



MY HOME IS HERE:

HARRIS COUNTY'S HOUSING
NEEDS ASSESSMENT AND
10-YEAR STRATEGY



October 2021

ACKNOWLEDGEMENTS

FUNDERS OF THIS STUDY:

- U.S. Department of Housing & Urban Development
- Texas General Land Office
- Harris County Community Services Department

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- Ford Momentum!
- University of Texas at Austin, Center for Sustainable Development

**THANK YOU TO THOSE WHO TOOK THE SURVEY
AND WERE INVOLVED IN THIS PROCESS!**

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LETTER FROM THE EXECUTIVE DIRECTOR

Harris County is often touted as a leader in cost-attainable housing, and in many ways we are. However, just a little less than a decade ago, the homeless population eclipsed 8,000 and the Greater Harris County area was on the brink of a housing crisis. Our response over the past nine years, in collaboration with various partners and organizations, was to support the development of more affordable, safe, and equitable housing options for all income levels. While noble and successful, current pressing concerns underscore that there is still much work to be done.

Even before the COVID-19 pandemic dealt a severe economic blow to our community, low-income individuals struggled to find attainable housing. The inequities exposed by the pandemic, such as looming threats of eviction, housing instability, and loss of income and jobs, have made the fight for affordable housing even more difficult. We need to take more deliberate and intentional action.



But first, we need a plan that strategically directs resources toward the creation of an equitable housing system for all income levels. To inform this plan, Harris County commissioned a study (My Home is Here) by the Kinder Institute for Urban Research at Rice University that analyzed pertinent data and gauged the public's perception of housing opportunities within county lines. Through this engagement, we listened to more than 17,000 residents throughout the process and integrated their lived experiences in the analyses that followed. This also allowed us to foster community relationships, ensuring that we continue to listen to the needs and desires of our people in the months and years to come.

The joint My Home is Here project serves as a vehicle for Harris County to establish a proactive approach in determining housing outcomes rather than reacting to them and to equitably protect people and property in our communities. It identifies ways we can approach investment and policymaking that meets communities where they are, building on their strengths and working with them to tackle long-standing inequities. My Home is Here, funded through county HUD/GLO Harvey Recovery allocations, will help us stimulate the transformative and disruptive changes in our communities that are necessary to better address today's housing inequities while planning for tomorrow's housing needs.

I'm incredibly proud of all the work the My Home is Here team accomplished during a global pandemic to produce a robust and comprehensive picture of housing in Harris County. We look forward to working with you to act on the myriad recommendations offered in this study. Let's commit to making dignified, equitable, and sustainable housing opportunities a top priority for Harris County.

Regards,

A handwritten signature in black ink that reads "A. Holloway". The signature is stylized and cursive.

Adrienne M. Holloway, Ph.D.
Executive Director
Harris County Community Services Department

MY HOME IS HERE

EXECUTIVE SUMMARY



Harris County needs accessible and affordable housing.

This is not a task that Harris County can take on alone. This report frames a need for all partners to work on addressing this challenge.

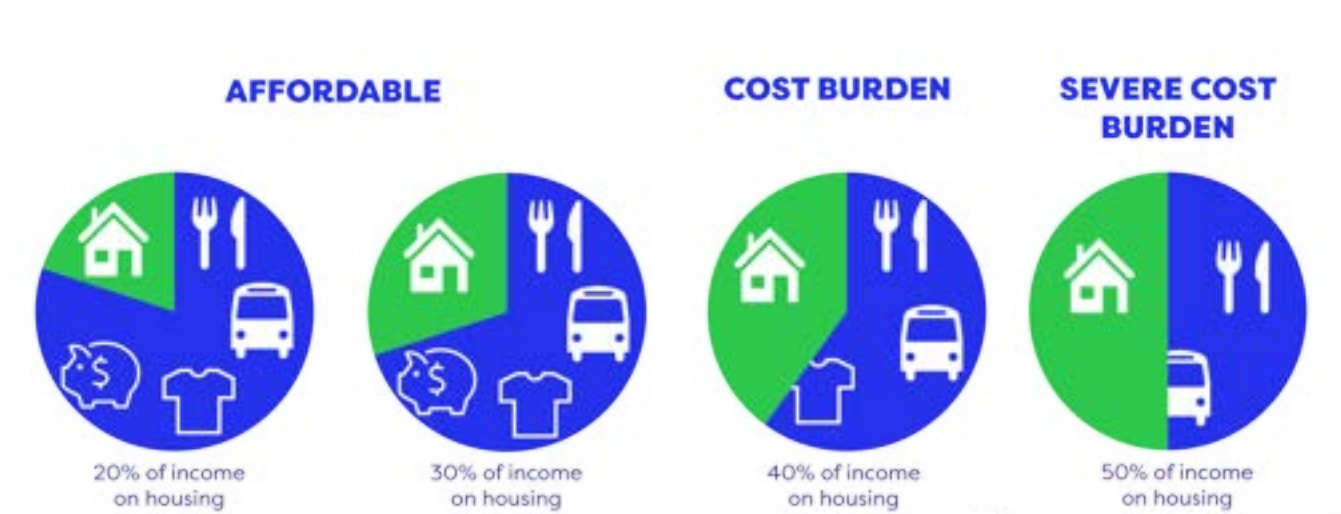


HERE'S WHY IT MATTERS

THERE IS AN AFFORDABILITY CRISIS IN HARRIS COUNTY. ALMOST 500,000 FAMILIES ARE PAYING MORE THAN THEY CAN AFFORD FOR THEIR HOMES TODAY.

Homes are the center of healthy communities. We know that children's growth and success in life is in part determined by where they grow up and whether they have a stable, high-quality home that meets their family's needs. People enjoy better health when they have a home located in an area where they can walk, go to parks, and enjoy the outdoors safely. Workers at Harris County's businesses need to live in areas where they can make the commute to work in a reliable way. Ultimately, homes are essential infrastructure for life. Our communities and families thrive when every person and family has a great place to call home.

Every family and person needs a home that is affordable to them. The U.S. Department of Housing and Urban Development (HUD) defines "affordable" as having housing costs that total less than less than 30% of a household's income.* In Harris County, almost 500,000 households with incomes below \$75,000 are paying more than 30% of their incomes for their homes today. In housing policy terms, we say that these families are "cost-burdened," or burdened by the cost of their homes — high home costs mean that they cannot spend enough on other essential needs like food, transportation, health care, or child care.



*U.S. Department of Housing and Urban Development, "Defining Housing Affordability," 2017.
<https://www.huduser.gov/portal/pdredge/pdr-edge-featd-article-081417.html>



The chart below shows that cost burden is not limited to any one group of people. It highlights typical workers who earn different percentages of **Harris County's median household income, or MHI*** – and then shows how many households earning these same income levels are paying too much for their homes today. All of the workers shown in the chart work in one of Harris County's top 25 occupations, including teachers, food servers, health care workers, and more. Addressing the affordability crisis matters because it affects people in every community across Harris County.

WHO IS PAYING TOO MUCH FOR THEIR HOME TODAY?



0 - 30% MHI
\$20,000/year

- Fast food and counter workers**
- Home health and personal care aides

0 - 30% **renters**
paying too much:
128,767

0 - 30% **owners**
paying too much:
46,849



30 - 60% MHI
\$35,000/year

- Retail salespersons
- Cashiers
- Customer service representatives
- Waiters
- Medical assistants

30% - 60% **renters**
paying too much:
124,019

30% - 60% **owners**
paying too much:
44,083



60 - 80% MHI
\$50,000/year

- Truck drivers
- Administrative assistants
- Bookkeepers

60% - 80% **renters**
paying too much:
58,109

60% - 80% **owners**
paying too much:
35,582



80 - 120% MHI
\$75,000/year

- Elementary school teachers
- Skilled trades workers (e.g. welders)

80% - 120% **renters**
paying too much:
27,751

80% - 120% **owners**
paying too much:
34,462

*This report uses median household income (MHI) limits for Harris County, based on 2019 American Community Survey data. This is a more geographically specific alternative to traditional HUD income statistics such as "Area Median Income" or "Median Family Income" which are calculated at a regional level. MHI numbers are specific to Harris County.

**Wage statistics for Harris County from the Bureau of Labor Statistics Occupational Employment and Wages, May 2020.

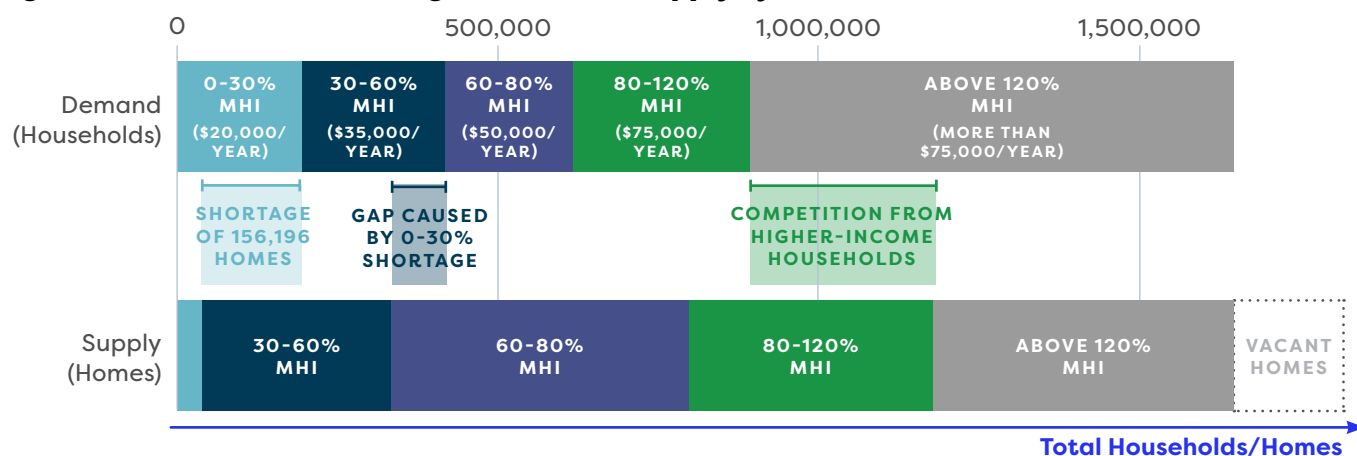
WHY ARE SO MANY PEOPLE COST-BURDENED IN HARRIS COUNTY?

There are many reasons why households and families in Harris County are cost-burdened. Some of the major reasons are discussed in this section.

Lack of Homes Available to Extremely Low-Income Households

One primary issue is the lack of homes that serve households earning less than \$20,000 per year, or 30% MHI. Because of this lack, 95% of these households are cost-burdened and end up renting homes that would otherwise be affordable to residents earning higher incomes. This in turn squeezes the available housing supply for those residents and causes housing shortages at the 30-60% MHI level as well, as shown in the graph below.

Figure 1: Distribution of Housing Demand and Supply by Income Bracket*



Housing Quality and Maintenance Challenges

In some cases, affordable homes may not have the high-quality, healthy living environment that families are seeking. Renters may decide they need to pay more in order to live in a well-maintained unit. Homeowners may face heavy burdens keeping up with needed maintenance, particularly in older homes.

Effects of the COVID-19 Pandemic

The pandemic has increased housing instability for many families through losses of jobs and income, leading more families to potentially become cost burdened. In addition, lumber prices and other prices of goods have substantially increased during the pandemic, which has increased the price of new construction and home repairs.

*Demand distribution based on 2019 American Community Survey (ACS) data. Supply based on 2019 ACS data and market study conducted by CDS Community Development Strategies.

Location Challenges for Some Affordable Homes

This map uses rental housing in Harris County as an example to explain “spatial mismatch,” or the idea that affordable housing may not be located where people most need it. In the green areas, there are more affordable rental homes available than the number of cost-burdened renters, meaning that these areas may have “extra” affordable homes above demand. In the red areas, there are more cost-burdened renter households than the number of affordable units, meaning that these areas have a shortage of affordable homes. Green areas that have “extra” affordable homes tend to be located in places where cars are required to access jobs and services.

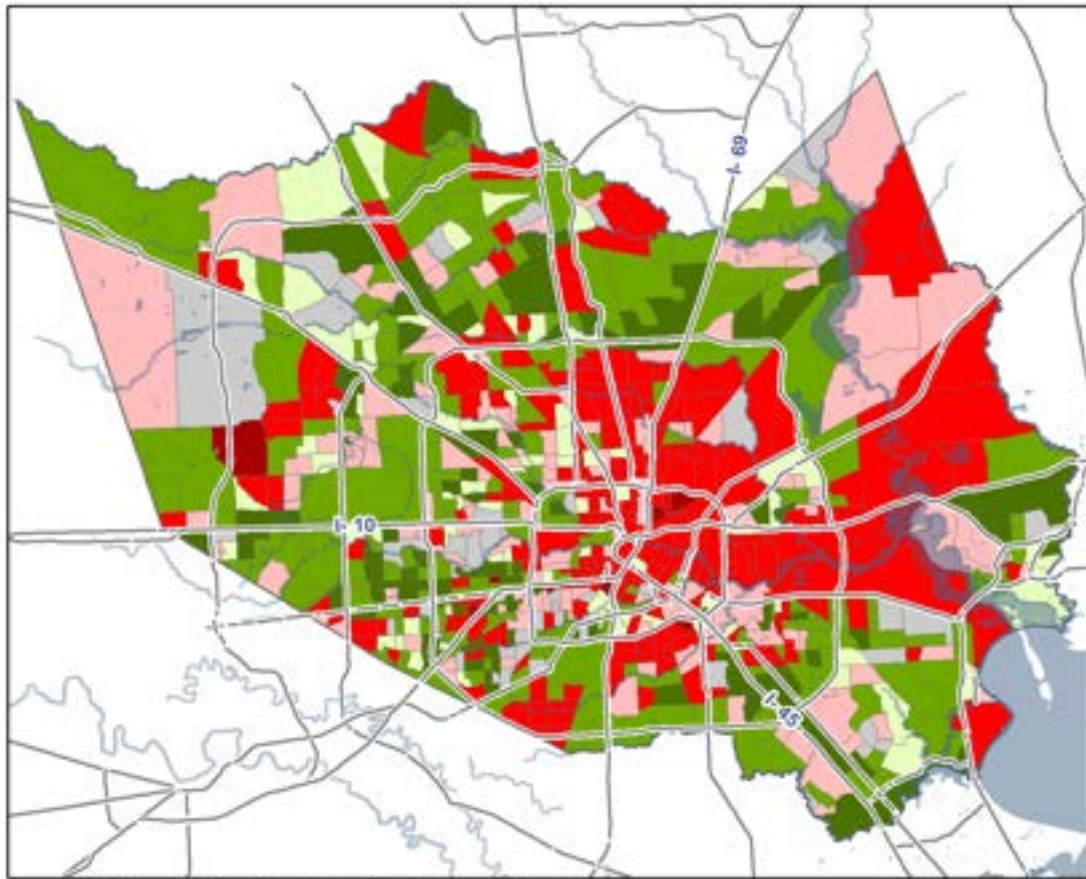


Figure 2: Rental Housing Supply Compared to Household Income

Data Source: The Real Estate Center at Texas A&M
Houston Area Realtors MLB and Apartment Data Services
US Census American Community Survey 2014 and 2019

Legend:

- Highways
- Rivers
- Water
- Harris County Line

Data Limitations:

- Limitations and explanations are included in full report.

0 1.5 3 6 9 12 15 18 Miles

Rentals at 30% of 80% MHI

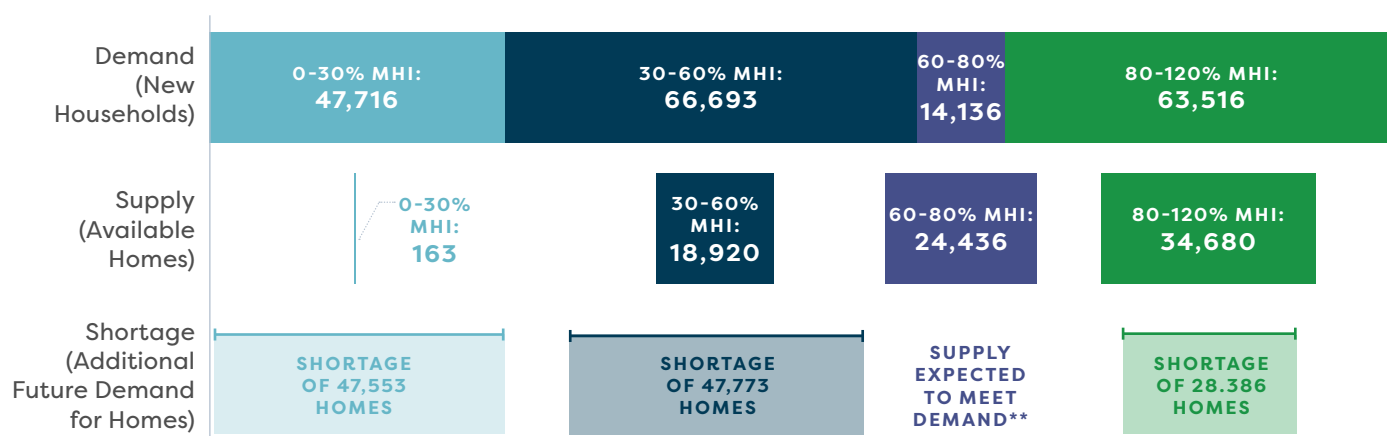
Supply less Cost- Burdened Households

- Less than -500
- 499 to -100
- 99 to -10
- 9 to 10
- 11 - 100
- 101 - 500
- Greater than 500

HOW MUCH WILL HARRIS COUNTY GROW OVER THE NEXT 10 YEARS?

The County's population of families and workers will grow over the next 10 years, partially fueled by ongoing job growth. Current projections suggest almost 200,000 new households will be formed who earn less than 120% MHI. This population growth increases the demand for housing. Some income levels have enough vacant housing to meet this demand, but others do not.*

Figure 3: Distribution of 10-Year Housing Demand and Available Supply by Income Bracket*



TO MEET THESE NEEDS, AND HELP EXISTING COST-BURDENED RESIDENTS, HARRIS COUNTY NEEDS

OVER 20,000

NEW HOMES PER YEAR, PRIMARILY FOR HOUSEHOLDS EARNING LESS THAN \$35,000 PER YEAR (60% MHI). SEE THE NEXT PAGE FOR MORE DETAILS.

*Data sources:
H-GAC TAZ-level job projections
Real Estate Center at Texas A&M
Houston Area Realtors MLB and Apartment Data Services
US Census American Community Survey 2019

**More details available in full My Home is Here report.



HOW MANY NEW HOMES ARE NEEDED?

When calculating the number of new homes needed for residents of Harris County, we must account for two sets of residents. First, there are **current cost-burdened residents** who need more affordable homes, as discussed on Pages 8-11. However, not every cost-burdened resident needs a new home, and the challenge of cost burden is too large for the county and its local partners to “build their way out” of the issue. The table at right estimates the requirements to assist 20% of cost-burdened residents in Harris County with a new, affordable home. Other policies and programs that can serve the remaining 80% of cost-burdened residents include: a large expansion of Housing Choice Vouchers or similar subsidies from the federal government to assist extremely low-income households; home repair programs to help existing homeowners maintain their homes and age in place; and public transportation improvements, as well as creation of walkable retail and services, that make affordable housing toward the edges of Harris County more accessible for a variety of households.

A second group of residents that needs new homes is the **new households that will be formed over the next 10 years**, as discussed on the previous page. These households can be formed when people move into Harris County, or grow up and move out of their parents’ home, or move to their own home after living with roommates, or through other means. The common factor is that all of these households will need a home to live in, which increases the number of homes that need to be built.

Figure 4: New Housing to Meet the Needs of 20% of Today's Cost-Burdened Residents

	Renter	Owner	Annual Goal through 2030
0-30% MHI (\$20,000/ year)	24,465	1,288	2,575 Units
30-60% MHI (\$35,000/year)	23,564	1,240	2,480 Units
60-80% MHI (\$50,000/year)	11,622	7,116	1,874 Units
80-120% MHI (\$75,000/year)	5,550	6,892	1,244 Units
Total	67,729	14,008	8,174 Units Per Year

Figure 5: New Housing for Households Formed in Harris County over the Next 10 Years

	Renter	Owner	Annual Goal through 2030
0-30% MHI (\$20,000/ year)	45,175	2,378	4,755 Units
30-60% MHI (\$35,000/year)	45,384	2,389	4,777 Units
60-80% MHI (\$50,000/year)	Supply Meets Demand	Supply Meets Demand	Supply Meets Demand
80-120% MHI (\$75,000/year)	1,680	27,156	2,884 Units
Total	98,160	27,156	12,416 Units Per Year

HOW CAN THESE NEW HOMES BE FUNDED AND BUILT?

Over the next 10 years, more than 200,000 homes are needed for households and families in Harris County who earn less than \$75,000 per year. Meeting this need will require a major investment from all parties in the County, and new resources beyond the funds that are available today.

Existing Sources of Public Funds

The graph on the next page shows the existing funding sources available to Harris County and its public-sector partners at the bottom, in various shades of blue. Some of the largest sources of funds today are Low-Income Housing Tax Credits (LIHTC), tax-exempt bonds that accompany 4% LIHTC, and CDBG-DR funding provided to help the County recover from Hurricane Harvey. “Entitlement” funds provided by the federal government to the County, City of Houston, City of Baytown, and City of Pasadena are also of assistance, though these funds are used not just for new housing production but also for revitalizing neighborhoods and infrastructure costs. The City of Houston has local sources, including Affordable Housing Bonds and funding from several Tax Increment Reinvestment Zones (TIRZ), to help fund affordable housing.

