. As a result, in FY 2022 HHA will receive \$766,748 in additional subsidy funding.

To date, HHA has partnered with Centerpoint Energy and received initial grants to replace 500 outdated HVAC units at various HHA properties with new high efficiency units, along with a \$525K grant to install high-efficiency HVAC units and Nest thermostats at 260 units at Sweetwater Apartments.

HHA Goal: Expand efforts to ensure equal opportunity in housing.

Strategy: Reduce operational barriers that may hinder access to HHA programs

Since the onset of the global pandemic, HHA has undertaken extensive efforts to ensure continued access to programs and services including modifying call center operations to allow residents, HCV participants, applicants and the general public to obtain information, process transactions and access HHA services; working with property managers to implement COVID-safe maintenance work practices; expanding access to staff working remotely; and, expanding the use of virtual meetings (including HHA Board of Commissioners meetings) to keep residents informed and involved in HHA planning and decision-making. HHA continues to evolve its response to the pandemic based on guidance from federal, state and local agencies.

Strategy: Reduce language barriers that may hinder access to programs it administers

HHA updated its Language Access Plan as part of the FY 2021 Annual Plan process to provide a comprehensive framework to facilitate participation in HHA programs of people with Limited English Proficiency. In response to community need, HHA continues to deploy an on-demand language translation service that is available as needed to meet the language translation needs of applicants, residents and the general public. HHA also continues to recruit, hire and deploy staff including call center representatives that have the ability to speak, read and translate in various languages. Current staffing in both the call center and lobby includes staff fluent in Spanish and Vietnamese. HHA is in the process of updating its website, which will have the capacity to translate text into multiple languages.

Strategy: Ensure compliance with ADA requirements when constructing new and renovating existing units

HHA continues to implement an ambitious housing preservation and development agenda including converting public housing developments to project-based assistance under the Rental Assistance Demonstration (RAD) program; developing replacement housing for Clayton Homes; expanding affordable housing through new development partnerships with Project Based Voucher sponsors and others; and renovating developments that experienced hurricane-related damage. All new development and substantial renovations are done in conformance with ADA requirements in order to ensure that housing is accessible to persons with disabilities. HHA also continues to provide reasonable accommodations to current residents and HCV program participants.

Strategy: Increase housing choice and mobility.

Full implementation of Small Area Fair Market Rents (SAFMR) commenced in 2021 to improve access by voucher holders to high opportunity areas. HHA received HUD approval as part of the FY 2022 MTW Supplement to establish more flexible payment standards (from 80-150% of the applicable SAFMR), which HHA intends to implement beginning in the fourth quarter of FY 2022. In addition, HHA intends to utilize MTW flexibility to add additional incentives for high opportunity area leasing.

Also, as noted in prior updates, HHA is working with the City (HCD), NestQuest and the County (CSD and HCHA) to develop and support a Voucher Mobility Program. NestQuest is a Texas non-profit organization, created to promote voucher mobility by working with

voucher holders and local landlords to increase client access to areas with excellent schools. NestQuest has acquired partnerships with 15 management/realty companies with properties in high opportunity neighborhoods across the metro area. HHA collaborates with the organization by making clients aware of this unique service that they may be eligible for.

Working with development partners, HHA also made significant progress in FY 2022 towards the development of two (2) new mixed income housing communities to be located East of Downtown in rapidly gentrifying areas. All required HUD approvals have been received for these two projects, which will include development of PBV replacement units for relocated Clayton Homes residents.

Strategy: Continue education of Fair Housing Laws.

On an ongoing basis, new hire staff receive training on Section 504, Fair Housing, Reasonable Accommodations, VAWA Requests, and LEP issues by HHA's Compliance Officer. HCV staff also participated in trainings provided by the Compliance Officer. HHA management staff have also attended seminars in Houston and Washington DC focusing on Fair Housing issues and current events. Additionally, in-house attorneys generally meet quarterly with HCV staff to present on legal topics and best practices.

HHA's website provides a link to socialserve.com for a listing of properties that includes identification of accessible units, distance to public transportation, shopping, hospitals and other relevant information.

HHA and the City of Houston continue to collaborate on fair housing and other issues associated with the citywide Consolidated Plan and Annual Action Plans.

HHA Goal: Seek to improve community quality of life and self- sufficiency.

Strategy: Provide services to residents, including youth, families, and seniors living in public housing and senior developments to enhance their quality of life.

HHA collaborates with 60 agency partners to provide services to residents valued at over \$7.9 million. HHA and agency partners engaged in extensive activities to protect resident health and safety in response to the global pandemic. This included providing residents with health information, distributing meals, masks and sanitizer, and modifying service delivery systems to minimize contact. Provided technical assistance to Resident Councils to host numerous community-wide and seasonal events in collaboration with 25+ partners that served over 2,500 residents. At 9 sites, HHA worked with resident councils to procure and distribute over 1,100 face masks. The call center made more than 37,000 calls to residents to check on wellness and assist with virtual briefings and appointments. Other recent highlights include:

- HHA completed the Jobs Plus grant-funded program at Cuney Homes, which engaged 557 public housing residents in workforce development opportunities. Through this initiative, a total of 312 residents increased their income from wages and received approximately \$1.1 million in discounted rent as an incentive.
- HHA secured a new \$2.3 million grant to provide Jobs Plus employment, training, and

supportive services to residents of Oxford Place Apartments.