Potential Sources of Private Funds

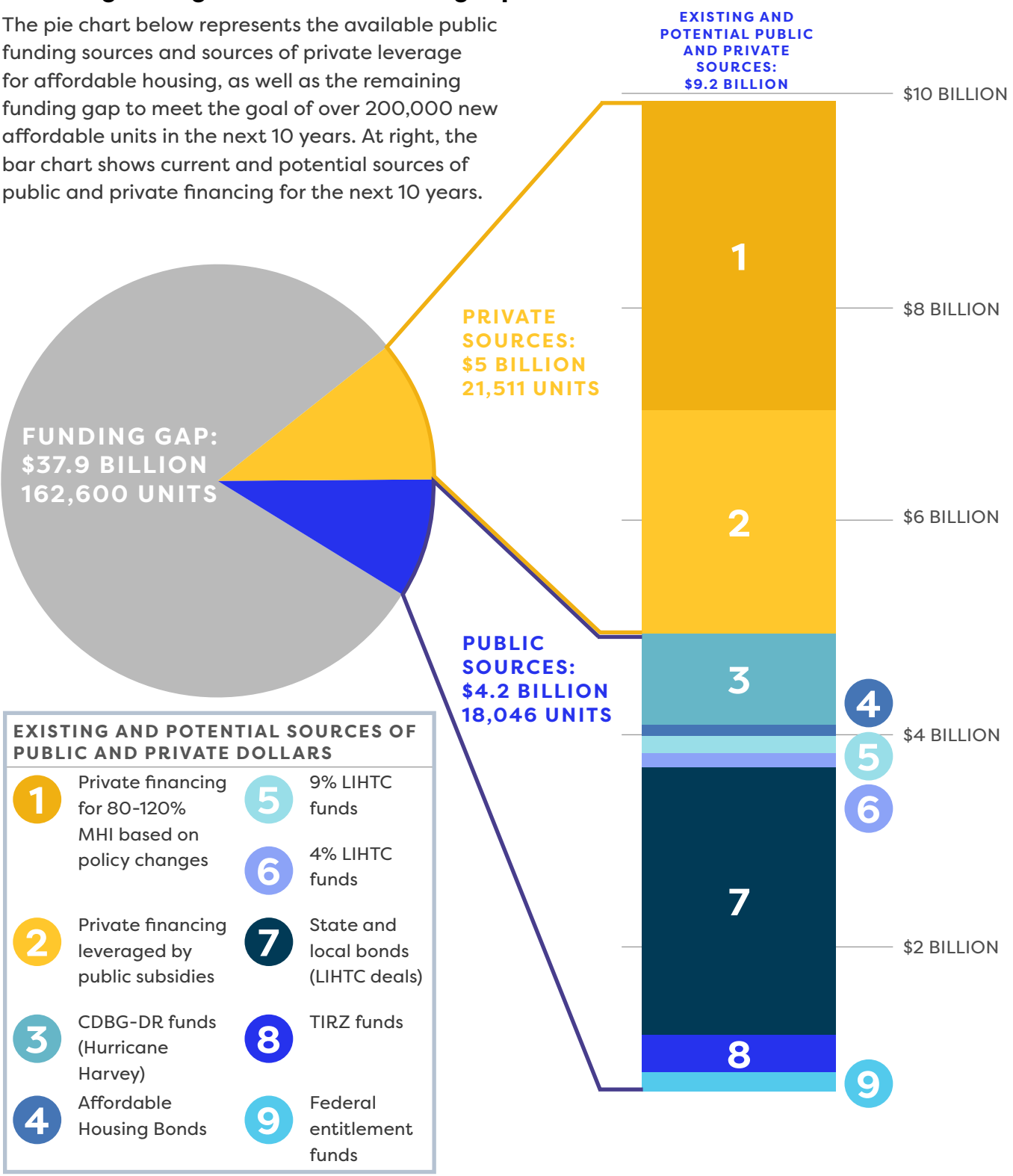
In yellow, we show two potential sources of funding that can help solve the affordability challenge in the near term. These include private-sector funds that are already involved in most deals that are subsidized by public funds (most affordable developments have a component of private financing through first mortgages from banks). They also include additional private-sector funds that could potentially be leveraged based on policy and code changes to close the affordability gap for households earning 80%-120% MHI (\$50,000-\$75,000 per year). For example, reduced minimum-lot sizes and support for innovative construction technologies could help produce affordable homes for families at this income level without the need for additional subsidy.

Funding Gap

The large gray section at the top of the graph shows that many more partnerships and many new funding sources will be needed to fully close the affordability gap in Harris County. One source is American Rescue Plan Act (ARPA) State and Local Recovery dollars, which offer an opportunity to set up a countywide Housing Trust Fund which can provide a flexible, local source of funding for affordable homes (see Strategy 1A in the “Values, Goals, and Strategies” section of the full report). Another potential source is infrastructure bond funding that can support affordable development, or an increase in Project-Based Vouchers through advocacy with the federal government. These ideas are further described in the Values, Goals, and Strategies section of the full report.

Figure 6:
Visualizing Funding Sources and the Funding Gap

The pie chart below represents the available public funding sources and sources of private leverage for affordable housing, as well as the remaining funding gap to meet the goal of over 200,000 new affordable units in the next 10 years. At right, the bar chart shows current and potential sources of public and private financing for the next 10 years.



HERE'S WHAT WE HEARD

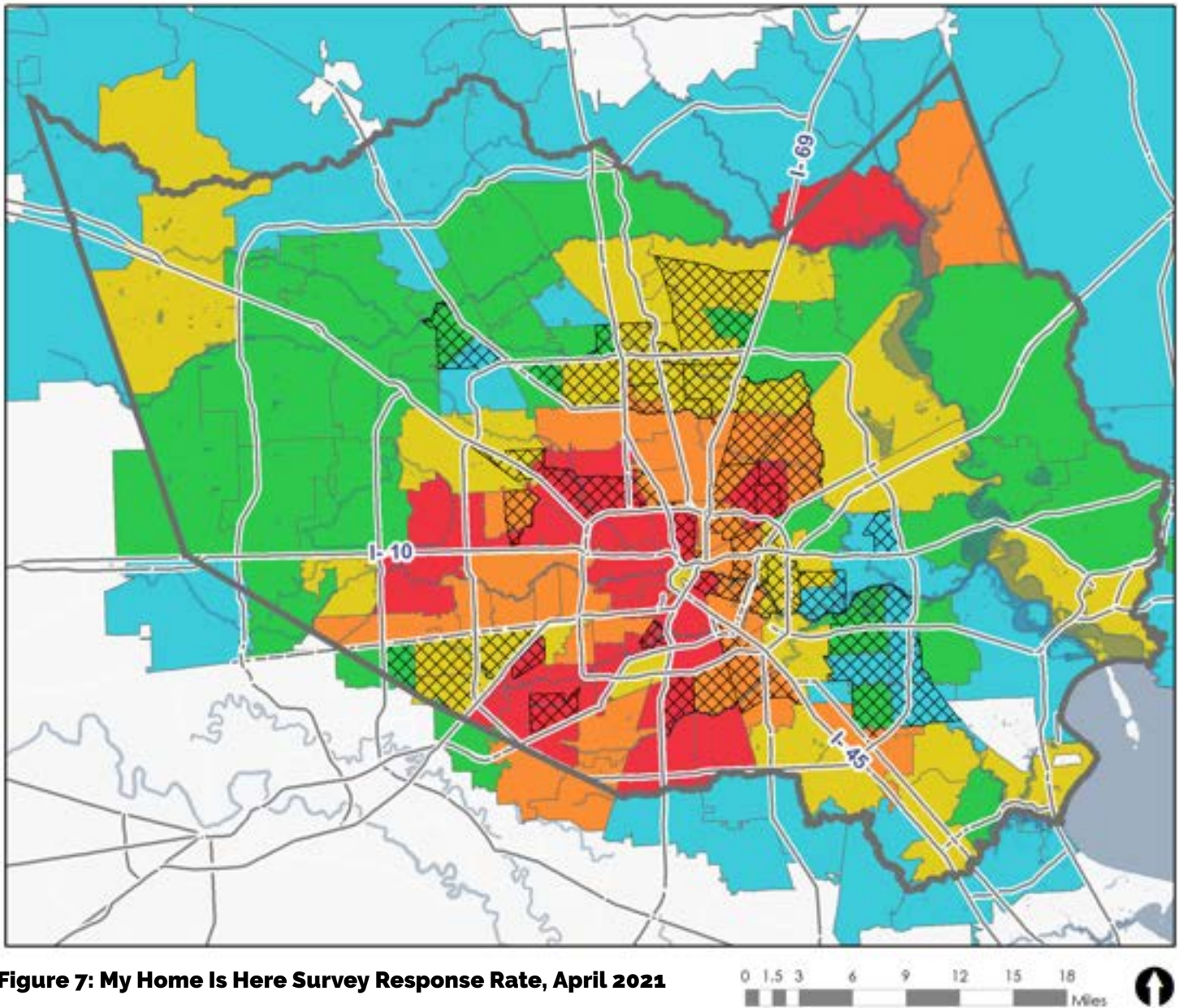
Home means more than just four walls — people want resilient and livable neighborhoods.

While data tells a clear story about why housing matters, the conclusions of this study are also based in deep engagement with residents of Harris County. To better understand residents' challenges and desires related to their homes, we conducted a survey with over 17,000 respondents. We also held many online events with members of the public, and focus groups with social service providers, real estate professionals, health officials, and housing advocates.

Public engagement informed every aspect of this study. Engagement results were a key component in determining the final strategies, policies, and investment priorities for the next 10 years.

The map at right shows total response rates to our survey by ZIP code across Harris County. ZIP codes in blue had the fewest respondents (about 250 or fewer), while ZIP codes in red had the most respondents (about 1,500 or fewer). Areas that are shown as hatched in gray were focus areas for outreach based on a variety of factors, including presence of communities of color, persons speaking English as a second language, and specific housing conditions. More information on these priority areas is available in the full report and "What we Heard" appendix.





Data Source: The Kinder Institute of Urban Research, My Home is Here Survey

Legend:

 Engagement Priority Areas

Response Rate:

-  Less than 0.1%
-  0.1% - 0.2%
-  0.2% - 0.3%
-  0.3% - 0.6%
-  More than 0.6%

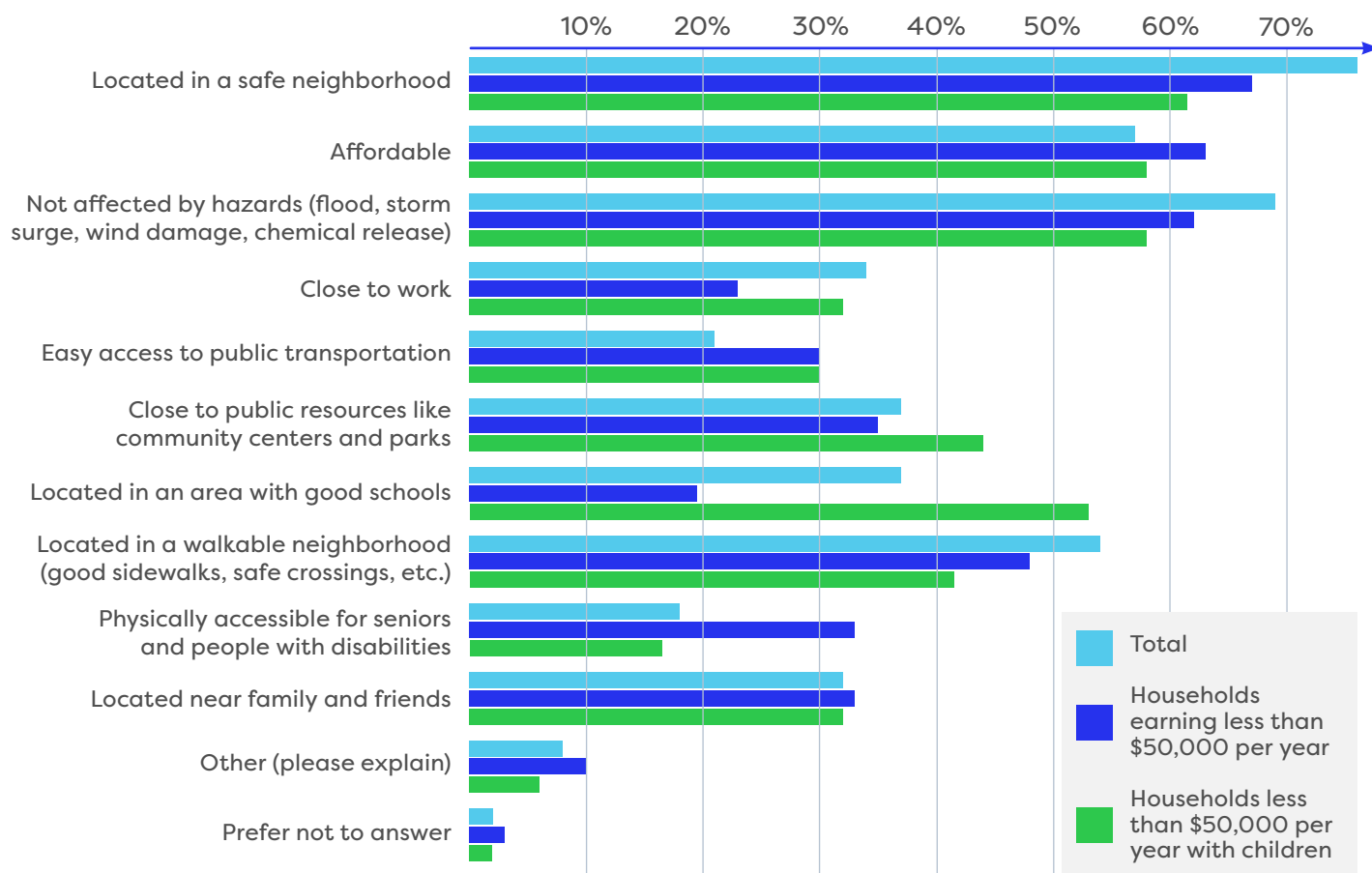
Response Rate	Response Range	If Sample Size Equals
Less than 0.100%	Less than 250 responses	25,000 adults live in the zip code
0.100% to 0.199%	250 to 499 responses	25,000 adults live in the zip code
0.200% to 0.299%	500 to 749 responses	25,000 adults live in the zip code
0.300% to 0.599%	750 to 1,499 responses	25,000 adults live in the zip code
More than 0.6%	1,500 responses	25,000 adults live in the zip code

Three tiers of priorities appear to be most consequential when Harris County residents think about housing: safety and hazard resilience, first and foremost; affordability and walkability in a second tier; and, proximity to neighborhood amenities like community centers, parks, and good schools in a third set. 76% of respondents identified safety as their top priority when asked what is most important in their home. While there is evidence that people do feel safe in their communities, the definition of safety goes well beyond crime. It is a fundamental building block that people seek for their home and includes resilience to hazards.

Households earning less than \$50,000 per year (80% MHI) were more likely to prioritize affordability, and households in this income bracket with children cared more about schools and neighborhood amenities. An additional question asked residents which of their top priorities they did not currently have; walkable neighborhoods and hazard resilience rose in importance for all respondents based on this question.

Figure 8: Top Priorities for Survey Respondents

Q: What is most important to you in your home? Please pick up to 5 options.



17,510 RESPONDENTS



63%

agree they will need to make changes to their home so they can keep living there as they grow older.



18%

of families with children earning less than \$50,000 have moved to lower their housing costs in the last three years.

53%

sometimes worry that rising costs will make it difficult to stay in their home, but **86%** like their neighborhood and want to stay.



An additional **21%** considered moving, but didn't find a more affordable home that was within their budget.



"I AM CONCERNED THAT IF I WANTED TO MOVE TO A NEWER HOME, I WON'T BE ABLE TO AFFORD IT."

- Harris County Resident



“WE NEED TO MAKE AFFORDABLE HOMES CLOSE TO GOOD SCHOOLS, SAFE PARKS, GROCERY STORES, AND HEALTH CLINICS.”

- Harris County Resident

It's time to act as one and create affordable homes for our families.

Harris County will use the results of this study to establish a 10-year investment plan that meets residents' needs and builds high-quality, resilient neighborhoods. But many others must act to close our housing gap as well — including cities within Harris County, the private sector, the non-profit sector, and philanthropic organizations. On the following pages, you can see our investment framework, and the values, goals, and strategies that will guide investment. We want you to get involved in our building, funding, and advocacy efforts!

INVEST IN ALL COMMUNITIES

To address these challenges, Harris County will use the following four framework elements to create a targeted and strategic investment plan. These elements are each based on the input residents provided us during the study, as well as in-depth data analysis of current and future trends.

Making equitable investments in housing means supporting residents and families in different ways. Pursuing tailored policies is a way to support families in their pursuit of happiness and their climb out of poverty. In the past, development has been attracted to areas where building is easier and cheaper, without regard to considerations like environmental risk, or proximity to jobs and services. In the long term, this becomes costly for families who may be caught in harm's way from hazards like flooding, or who may have limited access to the places that can support a healthier, more resilient way of life. This moment is an opportunity for Harris County and its many partners — policymakers, civic and business leaders, and the development community — to change housing development by investing in all communities in an equitable manner.

The following four framework elements have been developed through this study, and Harris County will work with partners, including local cities, federal and state partners, the private and philanthropic sectors, non-profits, and others, to develop a plan for investment based on this framework.

- 1 Market Analysis:** A Market Analysis will enable the County to strategically **invest in all neighborhoods and places** by tailoring investments to local market conditions.
- 2 Opportunity Analysis:** An Opportunity Analysis uses the results of our Housing Survey to show how the County can **invest in the things people care about** by layering supportive policies along with housing investments.
- 3 Access to Services:** An analysis of Access to Services will help to ensure that County residents have **consistent and easy access to services** such as grocery stores, child care, health care, and places of worship.
- 4 Environmental Constraints:** And an analysis of Environmental Constraints shows where investing in hazard-resilient areas, and **building hazard resilience into homes**, will help ensure County residents can be protected from the effects of a changing climate.

Invest in all neighborhoods and places.

The Harris County Market Analysis provides a look at the nature of the real estate market across the County. One area of investigation of this Market Analysis was the relative strength of the real estate market in each Census tract across the County. Indicators including land values, home prices, monthly rents, the average age of properties, and residential vacancy rates help to determine the strength of the local market. Areas with “strong markets” tend to have higher housing prices and high demand for housing. “Middle markets” are in the mid-range of prices and demand for the County, while “soft markets” are more affordable.

In addition, the Market Analysis looked at whether each Census tract is mostly populated by renters (over 60% renters), mostly populated by homeowners (over 60% owners), or a mix of the two (between 40-60% renters and owners). This helps determine how susceptible a neighborhood is to change. An area that is mostly homeowners will often change more slowly than a neighborhood that has a large population of renters, since homeowners are usually more able to control their monthly payments and tend to move less often than renters.*

The County and its partners can use this component of the Investment Framework to focus investment that builds on the strengths of all neighborhoods and places. For example:

- In a strong market area, investment may look to create additional affordable homes that allow people to live near their job, school, or services.
- In a middle market area, investment may seek to stabilize existing homeowners and renters through housing preservation, while also adding new affordable options.
- In a soft market area, investment may seek to build community wealth through assistance to homeowners, mixed-use development that creates jobs, or partnerships that help renters purchase homes.

*National Association of Realtors. 2012. Social Benefits of Homeownership and Stable Housing. https://www.nar.realtor/sites/default/files/migration_files/social-benefits-of-stable-housing-2012-04.pdf

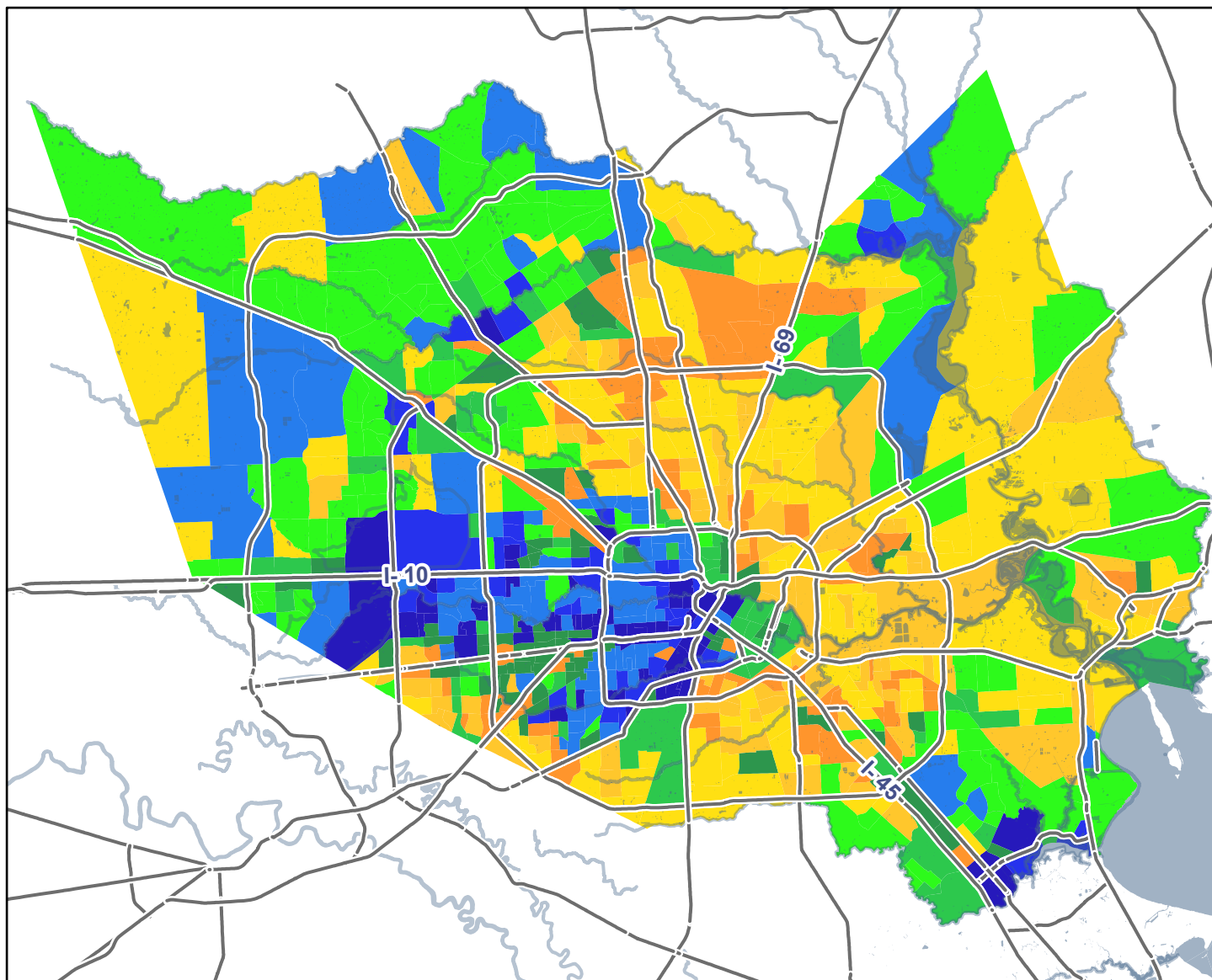


Figure 9: Harris County Market Analysis

Data Source: 2019 American Community Survey
Federal Housing Finance Agency
National Housing Preservation Database

0 1.75 3.5 7 10.5 14 17.5 21 Miles



Data Limitations:

- Limitations and suitability explanations are included in report.

Legend:

Highways
Rivers
Water

Index Categories:

Soft Owner
Soft Mix
Soft Renter

Middle Owner
Middle Mix
Middle Renter
Strong Owner
Strong Mix
Strong Renter

Invest in the things people care about in their neighborhoods.

A place-based investment approach should be informed by the issues people care most about. The Opportunity Analysis Map at right illustrates where supportive policies and investments can complement housing investment by addressing community preferences and desires for resilient and livable neighborhoods. Community preferences were gathered through workshops with the Harris County Housing Policy Advisory Committee (HPAC), focus group interviews, and the community survey. The place-based factors that ranked highest among these three core groups include:

- **Safety.** Neighborhood safety is at the core of what county residents want in their home, with over 76% of survey respondents identifying it as the top priority at home. The public also identified wanting safety from environmental hazards, and on streets and sidewalks in their neighborhoods.
- **Hazard exposure.** Finding a secure home that was not affected by hazards like flooding, storm surge, wind damage, or chemical release was the second-highest ranked priority in the community survey. Many affordable homes in the County are currently exposed to various hazards.
- **School quality.** Equitable access to high-quality education and resources is a top predictor of children's and families' upward mobility. HPAC and focus groups identified school quality as top priorities. Survey respondents, on the other hand, ranked it tied for fifth, though it rose significantly as a priority for respondents with children who reported earning less than \$50,000 a year.
- **Accessibility.** Proximity and access to services and amenities was identified as a priority by HPAC and focus group participants. 54% of survey respondents identified walkability as a top priority.

The Opportunity Analysis Map on the next page uses a technique called “cluster analysis” to show where these four different priorities and issues group together across the County. The results illustrate four predominant categories that point to the types of supportive policies that will make housing in these areas more resilient and livable for families. Harris County and its partners can use the table below, along with the Strategies defined later in this summary, to help determine how to shape policies and investments that complement housing investments in the areas shown on the map.

Figure 10: Challenges and Assets from each Opportunity Category

FACTORS USED TO ESTABLISH CATEGORIES	Preserve and build affordable infill housing options	Attract investment that enhances economic opportunity	Diversify housing types and expand transportation choices	Adapt to hazards and support sustainable neighborhood development
	Safety: Low Hazard exposure: Medium School quality: Medium Accessibility: High	Safety: High Hazard exposure: Low School quality: Low Accessibility: Low	Safety: High Hazard exposure: Low School quality: High Accessibility: Low	Safety: Medium Hazard exposure: High School quality: Medium Accessibility: Medium

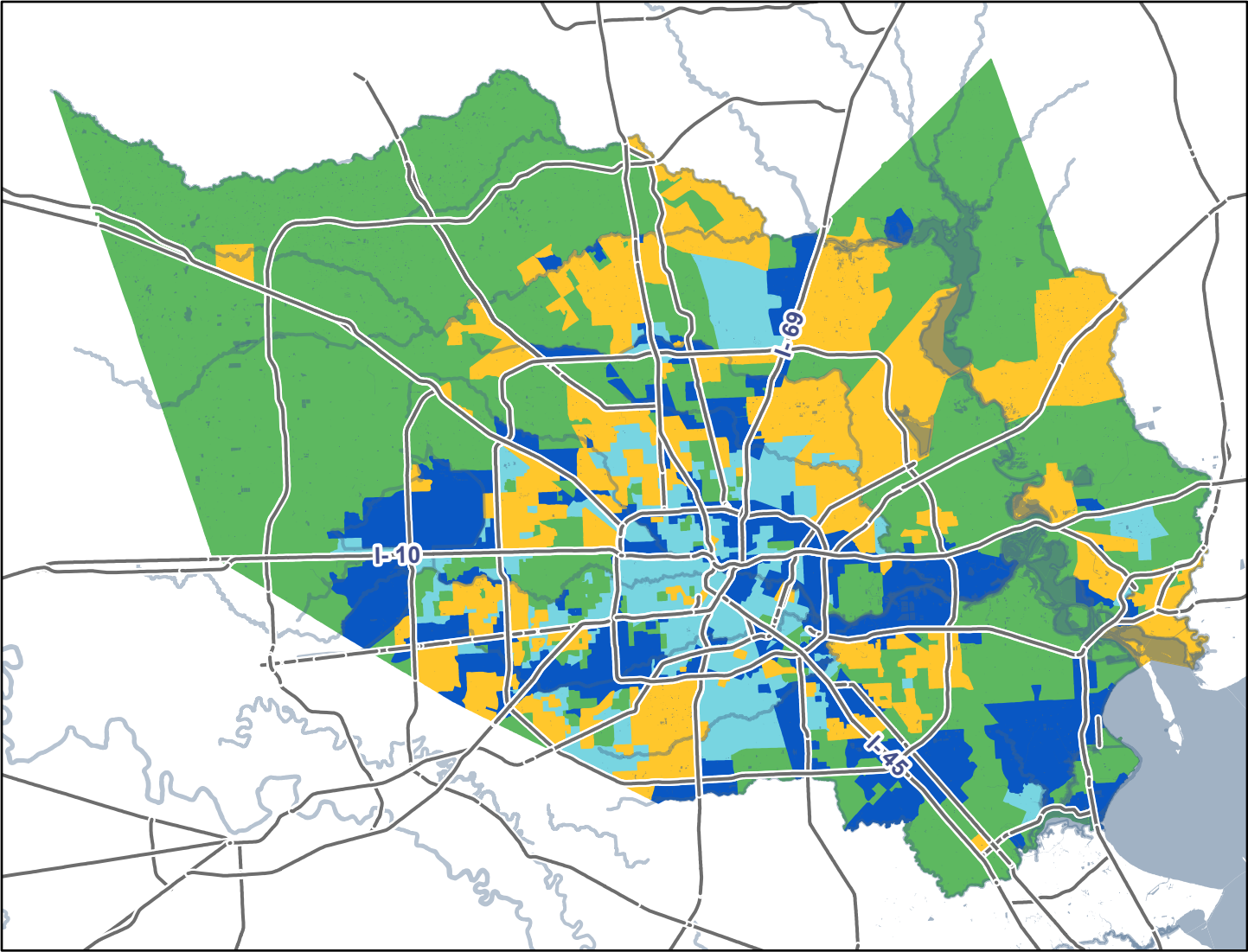
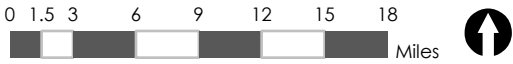
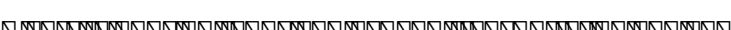
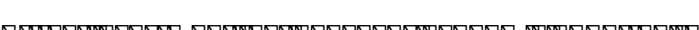


Figure 11: Harris County Opportunity Analysis



Categories:

-  
-  
-  
-  

Legend for Figure 11: Harris County Opportunity Analysis

The map displays four categories of opportunity, each represented by a unique color and a corresponding hatched pattern:

- Light Blue:** Represented by a light blue color swatch and a light blue hatched pattern.
- Green:** Represented by a green color swatch and a green hatched pattern.
- Blue:** Represented by a blue color swatch and a blue hatched pattern.
- Yellow:** Represented by a yellow color swatch and a yellow hatched pattern.

Invest to provide families with access to services.

Creating healthier, more resilient communities depends on households and families having access to everyday services and destinations. The analysis in this map categorizes census block groups by their access to services and greenspace. It also factors in the ease of getting around on foot, bike, or using public transit through LINK Houston's Quality Affordable Transportation Index (QATi).

Access was measured using three equally weighted components at the Census block group level. The first component was the Quality Transportation Index (QATi) measures of access to transit and also built environment characteristics that support use of walking and biking. The second component measured the proximity of an area to parks and open space. The third component was a measure of how many community services were reachable by driving 15 miles on the road network. "Services" included grocery stores, health clinics and pharmacies, child care facilities, libraries, community centers, workforce development services, and houses of worship — all things that families rely on for their everyday lives.

The Access to Services map on the next page shows a wide range of scores and clear clusters of services. Areas with lower scores demonstrate either a lack of destinations or substandard access to transportation.

Harris County and its partners can use this section of the Investment Framework to understand:

- Where housing investments can take advantage of walkable, transit-oriented, and service-rich areas that already exist.
- Where affordable and mixed-income housing development may need to incorporate other uses, such as community services, neighborhood amenities, and open space, in order to be truly desirable for families.
- Where to consider transportation investments, in order to expand access to existing services and amenities that might be hard to reach today.

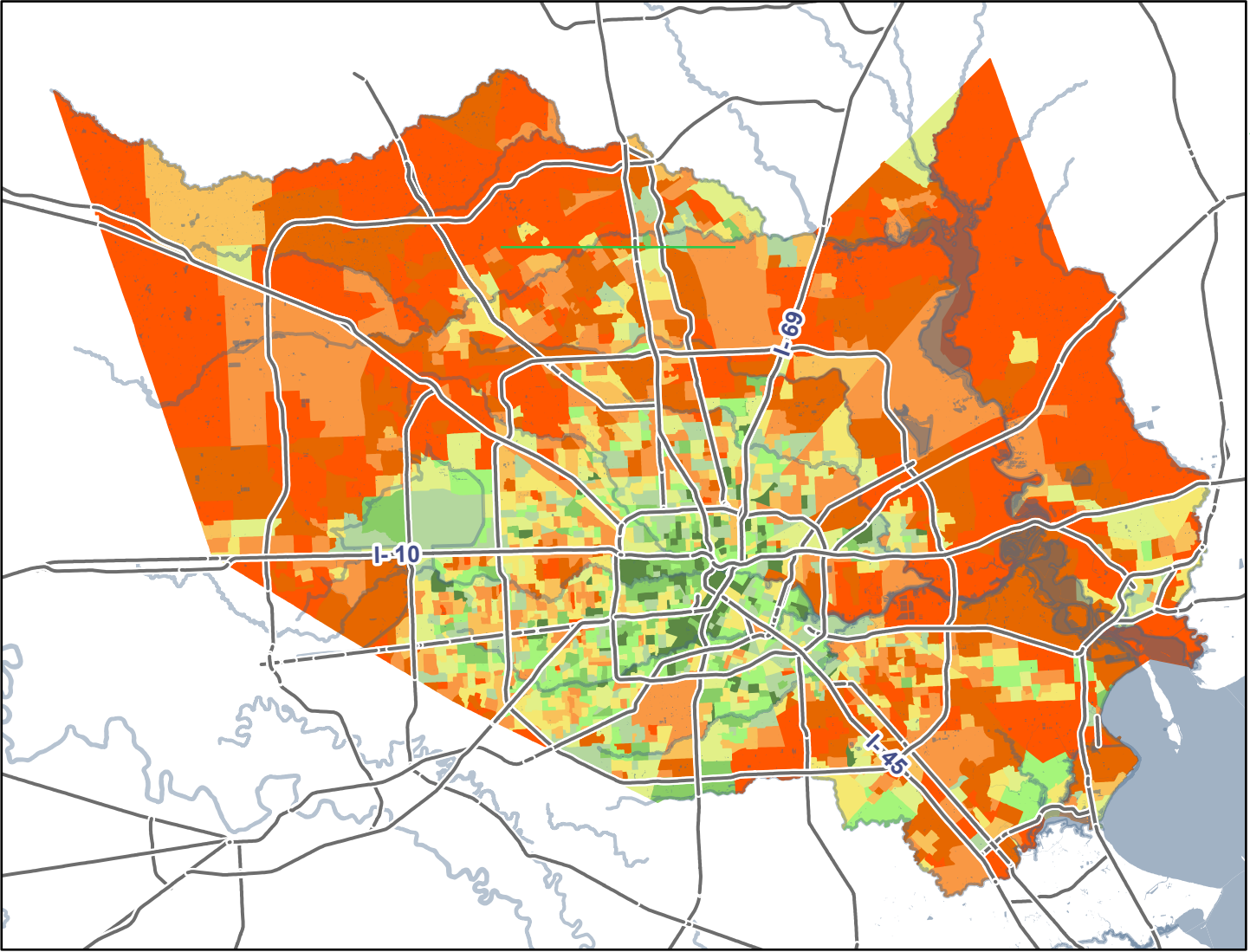
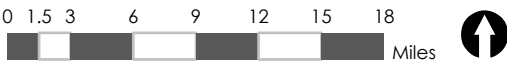


Figure 12: Harris County Access to Services

Data Sources: Harris County, H-GAC, City of Houston, Kinder Institute for Urban Research , LINK Houston, USDA, Infogroup, Texas HHSC



Access to Services and Amenities:



<1	<10
Fewest services within a 15 mile drive or proximity to transit, walk, or bike networks	Most Services within a 15 mile drive or proximity to transit, walk, or bike networks

The Accessibility Score includes 3 equally weighted factors: access to a list of key services by car, proximity to parks, and ease of getting around one's neighborhood by walking, driving, and taking public transit

Invest in homes that are safe from hazards.

Environmental risks are critical to consider when developing a strategy for developing affordable housing in Harris County. To date, many of Harris County's homes have been built in areas that are unsafe. We hope to address this in the coming years by using the Environmental Constraints Map at right to examine locations for new housing, as well as putting funding into mitigation for neighborhoods and homes.

We talk a lot about flooding in Harris County for a good reason: About 420,000 residential structures (which includes multifamily buildings with multiple units) are within the floodplains, hurricane wind, or storm surge areas — around 30% of all homes in the county. This is a slightly larger share than the Kinder Institute's State of Housing estimate because it includes hurricane surge and wind damage. Of the four categories of area hazards in this analysis, natural hazards was the most prevalent in Harris County. The second most common hazard is land contamination (6% of homes), followed by transportation emissions (4%), and chemical release/spill (1%).

The Environmental Constraints Map on the next page shows where these hazards are concentrated. My Home is Here researchers and staff weighted the different constraints through an extensive community input process, with safety from flooding given the highest priority. For an extensive methodology of the weighting process, see the appendix. Some key items to look for in the map include:

- **Hazard-free areas:** Around 35% of developable land in the county is hazard-free (excluding roads and water bodies) and should be targeted for future development. These hazard-free areas are shown in darker green.
- **"Type 1" hazards:** Type 1 hazards, such as the 100-year floodplain, the floodway, high-traffic transportation areas, and Superfund sites, are marked in **dark gray** on the map, including buffers around these areas to ensure safety. Most of these areas should not be targeted for future development of any kind. Some areas may be eligible for future development if the hazards can be mitigated.
- **Environmental constraints:** Other environmental constraints on development are shown in colors ranging from dark red (many environmental constraints are present) to yellow (some environmental constraints are present) to green (fewer to no environmental constraints on development are present). These constraints can include additional buffers around certain types of Type 1 hazards, as well as "Type 2" hazards, such as 500-year floodplains, wetlands, toxic-release risk areas, or waste collection areas.

This analysis helps identify sites not just with harmful potential hazards, but areas with high appropriateness for future development. Per this Environmental Constraints Map, we see that the areas with the fewest constraints—those in the darkest green — are both in the county's outskirts and in certain central areas. This means that there is still potential for suitable infill development, along with new growth in the outer areas of the County.

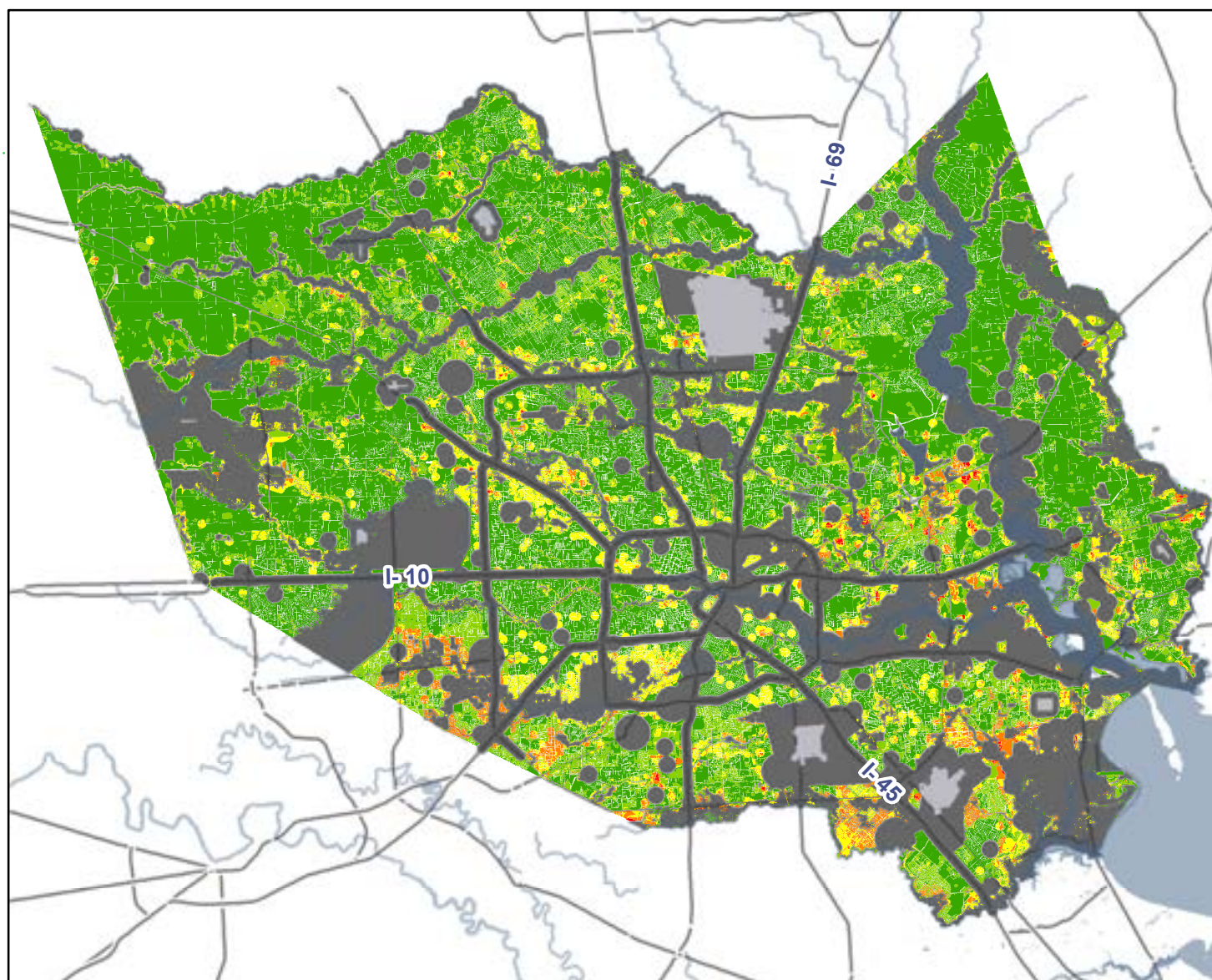


Figure 13: Harris County Environmental Constraints

Data Source: TXDOT, TCEQ, Harris County, City of Houston, The Kinder Institute for Urban Research, US Census, USGS

0 1.5 3 6 9 12 15 18 Miles



Data Limitations:

- Limitations and suitability explanations are included in report.

Legend:

- Highways
- Rivers
- Water
- Airport
- Hazards: Type 1

Prohibitive Environmental Constraints Score:



VALUES, GOALS, AND STRATEGIES

Four core values will guide the work to meet the need for affordable homes in Harris County. Eleven goals, and specific strategies within each goal, will direct the implementation of these four values.

The values, goals, and strategies in this section represent the results of over two years of collaborative work. They are based on feedback from the Harris County Housing Policy Advisory Committee (HPAC); from our broad-based community input process, including the survey and activations; from our focus groups and interviews with diverse members of the housing advocacy, real estate, health, and social service provider communities; and from the research team that conducted this study.

HPAC is an important collaborative effort that helped to define study priorities. The committee was formed January 28, 2020 by Harris County Commissioners Court to develop housing policy in concert with the County's vision and values. The committee is formed by a diverse range of community leaders and experts in housing production, finance, and policy (see Acknowledgements page for a full list of participants). In 2020, HPAC focused on developing goals for My Home is Here through a strategic planning process covering priorities across a spectrum of housing issues and opportunities. These were undertaken through three workgroups:

- **The Accessibility and Opportunity Workgroup** identified issues and made recommendations related to increasing access and opportunity to affordable housing for more Harris County residents.
- **The Funding and Financing Workgroup** reviewed existing funding and financing mechanisms, explored creative and innovative housing funding tools; and made key recommendations on what role the county can play in supporting or funding such mechanisms to increase the supply of affordable housing.
- **The Land Use, Design, and Resilience Workgroup** focused on land use, design and construction changes necessary to incentivize affordable housing development and to encourage diversity of housing types in both established neighborhoods and new developments.



My Home is Here Core Values

The four core values on this page are the key defining factors that will guide policy, programs, and investments from Harris County and its partners moving forward. Read about these core values below. On the following pages, you can read the goals and specific strategies associated with each value.