- HHA was one of 4 HA's awarded the ROSS Service Coordinator Grant. The HHA received an amount of \$717,750, the highest amount award of \$36.9 Million.
- Provided Case Management & Supportive Services to children, youth individuals and families residing in Public Housing with funding obtained from HUD to implement ROSS and Multifamily Service Coordinator Grant; over 2,857 residents were served, over 13,526 interactions with clients and over 35,890 services were delivered.
- 26 Family Self Sufficiency (FSS) participants graduated with escrow totaling \$315, 572.
- Collaborated with 50+ Community Partners to provide 1 Million in services to residents
- Needs assessments and referrals were provided to 484 elderly/disabled and 449 non-elderly residents to support independent living and wellness.
- Through partnerships with YMCA, Zoe's Kitchen, Houston Food Bank and others, more than 116,000 meals and food boxes have been distributed to more than 2,600 residents over the course of the pandemic.
- Continued collaborating with Kidz Grub to provide meals and snacks to youth at 8 sites

Strategy: Create well-functioning communities with low crime and good neighbors.

HHA continued to promote resident involvement and community engagement including providing technical assistance to resident councils to host numerous community-wide and seasonal events in collaboration with more than 25 community partners. HHA continued its collaboration with Harris County Constables (Precinct 6) to reduce crime within public housing communities.

Strategy: Provide Family Self-Sufficiency Programs for eligible HCV Program and Public Housing participants pursuant to applicable regulations and available funding.

MyGoals and FSS continued to function as key elements of HHA's self-sufficiency strategy. MyGoals completed a financial training with Cash Campaign. Topics discussed were gig economy, self-employment, small business, taxes and resources. HHA assisted 649 non-elderly, non-disabled households in working towards economic self-sufficiency.

Strategy: Increase Minority & Women Business Enterprises (MWBE) and Section 3 participation.

HHA continued to implement extensive efforts to promote and increase MWBE and Section 3 participation including:

- Assisted residents to enroll in the Section 3 program and connect to employment, job training and contracting opportunities.
- Awarded My Construction Company, a Section 3 Business Concern, with a contract for a Capital Fund Project work at Forest Green.
- Implemented weekly Section 3 job postings to Section 3 participants.
- Partnered with Lemonade Day Houston to assist public housing youth and their families, who are enrolled and actively engaged in HHA's Section 3 Micro-Enterprise Program. HHA provided business grants to each business owner, with Lemonade Day Houston providing educational components.

- Hosted HHA’s Paid Summer Internship offering experiential training opportunities over a period of 8 weeks for eligible high school Juniors and Seniors residing in public housing.
- Partnered with SER Jobs for Progress to provide free Employment Training & Certifications in Construction, Customer Services, HVAC, Electrical Services, etc., for Section 3 participants.

Strategy: Pursue systems alignment between housing and health care.

HHA and community partners provided extensive support over the course of the pandemic to ensure resident health and safety. HHA in collaboration with UHC and other partners seeks to improve the lives of individuals we serve through the facilitation of resources, technical expertise and strategic identification of our clients’ medical and housing needs to better align our systems, programs and service delivery, and ultimately improving life outcomes.

HHA in collaboration with M. D. Anderson Cancer Center provides education, resources and referrals to for tobacco cessation support programs to improve compliance with HUD’s Smoke Free Policy and in an effort to reduce second smoke exposure in African American/Black public housing communities. HHA also collaborated with the organization to provide “Culturally tailored telephone-directed education and mailed HPV self-sampling kits for improving cervical cancer screening coverage among African American women at two public housing communities to eliminate cervical cancer among underserved women.

HHA Goal: Improve relationships with clients and external stakeholders.

Strategy: Increase HHA client agency relationships.

HHA collaborates on an ongoing basis with residents and HCV program participants, including providing technical assistance and funding support to local resident councils. HHA also worked diligently to ensure that resident input continued since inception of the pandemic by expanding the use of virtual meetings and conducting broad outreach to notify residents of these meetings. In addition to virtual Board of Commissioners meetings, HHA conducted a series of meetings and an online survey to involve residents and HCV participants in shaping the successful application for MTW designation. During these sessions and in the survey, HHA solicited resident input into the design and implementation of the forthcoming MTW rent reform evaluation program. On an ongoing basis, HHA is committed to engaging residents and other stakeholders in policy planning, development and implementation initiatives to ensure that programs and services reflect meaningful input from the people and communities that HHA serves.