INVEST IN HOUSING FOR ALL through preservation, new construction, and infrastructure investments that support communities.

This value encompasses investments in new development of affordable homes, as well as preservation of existing affordable homes. It also includes expanding the number of financial and infrastructure tools available to support this development work.

COLLABORATE WITH PARTNERS to foster a comprehensive, affordable housing system.

This value includes goals and strategies that focus on collaborative investment with partners in housing, as well as amenities, such as transportation, and mixed-use development, that support resilient, high-quality neighborhoods.

ADVANCE EQUITY AND RESILIENCE in all county housing efforts.

This value encompasses inclusive and fair housing investment that ranges from ending chronic homelessness to making home appraisals more equitable, as well as strategies that help the County adapt to hazards in a variety of ways.

ADVOCATE FOR HOUSING POLICY REFORMS at all levels of government.

Harris County's government cannot complete this work alone. This value includes the comprehensive federal, state, and local supportive policies that will help meet the needs of Harris County households for the next 10 years.

VALUE: INVEST IN HOUSING FOR ALL

through preservation, new construction, and infrastructure investments that support communities.

GOAL

1 Increase the supply of safe, high-quality rental and for-sale housing for low-moderate income households.

- 1A • **Countywide Housing Trust Fund.** Create a Countywide Housing Trust Fund that raises public, private, and philanthropic monies for affordable housing preservation and development to support the county's ten-year housing production goals.
- 1B • **Long-Term Affordability Preservation.** Use various strategies, including direct purchase, to preserve affordability for subsidized units when the original affordability restrictions end.
- 1C • **Shared-Equity, Affordable Homeownership.** Scale up shared-equity and rent-to-own investments through the Harris County and City of Houston Community Land Trusts.
- 1D • **Innovations that Reduce Residential Construction Cost.** Support innovative approaches such as high-quality, resilient manufactured and modular housing as well as other innovative technologies that help to reduce construction costs.

GOAL

2 Incentivize a mixture of housing types.

- 2A • **Purchase of Land.** Use strategic purchase of land by the County to support resilient and diverse housing choices (i.e. Imagination Zones).
- 2B • **Investment of Federal and Local Dollars.** Increase federal and local dollars going toward housing development, redevelopment, or recovery.

GOAL

3 Preserve and build affordable infill housing options.

- 3A • **Incentives for Affordability Preservation.** Provide funding for rehabilitation incentives to preserve and renovate naturally-occurring affordable housing and expiring subsidized properties, in exchange for affordability requirements that promote mixed-income communities.
- 3B • **Aging-In-Place Assistance.** Scale up rehab and renovation funds for elderly homeowners to support aging-in-place for the growing elderly population on fixed incomes.

GOAL

4 Ensure that infrastructure improvements are available to support the production of affordable housing.

- 4A • **County Co-Development of Affordable Homes.** The County may co-develop affordable homes by providing land, developing infrastructure, and/or acting as co-developer of affordable homeownership or rental properties.
- 4B • **Equity Framework for Infrastructure Investment.** Extend the County's equity framework to all County-backed infrastructure bonds to acknowledge and expand their impact on housing and service provision.
- 4C • **Multifamily Opportunities.** Ensure special-purpose districts allow multifamily uses in exchange for public investments in aging or constrained infrastructure.



VALUE: COLLABORATE WITH PARTNERS

to foster a comprehensive, affordable housing system.

GOAL

- 5** Create mixed income housing communities and mixed-use housing developments where there is access to jobs, transportation, services, and amenities.

- 5A** • **County Investment Strategy.** Partner with area jurisdictions on a coordinated investment strategy to address the ten-year housing gap in Harris County.
- 5B** • **Transit Oriented Development.** Pursue Joint Development opportunities with area jurisdictions to bring mixed-income, mixed-use development near frequent transit.

GOAL

- 6** Attract investment that enhances economic opportunity.

- 6A** • **Place-Based Investment Led by Anchor Institutions.** Approach anchor institutions to increase investments in employer- or university-supported mixed-use housing opportunities. Partner with school districts, churches, TIRZs, community colleges, universities, and area health systems.
- 6B** • **Mixed-Use Development.** Create mixed-use development that provides both affordable homes and community services in neighborhoods that have experienced disinvestment. Services may include fresh food options, child care, and other retail or commercial uses that promote economic development.
- 6C** • **Neighborhood-Based Economic Inclusion.** Institute a Community Benefits approach to publicly-subsidized projects based on neighborhood input.

GOAL

- 7** Diversify housing types and expand transportation choices.

- 7A** • **Transit Expansion.** Identify areas of Harris County suitable for fixed route transit service expansion and first and last mile connections to transit by maximizing federal/state grants and METRO's Moving Forward Plan.
- 7B** • **Housing Diversity in Incorporated Areas and Houston's ETJ.** Work with county cities to enable missing middle housing types, Harris County's Imagination Zones, and accessory dwelling units (ADUs) by-right.
- 7C** • **Development Incentives with Builders and Lenders for More Diverse Housing Types.** Create incentives and development partnerships through the Countywide Housing Trust Fund to promote construction of diverse housing options (i.e. multiplexes, cottage courts, ADUs, live-work, small lot single-family, etc.). Focus these incentives near amenity-rich areas that provide community services and job opportunities.

VALUE: ADVANCE EQUITY AND RESILIENCE

in all county housing efforts.

GOAL

8 Aim for inclusion and promote fair housing to undo the legacy of racial and economic segregation.

- 8A •An End to Chronic Homelessness.** Provide affordable housing and permanent supportive housing options, and conduct outreach in partnership with the Continuum of Care, to end chronic homelessness in Harris County.
- 8B •Racial Disparities in Homeownership.** Curb historic inequities in access to homeownership for communities of color.
- 8C •Appraisal Workforce of the Future.** Diversify and prepare the appraiser workforce through recruitment scholarships and enhance equity, diversity, and inclusion training for certified appraisers in Harris County.
- 8D •Eviction Moratoria During Disasters.** Work with the City of Houston to put an automatic eviction moratorium in place during declared disasters, including a rent relief program to support tenants and landlords with back-rent.

GOAL

9 Adapt to hazards and support sustainable neighborhood development.

- 9A •Data-Driven Approaches to Elevate Existing Homes.** Get a full picture of the hard and soft costs for (not) elevating homes. Factor in the fiscal impact to public entities for expenditures on relocation costs, public/emergency services, social vulnerability, tax base and property valuation, among other factors for data-driven policymaking.
- 9B •Resilient Housing and Building Materials.** Give preference through incentives for the use of resilient building materials in affordable housing development.
- 9C •Recovery Aid.** Improve outreach to residents impacted by Hurricane Harvey, COVID or Uri who qualify for housing-related recovery aid. Codify this work through the My Home is Here brand so that outreach is easier in future disasters.



VALUE: ADVOCATE FOR HOUSING POLICY REFORMS

at all levels of government.

GOAL

10

Identify federal and state level reforms.

- 10A • **County Authority.** Advocate for ordinance-making powers for populated counties facing rapid urbanization challenges.
- 10B • **Vouchers and Housing Choice for Voucher Holders.** Advocate with the federal government to increase the number of Housing Choice Vouchers available to Harris County to meet the large housing gap for households at 0-30% of Harris County's median household income. Increase opportunities for successful use of vouchers through change in state source of income discrimination law, landlord incentives, and opportunities for additional vouchers.
- 10C • **Racial Disparities in Appraisals.** Work with the Texas Appraiser Licensing & Certification Board to eliminate racial disparities in the appraisal process through equity, diversity, and inclusion guidelines for all certified appraisers.

GOAL

11

Identify local reforms with municipalities and special-purpose districts to support the development of affordable housing.

- 11A • **Municipal Powers.** Coordinate with municipalities and the City of Houston to use their ordinance powers to reach more resilient outcomes and coordinated investments.

MY HOME IS HERE

INTRODUCTION





INTRODUCTION TO HARRIS COUNTY

This study assesses housing needs for Harris County, Texas, and provides strategies to meet these needs over the next 10 years through 2030.

Harris County is the third largest county by population in the United States, with approximately 4.7 million residents. It also covers a large geographic area, at over 1,700 square miles. The map on the following page shows Harris County's border and its location within the state of Texas.

The statistics in this final report, including the demographic table on this page, cover all of Harris County — including the City of Houston, the 33 other cities that are located within the County, the City of Houston's extraterritorial jurisdiction (ETJ), and other unincorporated areas of the County. When dealing with such a large geographic area, it is also important to have data and strategies

related to sub-areas. The study team has provided eight case studies, separate from this document, that focus on individual areas of the County.

The table below gives a quick overview of some key demographic and housing statistics for Harris County as a whole, as well as the unincorporated area of the County and the City of Houston. The majority of the County's population is of color and/or of Hispanic or Latino heritage. Over 40% of residents identifying as Hispanic or Latino, as well as large populations of Black and Asian residents.

Over 50% of households in the County own their homes (though within the City of Houston, over 50% rent). The median household income is just over \$60,000; the unincorporated area's median income is higher, at over \$73,000.

Figure 14: Demographic and Housing Statistics of Harris County

DEMOGRAPHIC AND HOUSING STATISTICS	Harris County (Entire County)	Unincorporated Area Alone	City of Houston (Within Harris County) Alone
Total Population	4,646,640	1,889,481	2,254,771
Occupied Homes	1,605,368	603,007	833,661
Owner-Occupied Homes	876,454	410,912	360,745
Renter-Occupied Homes	728,914	192,095	472,916
Household Size	2.89	3.13	2.70
Homes in Floodplain	396,122	90,298	239,963
Median Household Income	\$61,900	\$73,700	\$53,000
MHI Owner	\$87,000	\$90,800	\$80,600
MHI Renter	\$42,500	\$47,100	\$40,300
Median Gross Rent	\$1,100	\$1,200	\$1,000
% White	30%	33%	25%
% Black	19%	18%	21%
% Hispanic/Latino	43%	39%	45%
% Asian	7%	8%	7%
% Other	2%	2%	2%

Data Source: American Community Survey 2015-2019;
Kinder Institute of Urban Research

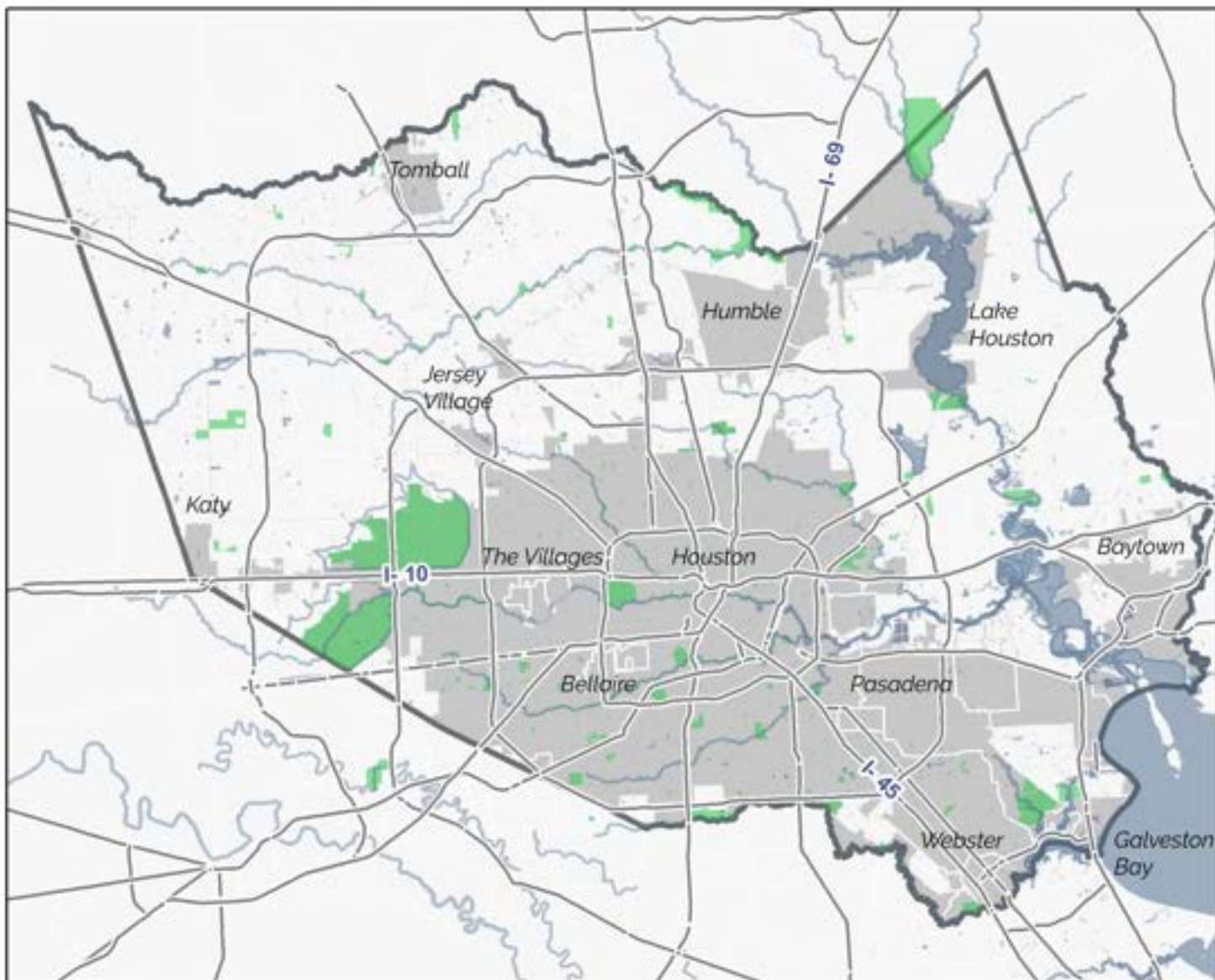


Figure 15: Study Area - Harris County

Data Source: Harris County

Legend:

— Highways

— Rivers

Water

Parks & Greenspace

Harris County Line

Type:

Cities

Unincorporated County



HARRIS COUNTY PRECINCTS

Harris County's four precincts are each home to over one million residents. The map on the following page shows the geographic extent of each precinct; each contains portions of both cities and unincorporated areas.

Detailed analyses of each precinct are provided in the form of "case studies" that are separate from this full-County report. However, based on a high level analysis of housing statistics, a quick look at each precinct shows the following.

Precinct 1 is the only precinct that has a majority of renter-occupied homes. It also has the most homes in the floodplain of any precinct, with over 130,000 homes that are located in the 100-year or 500-year floodplain. It has many residents of color, with 41% of residents identifying as Hispanic or Latino, and 34% identifying as Black. By 2030, projections indicate the precinct will grow by 81,000 jobs and 40,000 households earning less than 120% median household income (MHI).

Precinct 2 has a slightly larger average household size compared to all other precincts, with over three people in the average household. A majority of homes are owner-occupied. Sixty-one percent of residents identify as Hispanic or Latino, a much higher percentage than in any other precinct. The precinct is projected to grow by 20,000 jobs and 10,000 households earning less than 120% MHI by the year 2030.

Precinct 3 has the largest population of all the precincts and the largest number of occupied homes. It has the highest median household income (MHI) for owner-occupied households. It also has the second-highest number of homes in the floodplain, after Precinct 1. Precinct 3 is also projected to have the highest job growth by 2030, with 147,000 jobs formed, and approximately 76,000 new households earning less than 120% MHI.

Figure 16: Demographic and Housing Statistics of Precincts*

DEMOGRAPHIC AND HOUSING STATISTICS	HARRIS COUNTY (ENTIRE COUNTY)	Precinct 1	Precinct 2	Precinct 3	Precinct 4
Total Population	4,646,640	1,168,114	1,049,802	1,231,634	1,197,080
Occupied Homes	1,605,368	411,340	337,622	441,318	415,088
Owner-Occupied Homes	876,454	197,710	193,991	227,544	257,209
Renter-Occupied Homes	728,914	213,630	143,631	213,774	157,879
Household Size	2.89	2.84	3.11	2.79	2.88
Homes in Floodplain	396,122	133,489	86,609	103,605	72,419
Median Household Income	\$61,900	\$52,000	\$55,900	\$68,200	\$73,700
MHI Owner	\$87,000	\$72,600	\$73,700	\$103,500	\$96,300
MHI Renter	\$42,500	\$38,300	\$38,800	\$44,700	\$48,200
Median Gross Rent	\$1,100	\$1,000	\$1,000	\$1,100	\$1,200
% White	30%	17%	26%	36%	38%
% Black	19%	34%	9%	15%	15%
% Hispanic/Latino	43%	41%	61%	35%	37%
% Asian	7%	5%	2%	12%	7%
% Other	2%	2%	1%	2%	2%

* County Precinct boundaries are set to change January 1, 2023. Precinct data in this study reflects data for the effective precinct boundaries at the time of this study.

Data Source: American Community Survey 2015-2019; Kinder Institute of Urban Research

Precinct 4 has the highest overall median household income, the highest median income for renter-occupied households, and the highest median gross rent. It has a higher percentage of

White residents than other precincts. By 2030, 128,000 new jobs are projected to be formed in Precinct 4 and about 63,000 new households earning less than 120% MHI.

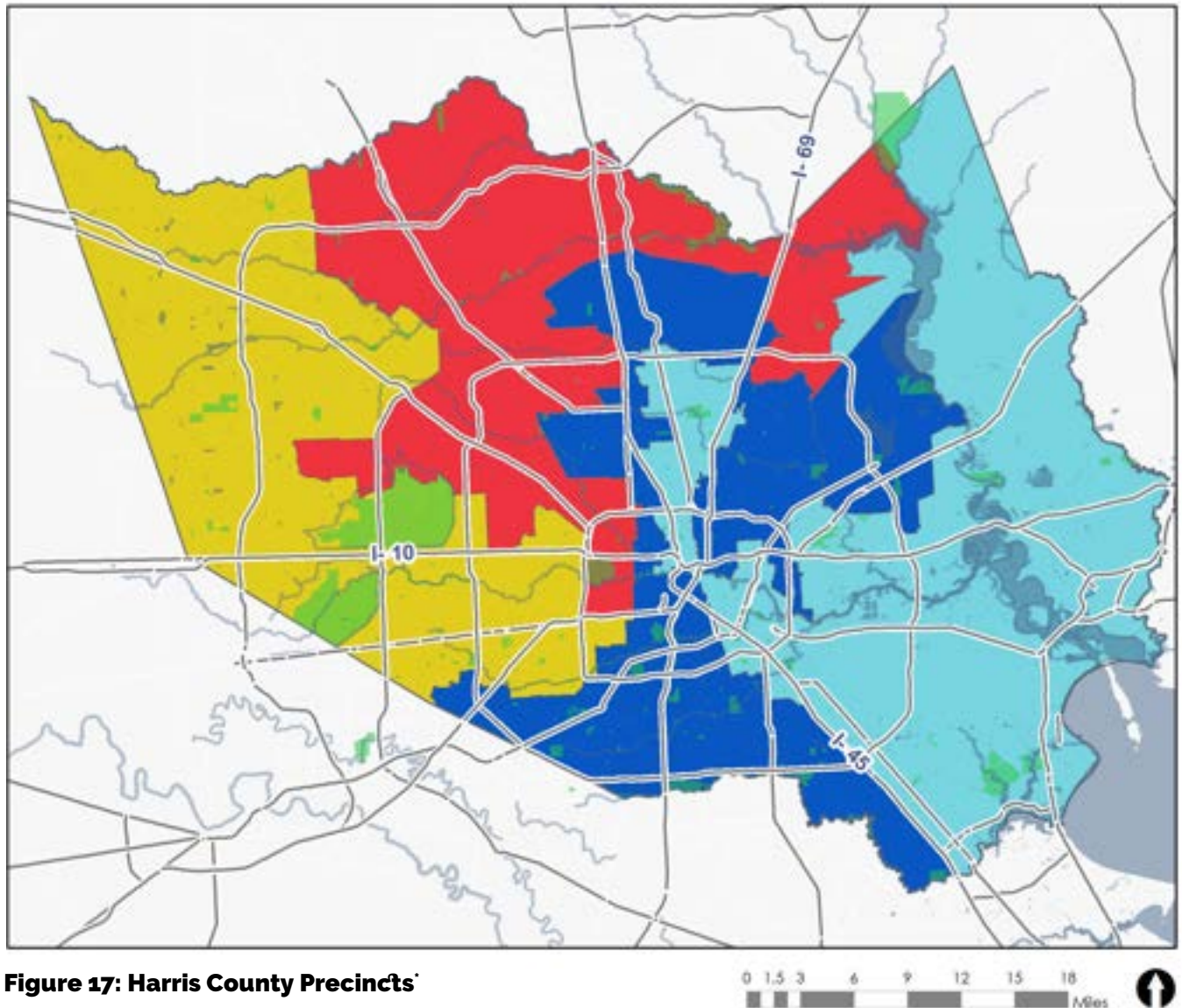


Figure 17: Harris County Precincts

Data Source: Harris County

Precincts and Commissioners:

- Precinct 1: Commissioner Ellis
- Precinct 2: Commissioner Garcia
- Precinct 3: Commissioner Ramsey
- Precinct 4: Commissioner Cagle

* County Precinct boundaries are set to change January 1, 2023. Precinct data in this study reflects data for the effective precinct boundaries at the time of this study.

CITIES AND DISTRICTS IN HARRIS COUNTY

This study is intended to bring insights and data that can lead to a collaborative investment effort between all of the jurisdictions and public entities in Harris County to address housing challenges. The map on the following page displays all of these potential partners.

Harris County includes thirty-four total cities as well as a large unincorporated area. The City of Houston is by far the largest city in Harris County. It contains nearly half of the County’s population, and over half of its occupied homes. The thirty-three other, smaller cities in the County are: Baytown, Bellaire, Bunker Hill Village, Deer Park, El Lago, Friendswood, Galena Park, Hedwig Village, Hilshire Village, Humble, Hunters Creek Village, Jacinto City, Jersey Village, Katy, La Porte, League City, Missouri City, Morgan’s Point, Nassau Bay, Pasadena, Pearland, Piney Point Village, Seabrook, Shoreacres, South Houston, Southside Place, Spring Valley Village, Stafford, Taylor Lake Village, Tomball, Waller, Webster, and West University Place.

Some unincorporated portions of Harris County outside the City of Houston are inside Houston’s “extraterritorial jurisdiction,” which provides for additional development standards. This issue is covered in several of the strategies in this report.

In addition to cities, there are other types of special purpose districts that have taxing or financial authorities related to housing and real estate. These include Municipal Utility Districts (MUDs), Tax Increment Reinvestment Zones (TIRZs), and Municipal Management Districts (MMDs). MUDs are State-authorized entities; they provide utilities that allow for real estate development in unincorporated areas. TIRZs are entities that can be authorized by a city; they invest in development or infrastructure improvements by dedicating the incremental increase in property taxes that will be generated by future development. MMDs are State-authorized entities that support infrastructure and services in local districts using a variety of funding sources, per State legislation.

Figure 18: Demographic and Housing Statistics of Cities in Harris County

DEMOGRAPHIC AND HOUSING STATISTICS	Harris County (Entire County)	City of Houston	Small Cities (Combined 33 Other Cities)
Total Population	4,646,640	2,254,771	502,718
Occupied Homes	1,605,368	833,661	168,771
Owner-Occupied Homes	876,454	360,745	104,857
Renter-Occupied Homes	728,914	472,916	63,914
Household Size	2.89	2.70	2.98
Homes in Floodplain	396,122	239,963	65,861
Median Household Income	\$61,900	\$53,000	\$67,900
MHI Owner	\$87,000	\$80,600	\$91,000
MHI Renter	\$42,500	\$40,300	\$44,500
Median Gross Rent	\$1,100	\$1,000	\$1,000
% White	30%	25%	40%
% Black	19%	21%	7%
% Hispanic/Latino	43%	45%	47%
% Asian	7%	7%	4%
% Other	2%	2%	2%

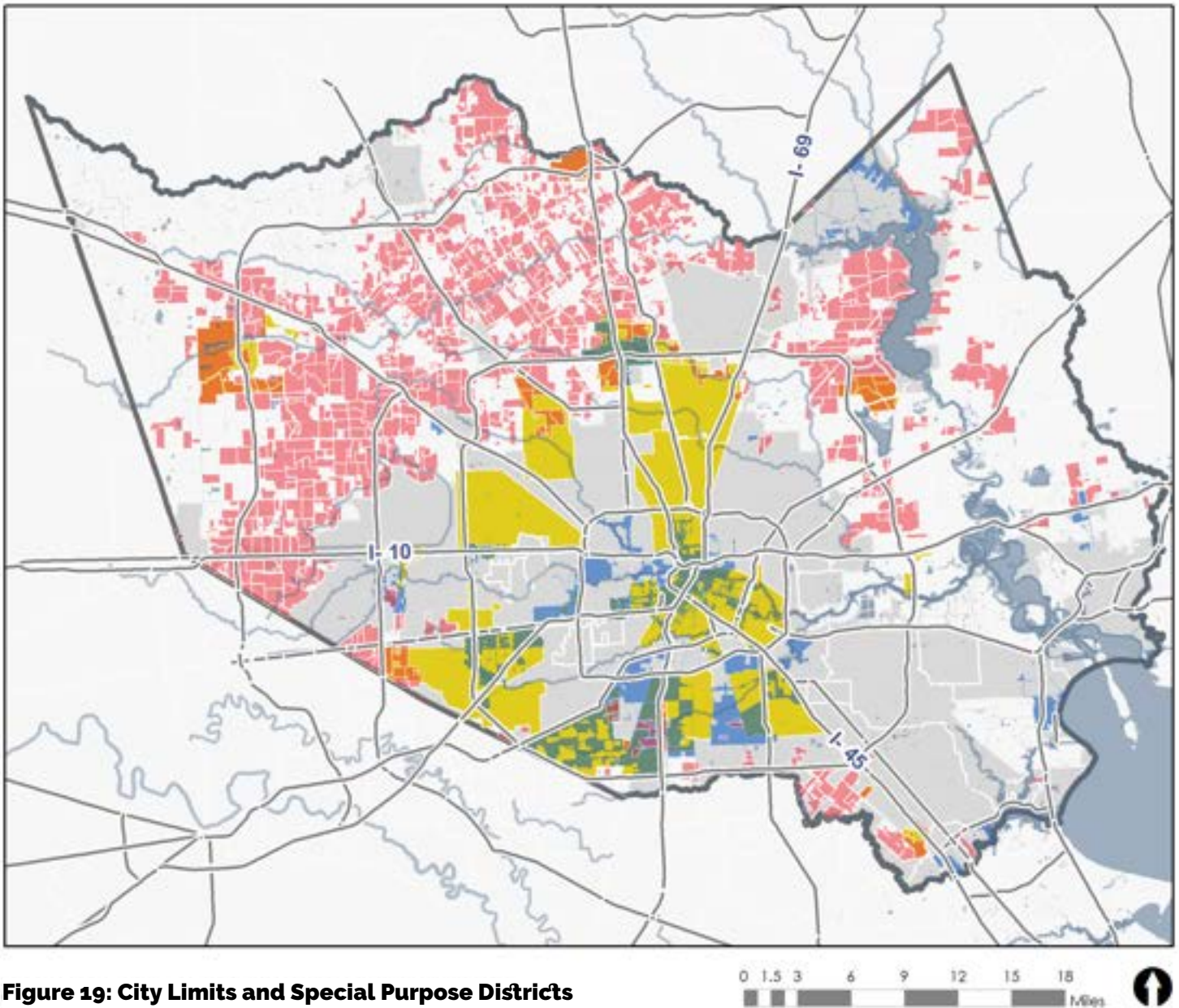


Figure 19: City Limits and Special Purpose Districts

Data Source: Kinder Institute of Urban Research

Legend:

- Highways
- Rivers
- Water
- Municipal Utility Districts (MUDs)
- Tax Increment Reinvestment Zones (TIRZs)
- Municipal Management Districts (MMDs)
- Harris County Line

Type:

- Cities
- Unincorporated without Districts

Data Limitations:

MUDs on this map also include other special-purpose districts authorized in unincorporated communities which may include: Water conservation districts, utility districts, improvement districts, public utility districts, and other types of water districts.

MY HOME IS HERE

WHY HOUSING MATTERS





HERE'S WHY HOUSING MATTERS

Homes are the center of healthy communities. We know that children's growth and success in life is in part determined by where they grow up and whether they have a stable, high-quality home that meets their family's needs. People enjoy better health when they have a home located in an area where they can walk, go to parks, and enjoy the outdoors safely. Workers at Harris County's businesses need to live in areas where they can make the commute to work in a reliable way. Ultimately, homes are essential infrastructure for life — our communities and families thrive when every person and family has a great place to call home.

To get to this point and allow all residents of the County to thrive, there is much work to be done. There are three important reasons why this study, and its outcomes, matter to all residents of Harris County.

- **First, many residents of Harris County cannot afford their homes today.** Many Harris County residents are paying too much for their home now, and cannot afford other essential items for their quality of life as a result. In this section, we'll discuss who is paying too much for their home today, why that is happening to many families across the county, and what it means for families' ability to grow and thrive. We'll also break down the numbers to show who pays too much at various income levels, and how the number of homes available at various prices relates to people's incomes in the County.
- **Second, residents' ability to afford their homes has been further challenged by overlapping disasters.** The COVID-19 (COVID) pandemic has been a major challenge for the health and well-being of many residents of Harris County, and many have also lost income and had trouble paying their rent or mortgage due to the pandemic. In addition to COVID, many residents

are still facing repairs that need to be made due to Hurricane Harvey, ongoing expenses from repairs after Harvey, or continued threats of flooding in their neighborhoods. And finally, the impacts of Winter Storm Uri this year showcase other challenges that occur in people's homes when the energy grid is not prepared for major climate threats, leaving homes cold and dark for long periods of time. Increased threats from extreme heat may also be a similar issue in the future.

- **Third, predicted population growth by 2030 means that more affordable homes are needed,** particularly for households earning less than 60% of the County's median household income (MHI). Projections estimate that nearly 200,000 new households will be formed in Harris County over the next 10 years. This population growth will occur across income levels, but many of these new households will earn less than \$35,000 per year (60% of the median household income). As of today, there are not enough homes for current residents at these income levels, let alone for new households.

These are major challenges that Harris County, as a governmental entity, cannot take on alone. The values, goals, and strategies discussed later in this report frame a need for many partners to work with Harris County to address these issues -- from local municipal partners, state, and federal governments; to philanthropic institutions and non-profits; to private-sector investors, banks, developers, and employers.

Data Discussion

Throughout this report, we use the median household income (MHI) of Harris County as a benchmark for household income. This is distinct from the more usual measures used by HUD of area median income (AMI) or median family income (MFI), which tend to be regional in nature. Using a more local measure of income specific to Harris County helps to ensure that policy and program recommendations that emerge from this study will be tailored to the needs of local households and families.

COST BURDEN IN HARRIS COUNTY

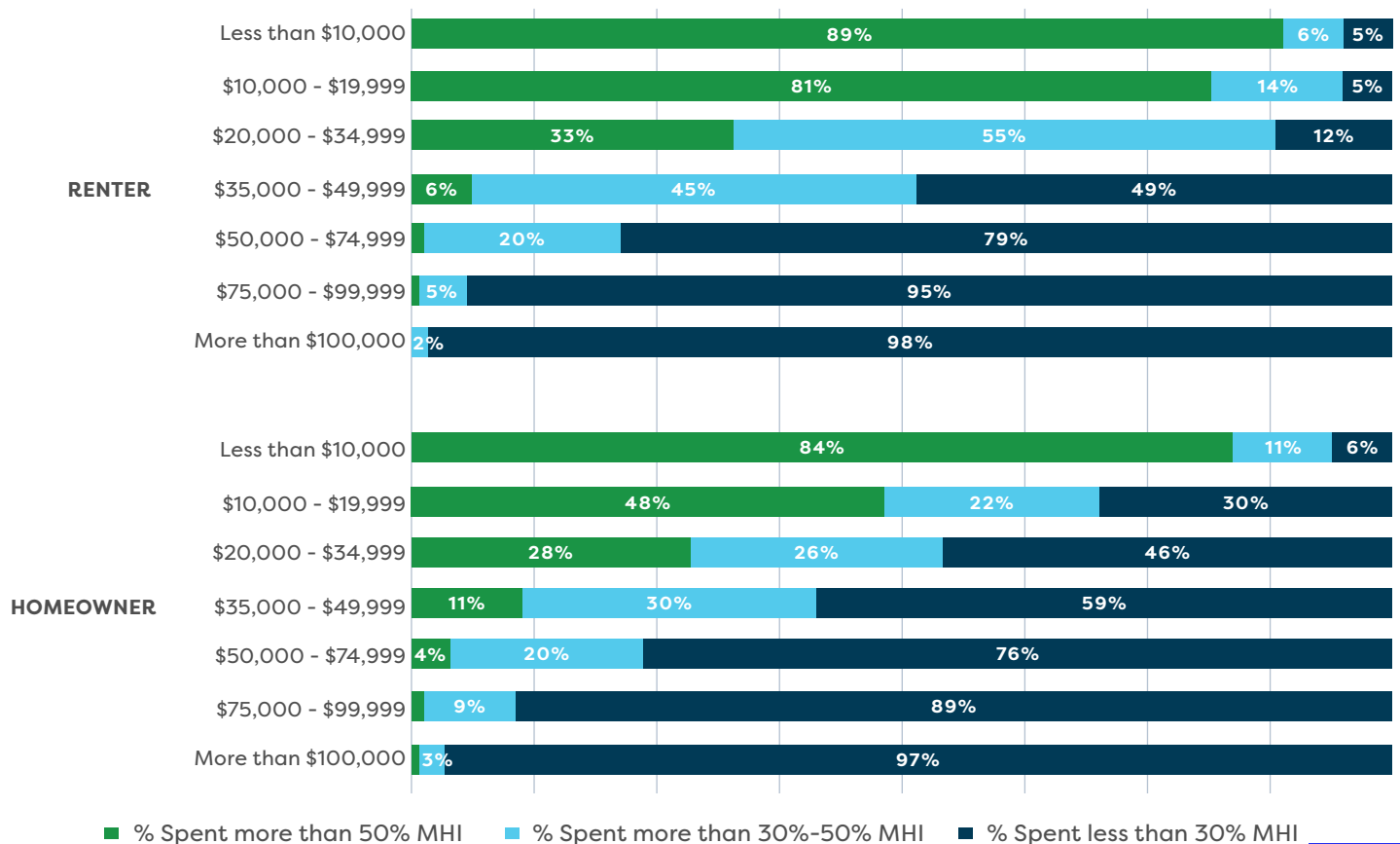
Many residents in Harris County cannot afford their homes today. Households that are paying too much for their homes are called “cost burdened” households; this means that they are “burdened” by the cost of their homes. The burden occurs because when a family or household has to pay more than they can afford for their home, then they often cannot afford other essential expenses like food, transportation, child care, and health care.

The U.S. Department of Housing and Urban Development (HUD) defines a cost-burdened household as a household that pays more than 30% of annual income on their housing costs. Housing costs include a household’s rent or mortgage, as well as other essential payments like utility bills, insurance, and taxes.

In this report, we largely use the same definition: the graphs and charts in this section are based on the assumption that all households and families can afford to spend up to 30% of their income on housing costs.

However, for some families, 30% of their income may still be too much for their budget. For example, younger people who have large student loans may need to save money on housing in order to pay their loan costs, or families with several young children may need to save money in order to afford child care. At the same time, some families may be comfortable with spending more than 30% of their income in order to purchase a home and begin building long-term wealth. An appendix to this report looks at cost burden in more detail at 25% and 36% of household income as well.

Figure 20: Cost Burden in Harris County by Housing Tenure and Income Level



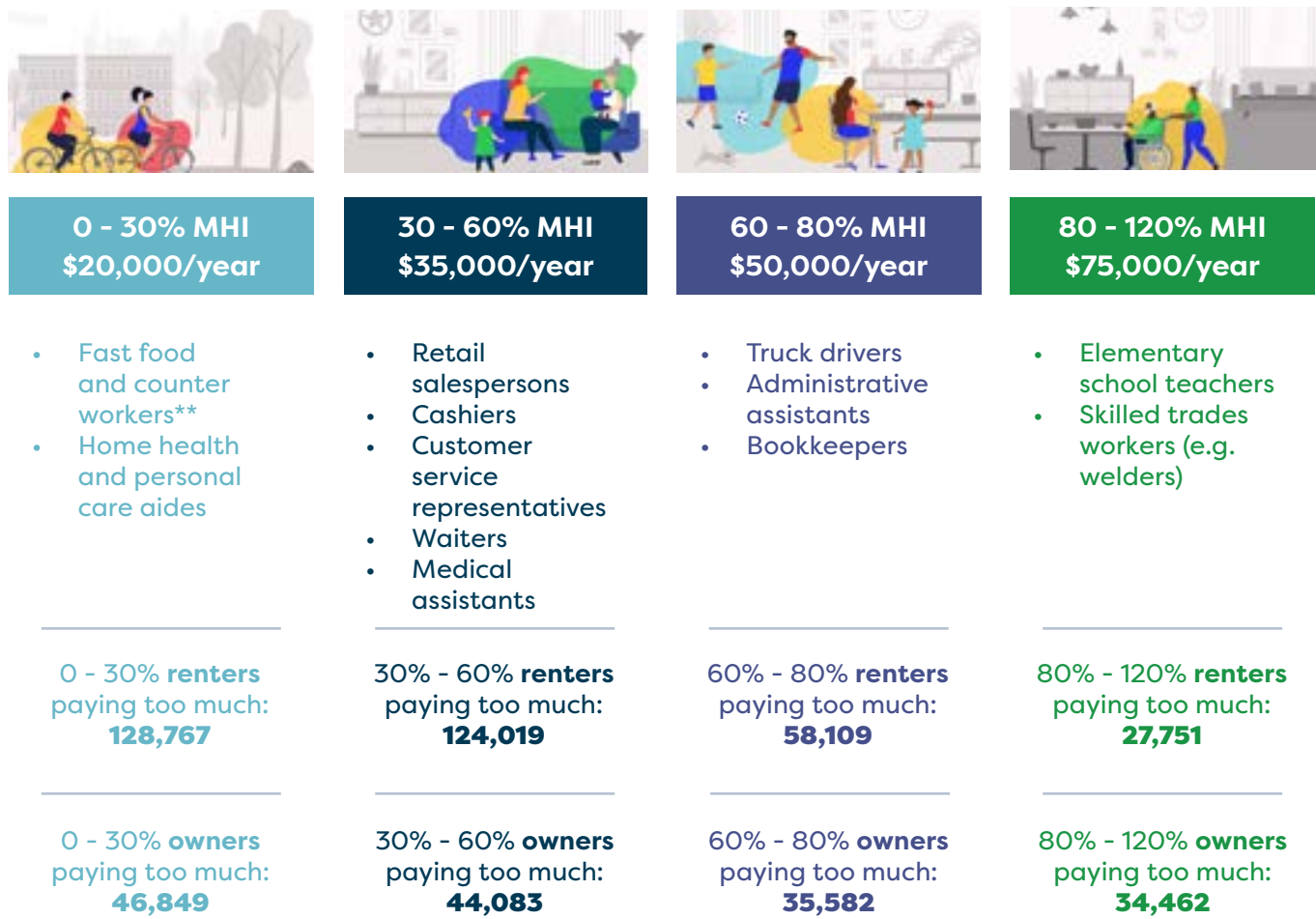
COST BURDEN AFFECTS MANY DIFFERENT HOUSEHOLDS AND FAMILIES

While certain individuals are more impacted by rising financial pressures, Figure 21 illustrates that cost burden is not exclusive to any one group of people. Through highlighting common occupations earning different percentages of Harris County’s median household income, or MHI*, this graphic shows how many households earning these same income levels are paying too much for their homes today. All of the workers shown in the chart work in one of Harris County’s top 25 occupations, including teachers, food servers, health care workers, and more.

The chart shows that Harris County’s lowest earning workers are the largest group overpaying for their homes. Nearly 130,000 County residents making between 0-30% MHI, or roughly up to \$20,000 annually, overpay for their rent. An additional 46,849 home owners within the same income level also pay too much for their housing. Households in every other income level up to \$75,000 per year in Harris County are also contending with cost burdens in their homes.

There are two housing realities in Harris County—one for renters and another for owners. Half of all

Figure 21: Who is Paying Too Much For Their Home Today?



*This report uses median household income (MHI) limits for Harris County, based on 2019 American Community Survey data. This is a more geographically specific alternative to traditional HUD income statistics such as “Area Median Income” or “Median Family Income” which are calculated at a regional level. MHI numbers are specific to Harris County.
 **Wage statistics for Harris County from the Bureau of Labor Statistics Occupational Employment and Wages, May 2020.



renters in the county are considered cost-burdened, including a quarter who are severely cost-burdened or spend more than 50% of their income on housing. More than half of renter households earning between \$35,000 and \$50,000—which is the range that includes the median renter household income (\$42,000) in 2019—are considered cost-burdened. Access to affordable housing is not just an economic stressor. It can add emotional and physical stress to families and households, particularly those who are severely cost-burdened and one emergency removed from losing their home.