Strategy: Promote partnerships with other housing authorities.

It is noteworthy that HHA’s new CEO is President of the Public Housing Authority Directors Association (PHADA), a national organization representing 1,900 housing authorities nationwide. HHA has continued to actively engage with HUD and housing authority industry groups to advocate for funding and services. HHA continued to work with other local housing authorities to facilitate the portability component of the HCV program, which allows voucher holders to move outside of the voucher-issuing jurisdiction. HHA collaborated with Harris

County to provide HCV inspection and rent reasonableness services for HHA-owned Project Based Voucher developments.

HHA continues to be an active member of NAHRO and continues to engage in activities to broaden our connections with other Housing Authority partners

Strategy: Develop strategies to promote positive communications and community perceptions of HHA.

In addition to the activities noted above, HHA actively engaged in proactive media strategies to positively influence public support for affordable housing, including new development initiatives planned for the East of Downtown neighborhood. HHA's new executive management team will continue to prioritize initiatives to communicate consistently and effectively regarding HHA programs, policies and priorities with residents and program participants, regulatory agencies, elected officials and the community at large.

HHA Goal: Improve agency performance.

Strategy: Seek other funding streams.

Ensuring adequate funding to preserve HHA's existing affordable housing and supportive service programs and to create new affordable housing and expanded services continued to be a top priority for HHA. See "New Activities" narrative for information regarding development and RAD conversion initiatives. As noted above, HHA has been able to secure additional funding over the course of the 5-Year PHA Plan period to support critical initiatives including:

- 750 Emergency Housing Vouchers.
- \$11 million contract with the City to expand the HOME TBRA program for 1,000 households.
- 112 new Mainstream Vouchers under the CARES Act
- \$4.77 million in CARES Act funding to ensure that there are adequate funds for FY 2021 leasing.
- \$2.3 million for a new Jobs Plus initiative at Oxford Place Apartments.
- \$717,750 awarded to implement a "Renewal" Resident Opportunity Self Sufficiency (ROSS) Grant during FY 2021 to assist elderly/disabled clients maintain their independence and assist workable adults obtain education, training and job skills to achieve self-sufficiency.
- \$450,000 for a HUD Choice Neighborhoods Planning grant for Cuney Homes.

Strategy: Improve the physical work environment.

HHA continued to prioritize the health and safety of the workforce over the past year, including the ongoing implementation of safety measures in a full-time in-person workplace environment. Other efforts to improve the work environment continued to update policies and procedures related to the evolving COVID -19 pandemic and other health concerns.

Strategy: Invest in human capital.

HHA's Human Resources Department continued to focus on investments in and training of HHA's workforce to ensure that they have the tools and skills needed to perform their jobs well. Online trainings were performed throughout the year on various pertinent topics and skill-building opportunities, and the Employee Assistance Program continued to provide referral resources and confidential support. Monthly wellness newsletters were prepared and distributed with helpful information to promote good health and deal with stress. HR released a climate survey to all staff to receive feedback from employees to help understand where the agency can improve. Cigna nominated the Wellness Committee for the Cigna Wellbeing Award, which is the first time for HHA.

Strategy: Increase interdepartmental collaboration and communication

Ongoing interdepartmental collaboration continued throughout the year. The many fruits of this collaboration are reflected in the activities and accomplishments noted in this progress report. HHA put in place a new executive management team in 2022 that is laser-focused on improving interdepartmental collaboration in support of the agency's mission and strategic objectives. Current deliverables include weekly roundtables conversations between staff and the Executive Office, monthly activation around team building, monthly briefing from the CEO, weekly team check ins encouraging silo breakdown, team collaboration, and ongoing learning opportunities. HHA also plans to put forward a resolution to develop an onsite training center to continue to offer opportunities for our staff to learn best practices around assisting residents with HHA programming and deliverables.

Strategy: Seek new innovations

HHA continued to pursue innovation in support of the agency's mission to promote and expand affordable housing and services to low-income households. An example of this is the successful effort to secure HUD approval and implement Small Area Fair Market Rents (SAFMRs) citywide. This initiative is intended to support voucher holders in leasing housing in areas of higher opportunity, while also reducing the number of voucher holders with rent burdens. Another key accomplishment is the designation of HHA by HUD as an MTW agency and HUD conditional approval of the FY 2022 MTW Supplement. MTW designation affords HHA a substantial degree of programmatic and financial flexibility that is not available to other non-MTW Housing Authorities. An example is the SAFMR-related MTW waiver that HHA requested, and that was subsequently approved by HUD, to establish payment standards from 80-150% of the applicable SAFMR for each zip code or group of zip codes. HHA is preparing to participate in a national evaluation of an MTW alternative rent policy along with an array of other MTW waivers that were initially approved in the FY 2022 MTW Supplement that will help streamline and improve service delivery, expand housing opportunities and promote resident self-sufficiency.