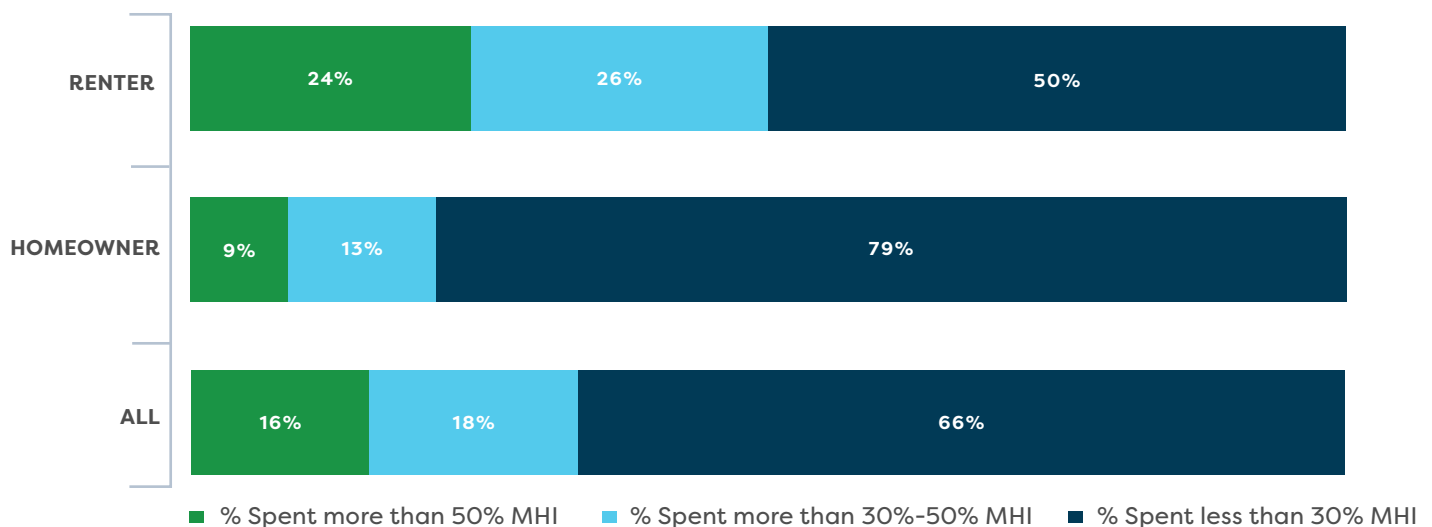
Owners, on the other hand, are much less likely to face such hardship. 21% of homeowners in the county are cost-burdened and 9% are severely cost-burdened. Access to the ranks of homeownership, and the inherent benefits that come from that status, however, is growing more elusive. The share of homeowners has dipped in Harris County since 2010, from 58% to 53% in 2019 due to the growing affordability gap.*

FAMILY NARRATIVE: THE WRIGHTS

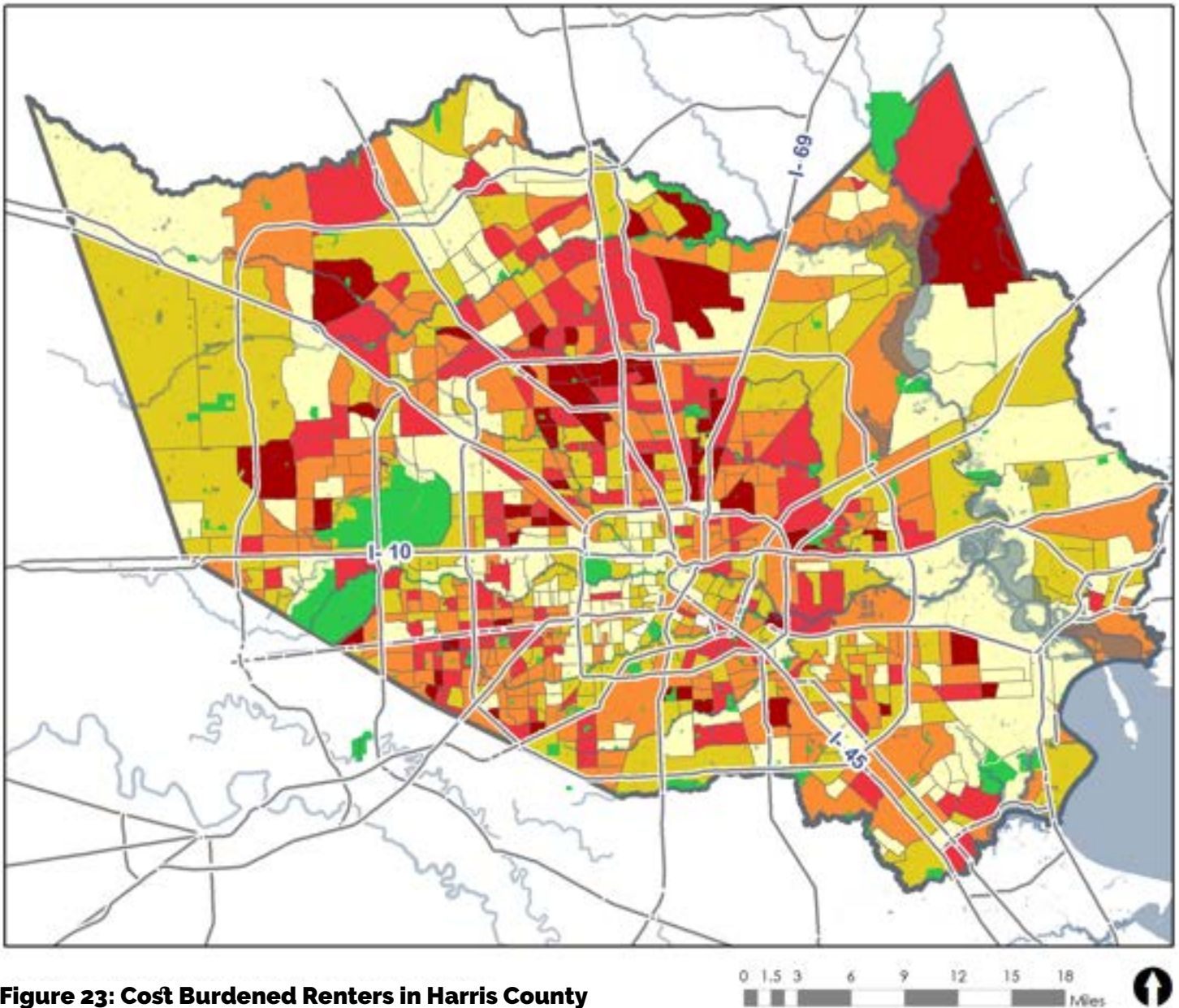
One way to better understand the affordable housing challenges that families in Harris County face is through “family narratives” that explain how choices about housing affect families in their everyday lives. This narrative discusses the Wrights, a fictional family who are making choices related to where they will live.

Lionel and Jacinda are looking for a home in their neighborhood that won’t require much maintenance, that will be accessible for his wheelchair, and that has a second bedroom for their grandson who stays with them sometimes. However, they can’t find the right apartment in their price range. They have to choose whether to choose a home that needs maintenance, one that has only one bedroom, or one where Lionel’s wheelchair doesn’t fit into the kitchen. Or, they could leave their neighborhood but be further from their grandson’s school and Lionel’s doctors. What would you do if you were the Wrights?

Figure 22: Cost Burden in Harris County by Housing Tenure



* State of Housing 2020 and 2021 in Houston and Harris County reports. Kinder Institute for Urban Research.

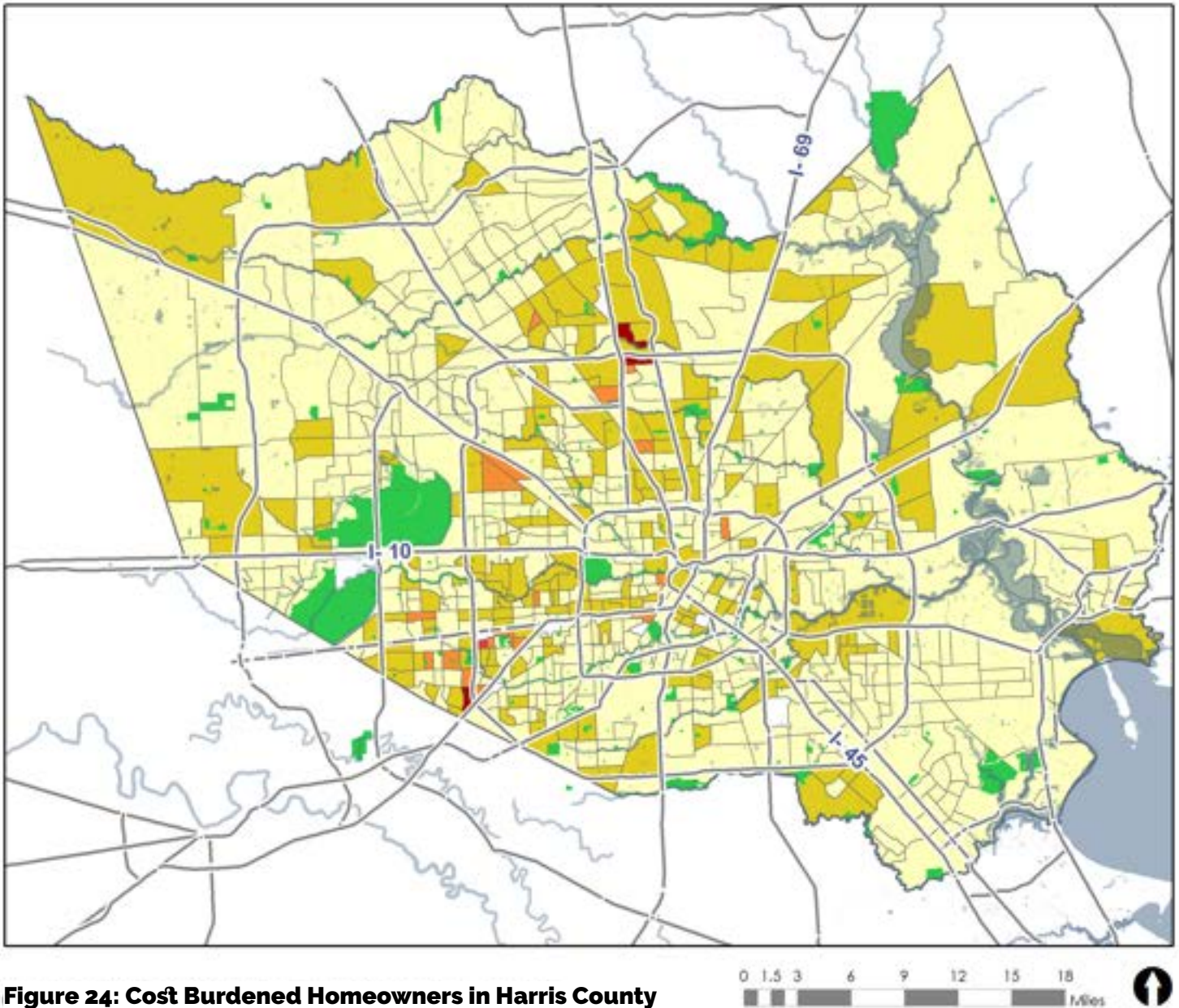


Legend:

- Highways
- Rivers
- Water
- Parks & Greenspace
- Harris County Line

Share of Renters Paying More than 30% on Housing

- Less than 25%
- 25% - 40%
- 40% - 55%
- 55% - 70%
- More than 70%



REASONS FOR WIDESPREAD COST BURDEN: LACK OF HOMES FOR LOWEST-INCOME RESIDENTS

One major issue that causes cost burden for Harris County residents is the lack of homes available for the area's lowest-income residents. Residents who earn 0-30% MHI, or up to \$20,000 per year, do not have enough homes that are affordable to them on the private market. Over 150,000 households and families who fall into this income bracket therefore have to live in more expensive homes that they cannot afford. (See the next page for more details on these numbers.) Any single resident of Harris County who earns minimum wage (\$7.25 per hour) and works 40 hours per week would make only \$15,080 per year.

This income bracket of households earning up to \$20,000 per year roughly corresponds to households who would be defined as "in poverty" in Harris County. While the definitions of poverty and household income vary based on household size, the poverty line for the average household size (2.87) falls at approximately \$20,000 per year. Census data from the American Community Survey show that families in poverty include many single parents working full-time or part-time. More than 250,000 children in Harris County live in poverty, as do more than 80,000 people over the age of 60.

Providing adequate housing for families and households at the lowest income levels in Harris County could make a significant difference in overall cost burdens. These families end up competing with families at 30-60% MHI, or \$20,000-\$35,000 per year, for a limited supply of homes that is affordable at this income level. This means that many of these families earning a slightly higher income end up being cost-burdened as well. More detail on this is available on the following page.

Data Discussion

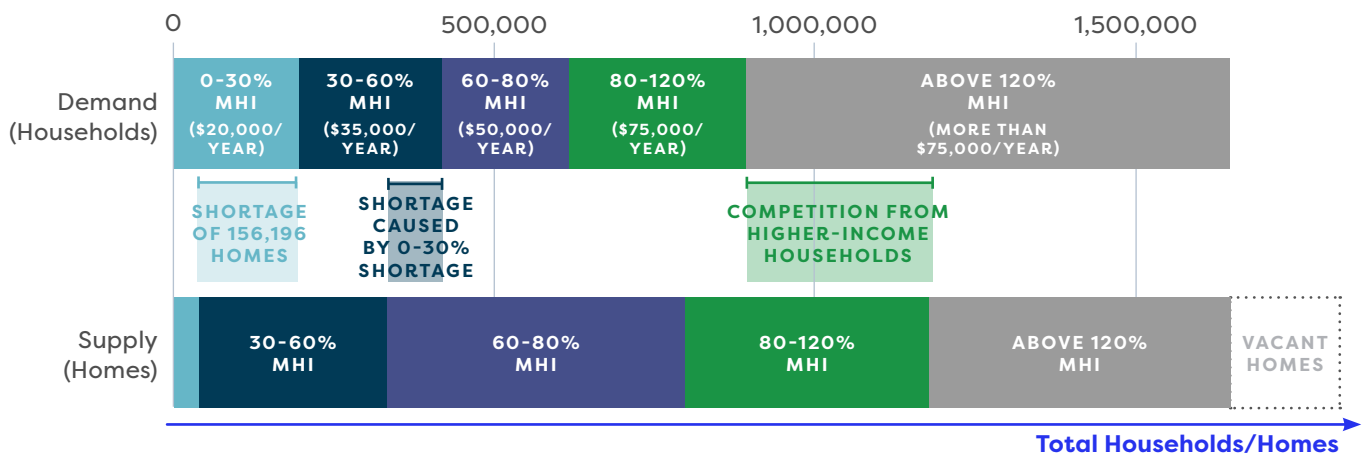
Defining Current Supply and Demand by Income Level

The graph on the following page is based on housing supply and demand data generated from the U.S. Census American Community Survey 5-year estimates from 2015-2019. Based on this data, the median household income for Harris County is \$61,705, or approximately \$60,000. The Kinder Institute team used the income brackets available from the Census to define household income levels that approximate the same divisions generally used by the U.S. Department of Housing and Urban Development (HUD) to define income eligibility for various programs. These income levels defined by Census bracket include:

- 0-30% Median Household Income (MHI): \$0-\$19,999 per year
- 30-60% Median Household Income (MHI): \$20,000-\$34,999 per year
- 60-80% Median Household Income (MHI): \$35,000-\$49,999 per year
- 80-120% Median Household Income (MHI): \$50,000-\$74,999 per year
- Over 120% Median Household Income (MHI): \$75,000 or more per year

Current housing supply data was defined for both homeowners and renters using Census data on monthly housing payments affordable to households at these income levels. Housing supply was assigned as affordable to an income level based on the assumption that households could spend 30% of their annual income on housing. (Our team also examined the impacts of using other percentages, including 25% of annual income and 36% annual income, to define housing supply at a more granular level. More information on this analysis is available in Appendix: Defining Affordability)

Figure 25: Distribution of Housing Demand and Supply by Income Bracket*



This graph shows how the lack of homes for families at the lowest income levels has “spillover” effects for the families who earn slightly more. Here’s how this works:

0 - 30% MHI (\$20,000/YEAR)



There are 39,029 homes affordable to the lowest-income households and families earning less than \$20,000 per year. Yet there are 195,225 households whose earnings fall into this income bracket. This means there is a gap of 156,196 homes that are needed for residents earning less than \$20,000 per year, but are not available. These 156,196 households are still living in a home; they simply do not have a home that is affordable to them. The most likely scenario is that these families are finding homes that are too expensive for their budget; namely, homes that could otherwise serve people in the next income bracket up, who earn between \$20,000 and \$35,000 per year.

30 - 60% MHI (\$20,000-\$35,000/YEAR)



For households and families who fall into the next income bracket at 30-60% MHI (\$20,000-\$35,000 per year), there would appear to be enough homes, since the graph shows that the supply of homes (in

the bottom bar) is larger than the demand for homes (in the top bar). However, in fact there are not enough homes available at this income level because these homes need to serve families earning 30-60% MHI as well as families at the lowest income level 0-30% MHI. This leads to a shortage of homes that affects all households below 60% MHI.

OVER 60% MHI (MORE THAN \$50,000/YEAR)



Households earning above 60% MHI seem to have enough housing supply for their needs, based on this graph. However, we saw on previous pages that many of these households are still paying too much for their homes. Some of the reason for this may be that households of all income levels tend to want homes in areas that are desirable for a variety of reasons. Reasons we heard during our engagement process included resilience to flooding, shorter commutes to jobs, presence of amenities like parks or shopping, or access to good schools among competition for homes in desirable areas. The competition for homes in these desirable areas tends to cause some residents to pay more in order to meet their needs for jobs, transportation, schools, child care, or other essential items. This “spatial mismatch” issue is discussed further on the next page.

*Data sources:
H-GAC TAZ-level job projections
Real Estate Center at Texas A&M
Houston Area Realtors MLB and Apartment Data Services
US Census American Community Survey 2019

REASONS FOR WIDESPREAD COST BURDEN: SPATIAL MISMATCH

“Spatial mismatch” is a technical-sounding term, but it simply means that affordable homes are not always located in the areas where people want or need to live. People decide where to live based on a variety of factors that include affordability, but also include:



Living close to their jobs



Living close to quality schools for their children



Living near family or friends



Living in areas that are resilient to disaster events like flooding



Living in areas close to transit



Living in areas where they can walk to amenities, like parks or retail



Living in areas with access services, such as health care, community centers, and other local assets



Living in areas that can allow them to walk rather than drive if they do not have a personal vehicle, or if they cannot afford two personal vehicles for a two-worker household

Harris County is a large geographic area. It is over 1,700 square miles of land, which encompasses 34 cities, including the majority of the City of Houston, and a large unincorporated area as well. The housing supply numbers for the County look at the supply of housing that is located anywhere in the county without regard to location. However, due to the County’s size, people cannot always decide to simply move to where affordable housing is located, if other elements of their lives mean that they need or want to stay in a specific neighborhood or city.

Renters and Spatial Mismatch

The map on the next page shows how this issue plays out for renters. (Homeowners’ issues with spatial mismatch will be discussed separately on the following pages.) In the green areas on the map, there are more affordable rental homes available than the number of cost-burdened renters, meaning that these areas may have “extra” affordable homes above demand. In the red areas, there are more cost-burdened renter households than the number of affordable units, meaning that these areas have a shortage of affordable homes.

Green areas that have “extra” affordable homes tend to be located in areas toward the outskirts of the County, where cars are required to access jobs and services, and where commutes to many jobs in the County are longer. Therefore, in some cases, renters with lower incomes are likely choosing to live in less affordable areas in order to meet other

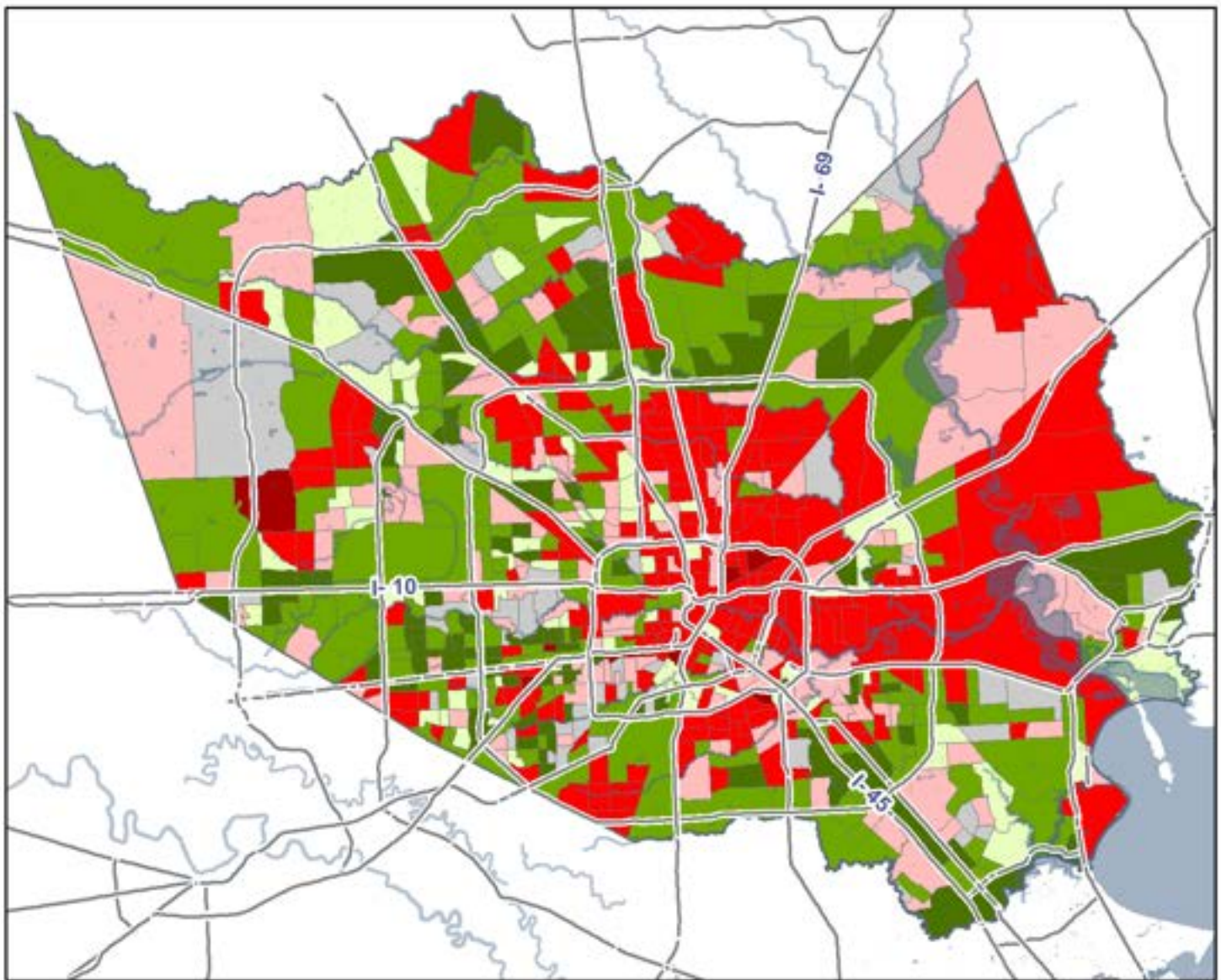


Figure 26: Rental Housing Supply Compared to Household Income

Data Source: The Real Estate Center at Texas A&M
Houston Area Realtors MLB and Apartment Data Services
US Census American Community Survey 2014 and 2019

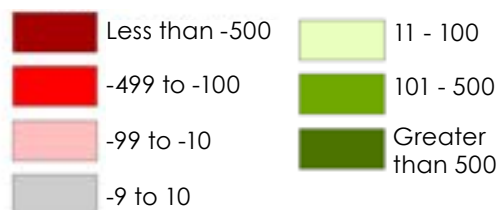
Legend:

- Highways
- Rivers
- Water
- Harris County Line

Data Ranges:

Rentals at 30% of 80% MHI

Supply less Cost- Burdened Households



Data Limitations:

- Single Family homes sales and lease data provided in price ranges. Even distribution of sales and leases in these price ranges is assumed in order to calculate the number that falls within the affordability thresholds.
- American Community Survey income data by tenure and share of income spent on housing is provided in ranges as well. Households earning under \$50,000 and spending less than 30% of their income on housing were considered to be comparable to housing units sold or leased as affordable at 30% of 80% median household income. Households earning under \$50,000 and spending more than 30% of their income on housing were considered to be cost burdened.

Homeowners and Spatial Mismatch

The map on the following page provides more detail on spatial mismatch issues for homeowners in Harris County. The map looks at Census tracts throughout Harris County. Within each tract, the map compares two factors:

- The number of homes sold at affordable prices for 80% MHI households
- The growth in cost-burdened homeowners at or below 80% MHI

As evident from the map, some of the spatial mismatch challenges appear to be less severe for 80% MHI homeowners when compared to the 80% MHI renters shown in the previous section. Overall, more census tracts in this map are green, indicating that there is “extra” affordable housing -- meaning that there are more new homes available to purchase at affordable prices, than there are new cost-burdened homeowner households.

Pink and red census tracts in this map are areas where there is a shortage of affordable homes for purchase -- meaning that there are more new cost-burdened homeowner households at 80% MHI, than the number of homes available for purchase at affordable prices at this income level. These census tracts are somewhat concentrated on the western side of the City of Houston, but also are scattered throughout the County.

FAMILY NARRATIVE: THE GARCIAS

To continue understanding the affordable housing challenges that families in Harris County face through “family narratives”, meet the Garcia Family and see how choices about housing affect families in their everyday lives. This narrative discusses how this fictional family may make choices related to where they will live.

Rafael Garcia is a teacher at Crockett Elementary School, and his wife Maria is an office administrator in Memorial City. Their two children are 6 and 14 years old. They have a combined household income of \$60,000. Their parents grew up in Houston’s Heights neighborhood and still live there, and the Garcias would love to live closer to them. Their parents have offered to help with after-school child care if they can move closer. Also, the family has been renting their home, and they have a goal of buying a home in the next two years.

As the Garcias are looking at homes in the Heights, they realize that the median sales value for homes in that area is about \$550,000, which is not a price that they can afford on their combined income. They have several choices they are looking at:

- Buy a medium-sized home in an area within a 20-minute drive of their parents that is more affordable
- Rent a small home in the Heights, close to their parents, that will stretch their budget but be about 33% of their annual income.
- Buy a larger home near their current location in northwest Harris County, but continue to commute longer distances to see their parents and to their jobs

What would you do if you were the Garcias?



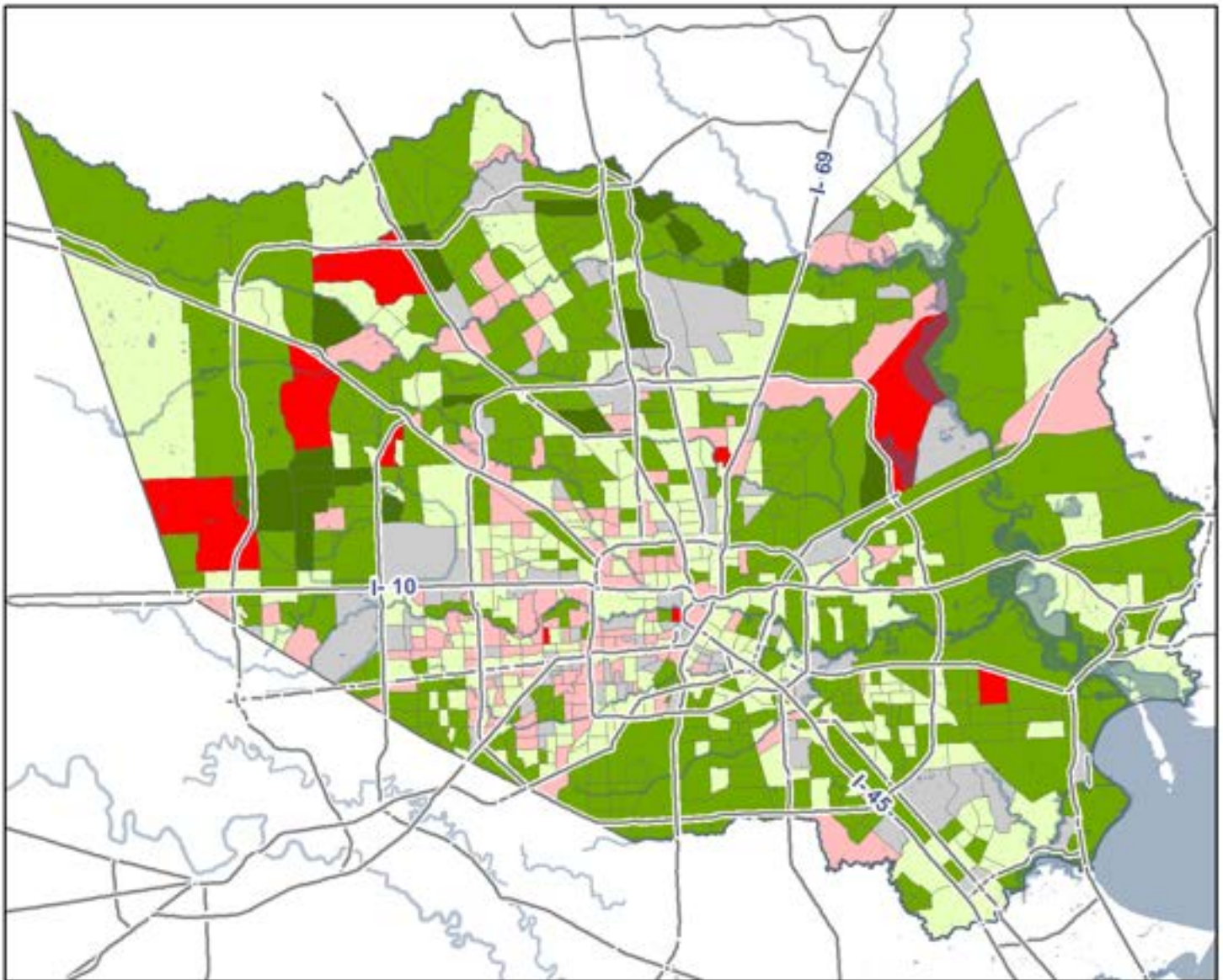


Figure 27: 2016 - 2020 Home Sales compared to Growth in ACS Owner Households by Income during the same period

Data Sources: The Real Estate Center at Texas A&M
Houston Area Realtors MLB and Apartment Data Services
US Census American Community Survey 2014 and 2019

Legend:

- Highways
- Rivers
- Water
- Harris County Line

Data Ranges:

Sales at 30% of 80% MHI

Supply less Cost- Burdened Households

- | | |
|----------------|------------------|
| Less than -500 | 11 - 100 |
| -499 to -100 | 101 - 500 |
| -99 to -10 | Greater than 500 |
| -9 to 10 | |



Data Limitations:

- Single Family homes sales and lease data provided in price ranges. Even distribution of sales and leases in these price ranges is assumed in order to calculate the number that falls within the affordability thresholds.
- American Community Survey income data by tenure and share of income spent on housing is provided in ranges as well. Households earning under \$50,000 and spending less than 30% of their income on housing were considered to be comparable to housing units sold or leased as affordable at 30% of 80% median household income. Households earning under \$50,000 and spending more than 30% of their income on housing were considered to be cost burdened.

REASONS FOR WIDESPREAD COST BURDEN: COMPOUNDING DAMAGES FROM DISASTERS

During the community engagement work for this study, people throughout Harris County said that home is a place where they want to feel safe, including safety from hazards. However, in some cases, housing conditions can make people uniquely vulnerable to disasters including pandemics and storms. The COVID-19 pandemic, Hurricane Harvey, and Winter Storm Uri have tested the safety and resilience of homes and families throughout Harris County in recent years.

The COVID-19 pandemic has increased housing challenges for families and residents in a number of ways. Households from all income brackets across the County experienced some loss of income from COVID, but low-to-moderate-income families experienced the most significant impacts: over one-third of households earning less than \$35,000 per year had some loss of income, as did over one-quarter households earning between \$35,000 and \$75,000 per year. This loss of income makes it harder for these residents to keep up on mortgage or rent payments.

One example of a housing condition that can increase vulnerability to disaster is overcrowded housing. Analysis shows that housing overcrowding in the County was growing between 2018 and 2019, prior to the COVID-19 pandemic.* This crowding often occurs due to affordability challenges which make multiple family members or roommates move in together in order to afford their home. Ultimately, these affordability pressures may have caused increased deaths from COVID among people who lived in unstable or crowded conditions, because they were exposed to a greater number and variety of people in their homes.

* Overcrowding is defined as the number of people per bedroom in a particular home; therefore, a tall building or dense housing in a neighborhood do not result in overcrowding.

Overcrowding increased from 2018 to 2019. The number of severely overcrowded rental homes increased by 26.7% in the city and 22.5% in the county. Evidence shows that overcrowding contributes to COVID-19 transmission. 2019 was before the virus arrived in the USA, meaning that severe overcrowding exploded at just the wrong moment. As of 2019 Harris County actually has a higher rate of overcrowded households than Manhattan, one of the disease’s first hotspots.

Figure 28: Growth in Crowded Housing in Harris County, 2018-2019

Severely Crowded Rental Households			Severely Crowded Owner Households		
2018	2019	Rate of change	2018	2019	Rate of change
18,988	23,256	+22.5%	5,158	5,572	+8.0%

The map on the next page displays uniquely vulnerable areas in the County that were affected by all three major recent disasters: COVID-19, Hurricane Harvey, and Winter Storm Uri. These areas include the Fifth Ward, Kashmere Gardens, Eastex-Jensen, Trinity/Houston Gardens, Settegast, East Little York/Homestead, East Houston, Acres Homes, Sunnyside, OST/South Union, Generation Park/Sheldon, Alief, West Oaks, Westchase, Baytown, and Spring Southwest. Many of these areas also have high degrees of “social vulnerability” as measured by the Centers for Disease Control’s social vulnerability index. These areas are strong candidates for affordable, high-quality housing and infrastructure investments that can help local families become more resilient to disaster.

Affordable housing policy is public health policy. By helping to secure affordable housing for more Harris County residents, this study serves the larger goal of ensuring household health, stability, and security.

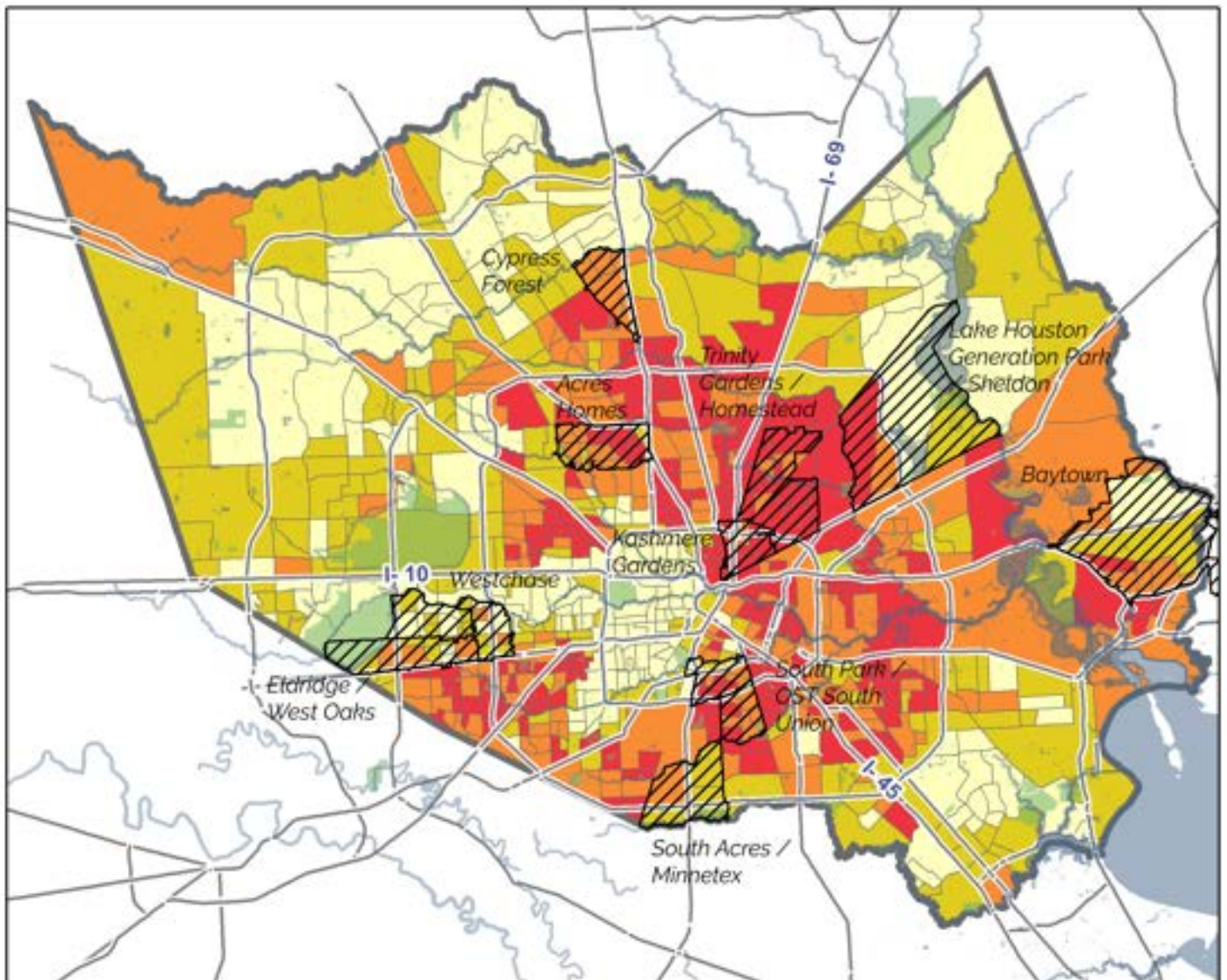


Figure 29: Compounding Damages and CDC Social Vulnerability Index



Legend:

 Most damaged ZIPs: Harvey IHP (Top 25%) & URI IHP (Top 25%) & Covid-19 Unemployment (Top 25%)

 Rivers

 Water

 Highways

 County Parks

 Harris County Line

CDC Social Vulnerability Index

 Less than 0.22

 0.23 - 0.56

 0.57 - 0.81

 More than 0.81

Data Source:
Texas Workforce Commission, 2021
FEMA IHP, 2021
CDC, 2021

Additional Impacts of COVID-19 on the Housing Market

While the pandemic was generally a good period for higher-income residents seeking rental housing, a white-hot home purchase market (coupled with low-interest rate) squeezed would-be buyers across all income strata, but particularly the poorest.

For lower-income home buyers in the county, the pandemic shrank the supply of affordable units. Between 2019 and 2020, there were 971 fewer home purchases that were affordable (at 30% of income) to a household earning 60% of the county's MHI. For 80% of MHI households, there were 2,708 fewer affordable home sales.

These affordable home sales decreased the most in poorer parts of the county, though with some caveats. There were notably no Community Tabulation Areas (CTAs) of the county where home sales for those earning 60% MHI increased by more than a paltry five homes. Even for households earning 80% MHI, there were very few areas with any significant growth in affordable units. More parts of the county had larger losses of 80% MHI affordable homes, likely because there are more homes at this higher price within the county.



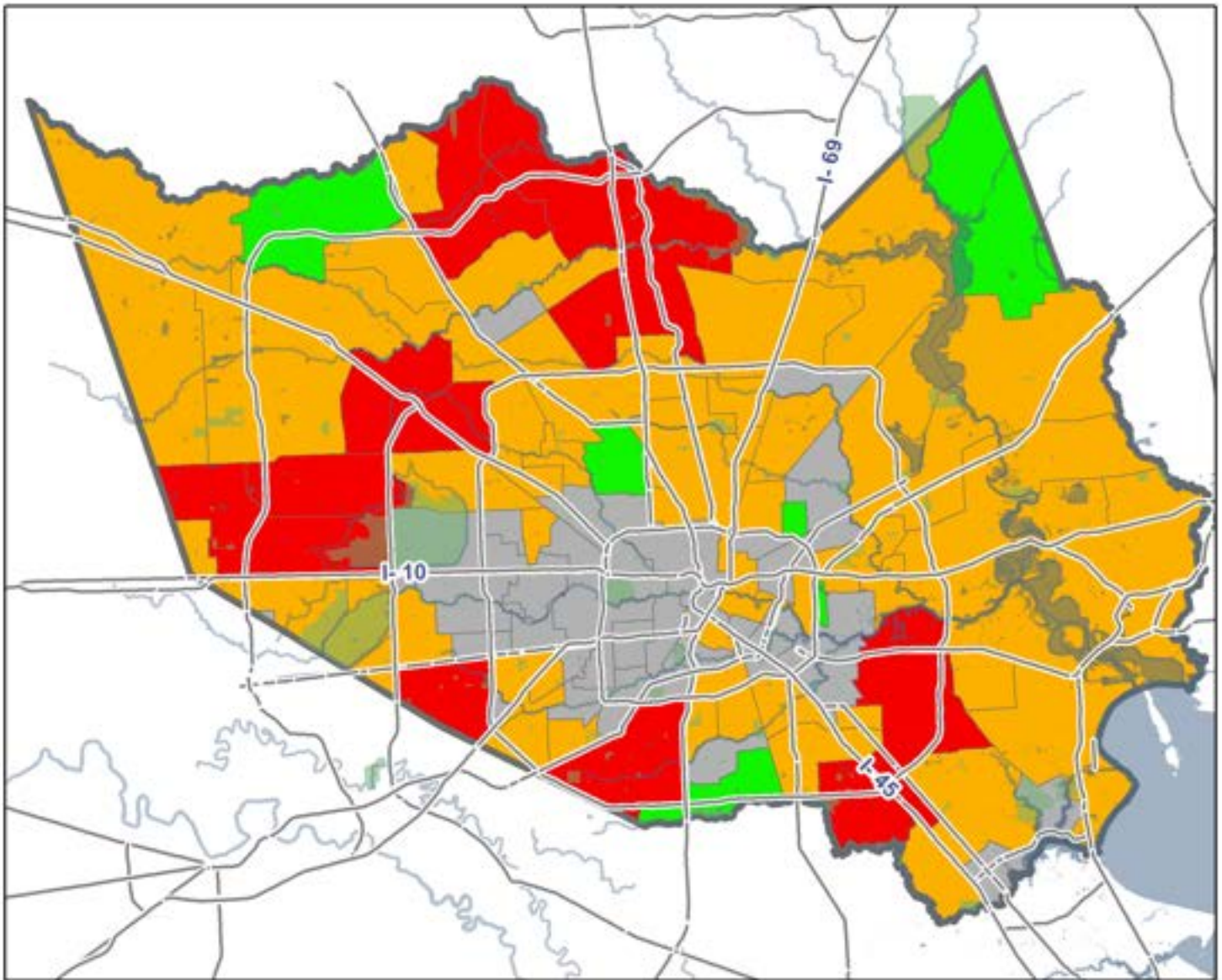


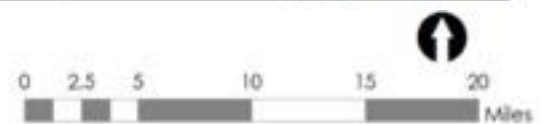
Figure 30: Difference in number of 2+ Bedroom home sales, 2019 and Affordable (30%) to households earning 80% of County MHI

Legend:

- Highways
- Rivers
- Water
- County Parks

Difference in number of affordable 2+ BR home sales, 2019 to 2020

- 154 - -51
- 50 - -6
- 5 - 5
- 6-28



Data Source:
MLS, Real Estate Center, Texas
A&M University 2019, 2020

The supply of rentals shrunk for poorer households, while the supply of rentals for lower-median income earners increased very slightly. Our analysis showed that between March 2020 and January 2021, the county lost 13,679 multifamily units affordable to households earning 60% of the county's median household income (MHI). The county simultaneously gained only 640 multifamily units that were affordable units for households earning 80% MHI.

Mapping the change in affordable rental units shows that there were, unsurprisingly, more geographies which lost affordable rental units. For this purpose, we mapped only rental units with 2 or more bedrooms, as including lower-priced 0-1 bedrooms can inflate the count of affordable units even though these units are too small for families.

Despite overall losses, many CTAs west of Loop 610 in Houston had large gains in affordable rental units for those poorer residents earning 60% of the MHI. Some of the areas with the highest gains in 80% affordable rental units were within the Houston Arrow and central-city areas with strong real estate markets. It remains a point of further investigation if this is because of new construction or older units “filtering” and lowering their rents.



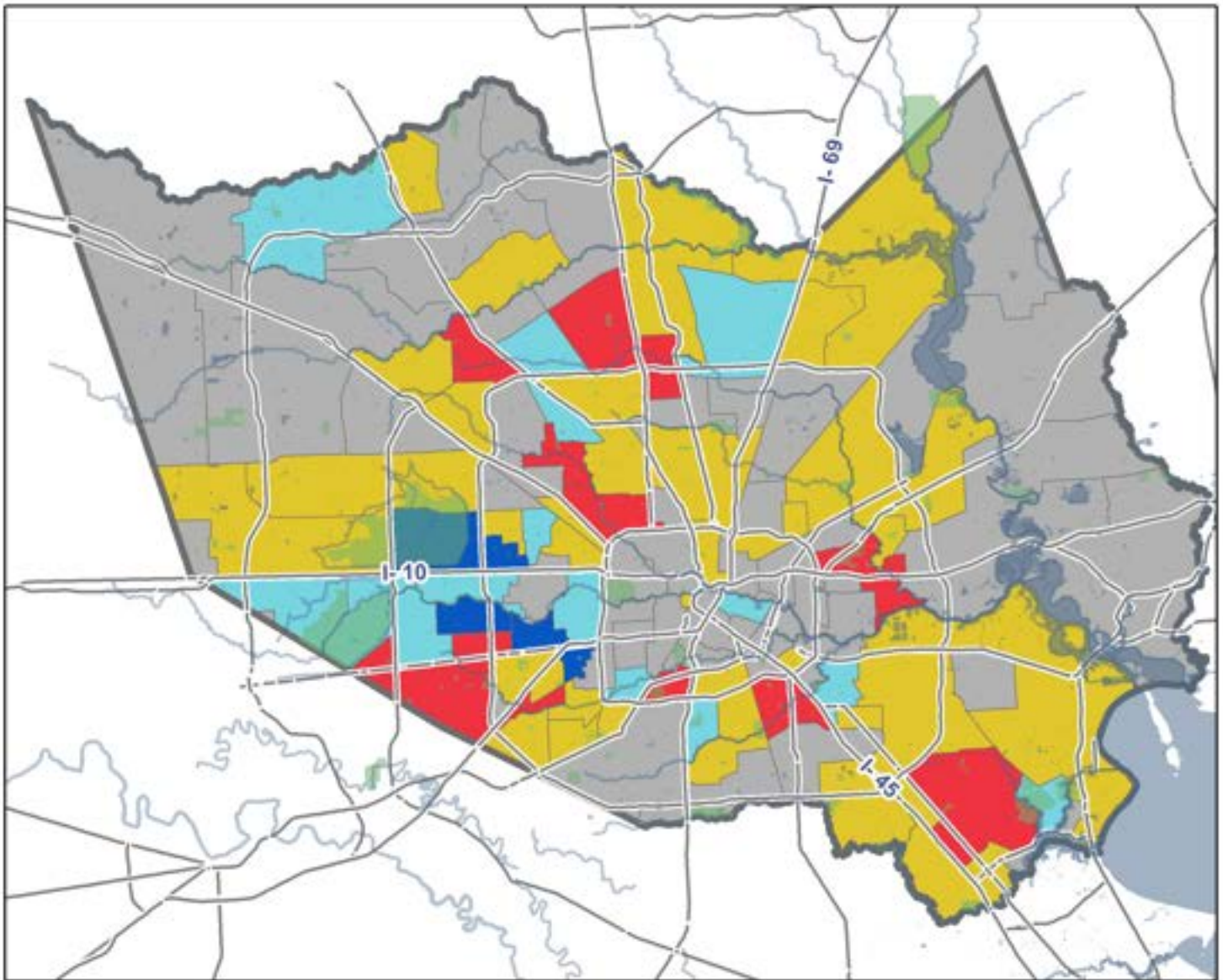


Figure 31: Difference in number of 2+ Bedroom rentals, 2020 and 2021 affordable (30%) to households earning 60% of county MHI

Legend:

- Rivers
- Water
- Highways
- County Parks
- Harris County Line

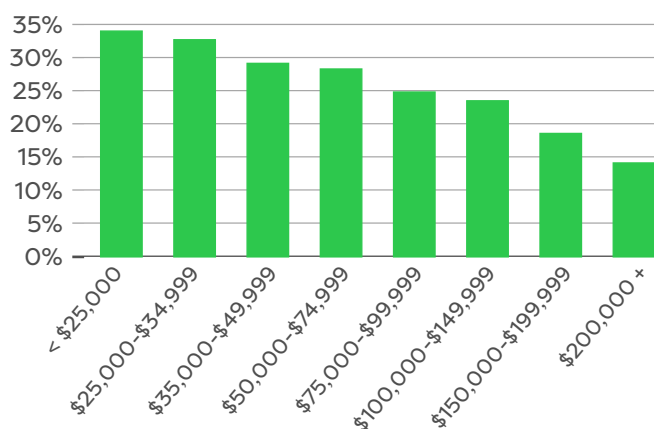
Change in affordable 2+ Bedroom rentals, 2020 - 2021

- Less than -250
- 250 - -31
- 30 - 30
- 31 - 250
- More than 250

Data Source:
Apartment Data Service, MLS
Real Estate Center, Texas A&M
University 2020, 2021

COVID-19 killed more people in unstable housing, the people who are the focal population of this study. Research consistently found that more overcrowding, evictions and foreclosures meant more COVID-19 cases and more deaths. According to Rice University's COVID-19 Registry, local lower-income renters lived in more fear of eviction.⁶ U.S. Census Household Pulse Survey data on COVID-19's impact showed that lower-income earners were more likely to be fired or lose income after the pandemic, meaning they are less likely to make rent. People earning less than \$25,000 were twice as likely to have lost work due to COVID-19 than those earning more than \$200,000, meaning that for poorer neighborhoods unemployment insurance became a crucial lifeline.

Figure 32: Percent of Households by Income Bracket Which Experienced Loss of Employment Income After March 13, 2020*



* U.S. Census Bureau, Household Pulse Survey March 2020 through July 2021

Local, state and federal governments have attempted to help those most at-risk for losing housing. The largest of these policies was the Centers for Disease Control's national eviction moratorium, which (as of writing in July 2021) is set to expire at the end of this month.

At the local level, different cities have tried different policies. According to data from the Eviction Lab, Austin, which instituted a grace period in March of 2020 to allow renters to catch up on missed payments, has seen far fewer eviction proceedings than Houston, where a grace period was not adopted until February of 2021.^{*} Kinder Institute researchers have found that the grace period accounted for a 53% reduction in Austin's eviction filings compared to Houston; earlier passage of the grace period in Houston could have prevented nearly 9,000 evictions.[†]

Instead of a moratorium, Houston and Harris County instituted a \$159 million rental assistance relief fund. Houston Mayor Turner and Harris County Judge Hidalgo also started a Housing Stabilization Task Force in summer 2020. The task force helped shape the use of the rental assistance funding and delivered a wide set of policy recommendations to both governments. Each local jurisdiction is considering ways to adopt recommendations via pilot programs or funding.[‡]

Eviction moratoria affect not only tenants but also landlords, most of whom own only a few properties. A survey of "mom and pop" landlords provided by Avail, a national company that develops software to help landlords manage their properties, suggests that a supermajority of the Houston metro's small landlords still have mortgage payments. Outstanding debt puts these landlords at risk of foreclosure if too many tenants do not pay, which could in turn accelerate rental industry consolidation.

* Eviction Lab. Eviction Tracking System. Accessed April 28, 2021. Princeton University. <https://evictionlab.org/eviction-tracking/> Protections for Texas Renters: COVID-19. University of Texas at Austin, Entrepreneurship and Community Development Clinic, School of Law. Accessed May 18, 2021. <https://sites.utexas.edu/covid19relief/tenant-protections/>

† Yang, K. (2021). Providing the Grace Period to Catch Up on Rent: Its Impact and Potential to Reduce Evictions Cost in Houston and Harris County. Kinder Institute for Urban Research, Rice University.

‡ The Entrepreneurship and Community Development Clinic at the University of Texas-Austin School of Law maintains an excellent clearinghouse of post-COVID-19 renter protections, which can be found here: <https://sites.utexas.edu/covid19relief/tenant-protections/>

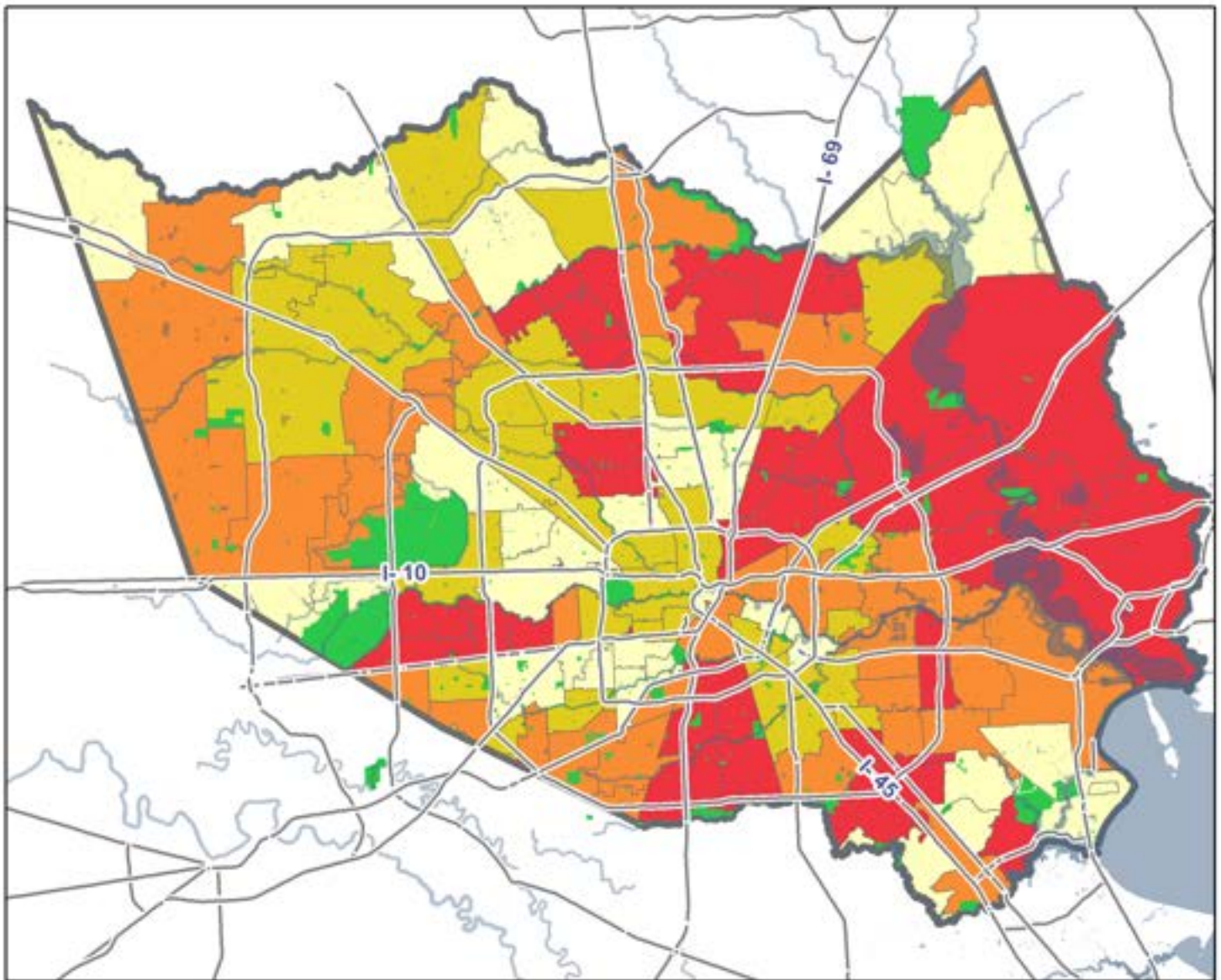


Figure 33: COVID-19 Unemployment Insurance Claimants

Data Source: Texas Workforce Commission, 2021

Legend:

- Highways
- Rivers
- Water
- County Parks

Unemployment Insurance Claimant Ratios

- 0% - 0.7%
- 0.71% - 0.84%
- 0.85% - 0.99%
- 1% - 3.5%

0 1.5 3 6 9 12 15 18 Miles



Note: Ratio of the number of 5-week unemployment Insurance claimants to total population, by ZIP (Weekly average from May 2020 to June 2021)

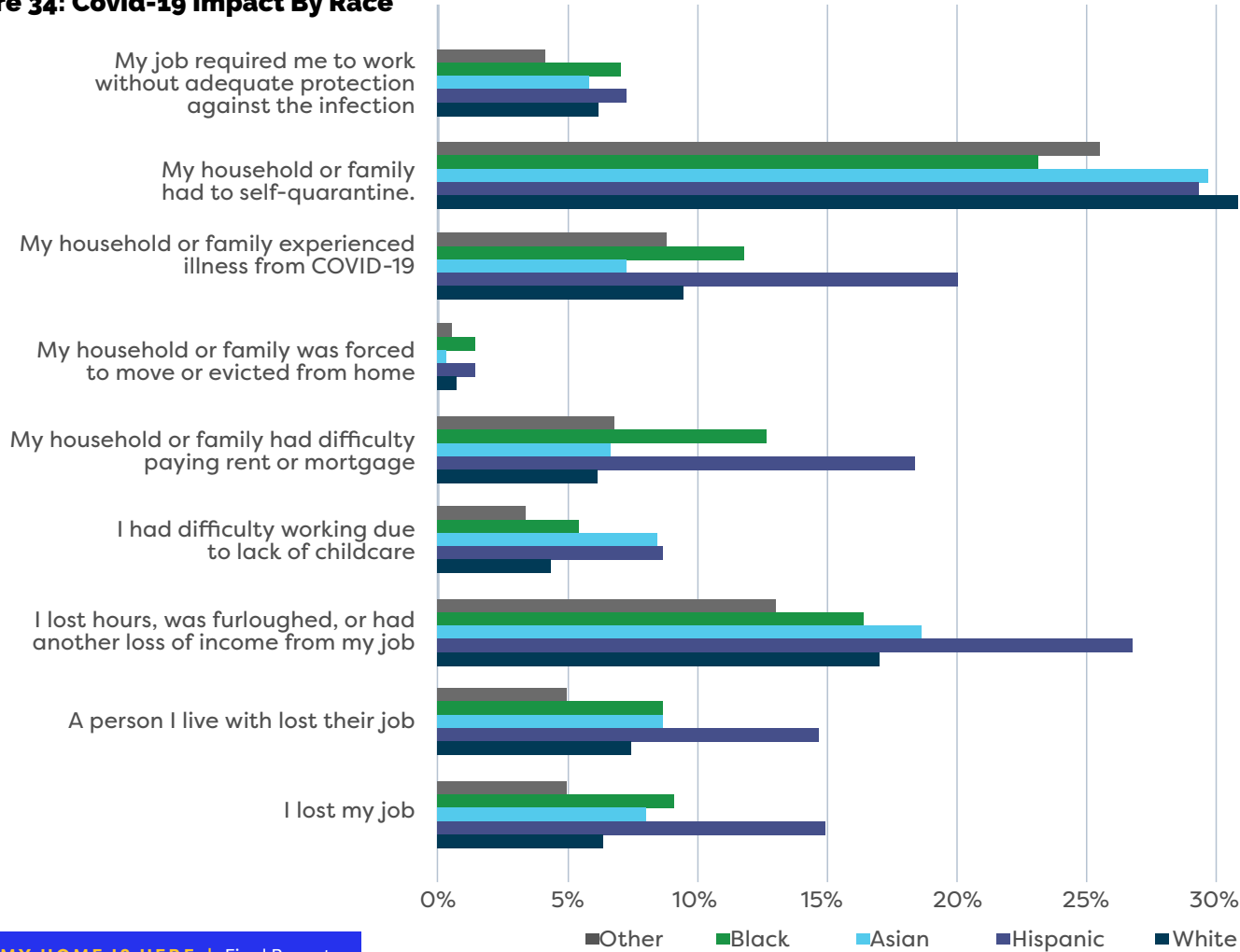
COVID-19 is worse for those without homes. According to the 2021 point-in-time census of people experiencing homelessness conducted by Coalition for the Homeless and The Way Home, 1 in 7 local unsheltered people cited COVID-19 as a reason for their status. At the same time, many shelters lowered their occupancy rates for safety reasons. In response to the virus, Coalition for the Homeless collaborated with the county and city to use CARES Act funding for the Community COVID Housing Program, which has served 1,110 people since fall 2020.

COVID-19 has also compounded existing inequalities, often centering on the workplace. Lower income people are also more likely to work outside the home in high-contact environments.

Research finds that the highest COVID-19 death rates were not in highly paid medical jobs, but lower-paying jobs where people prepare and harvest food, build homes, perform medical support work, and sort goods in warehouses.*

These jobs are often filled by non-white Harris County residents, meaning they are more likely to risk bringing the disease home. For example, Black people fill about half of the county’s healthcare support positions (which includes orderlies, nurse assistants, and other jobs with extensive patient contact) while only being about one fifth of the population. These jobs are amongst the deadliest for COVID-19.

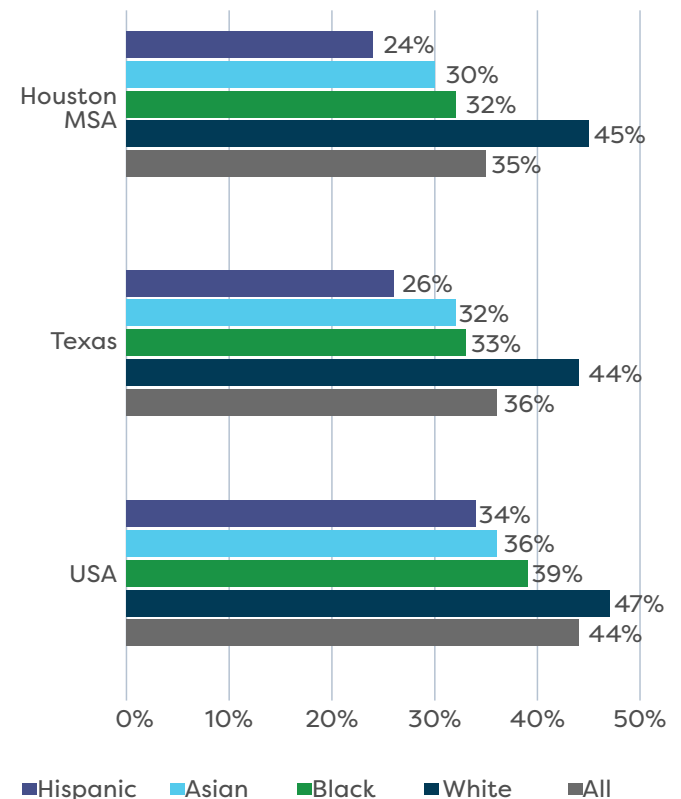
Figure 34: Covid-19 Impact By Race



Locally, Hispanic Houstonians were the hardest hit ethno-racial population, accounting for half of the city's deaths while being only 42% of the population. Hispanic Houstonians also disproportionately work in the construction and food service sectors that have seen the highest death rates.* The My Home is Here housing survey corroborates this point (see Figure 34). Job and income loss is also unequal, both in racial and geographic terms -- contributing to housing instability in the region.

U.S. Census Pulse survey data show how COVID-19 risks widening the racial wealth gap. When compared to the state and the country, Houston metro residents across all racial/ethnic groups were more likely to foresee trouble paying next month's mortgage. Importantly, the difference between the white share of respondents that had high confidence of making next month's mortgage, and the share of respondents of every other race, was largest in the Houston MSA. For example, there is a 21 percentage point difference in the Houston MSA between the share of high-confidence of payment between white and Hispanic homeowners, compared to 10 percentage point difference in Texas and a 13 point difference in the entire USA. Non-white Houston MSA residents are seemingly more scared of missing the mortgage payment and potentially being foreclosed than non-white homeowners elsewhere.

Figure 35: Percent of Homeowners with High Confidence in Making Next Mortgage Payment



Source: United States Census Bureau & Kinder Institute For Urban Research-Urban Data Platform Team. (2021). Household Pulse Survey Data (Version 3) [Data set]. Rice University-Kinder Institute: UDP. <https://doi.org/10.25612/837.N2M4XGB40GOZ>
 Note: Data exclude all cases with coefficient of variation >30%

4 Chen, Y.-H., Glymour, M., Riley, A., Balmes, J., Duchowny, K., Harrison, R., Matthay, E., & Bibbins-Domingo, K. (2021). Excess mortality associated with the COVID-19 pandemic among Californians 18–65 years of age, by occupational sector and occupation: March through October 2020. *MedRxiv*, 2021.01.21.21250266. <https://doi.org/10.1101/2021.01.21.21250266>

* For a detailed explanation of the link between crowding, COVID-19, and work, see Stephen Averill Sherman, "Houston Had an Overcrowding Problem at Precisely the Wrong Time: During a Pandemic," The Kinder Institute for Urban Research (blog), accessed July 20, 2021, <https://kinder.rice.edu/urbanedge/2021/06/30/housing-overcrowding-covid-19-black-hispanic-vulnerability>.

ACCOMMODATING GROWTH BY 2030

So far, this section has discussed two reasons why planning for the next ten years of housing matters in Harris County: the number of cost-burdened residents today, and the increase in housing challenges that residents have faced from overlapping disasters. There's also an important third reason why it's important to study and plan for housing now: the county is growing.

that there will be **over 192,000 new households** formed in Harris County, and all of these households will need homes to live in. For more information on how this number was generated, see the Data Discussion section on this page.

By 2030, the study team's projections estimate

Data Discussion

Calculating How Households will Grow in Harris County by 2030

The study team calculated potential household growth by 2030 based on employment projections from the Houston-Galveston Area Council (H-GAC). The analysis used 2020 estimations and 2030 projections of employment from the Houston-Galveston Area Council (H-GAC) in defined land use / industry categories at the Traffic Analysis Zone (TAZ) level for the unincorporated area of Harris County and the incorporated cities apart from the City of Houston. TAZs are small area geographies created by H-GAC for the purpose of transportation demand modeling. Each TAZ has associated socioeconomic attributes comprised of households, household population, and employment that are ascribed by H-GAC within the zone.

The study team used H-GAC's employment figures and categories to project the number of households within each TAZ by 2030 and place these households into H-GAC's household categories. (The household figures are not figures produced by H-GAC itself. They were calculated by the study team for use in this project.) In addition to using job projections, the study team also accounted for growth in households with zero workers (such as students,

retirees, and disabled residents) using a projected ratio of zero-worker households to total jobs.

The study team explored the relationship between H-GAC's job projections and households with the intent to illustrate the kinds of households, particularly households by income, that are likely to be associated with jobs in each of H-GAC's categories. This exploration resulted in calculated "potential" households that may exist as a result of H-GAC's employment projections. These households are attributed to the individual TAZs where the jobs that they are calculated from are located. It must be noted that this attribution of potential households to TAZs is not intended to represent where such households are or will be residing. This exercise does not make any attempt to locate these calculated households, but rather, to illustrate the potential demand for certain types of housing in or near TAZs due to the number and categorical make up of jobs in the TAZs.

More information on the specific factors used to project household growth is included in Appendix: Market Study.

Housing Supply and Demand by 2030

Population projections for 2030 were divided by projected income level to correspond with the Median Household Income figures used in this report, based on the linkage of job projections to H-GAC household income categories. The projected amount of household growth within the 0-30%, 30-60%, 60-80%, and 80-120% MHI categories is shown in the table below.

Figure 36: Projected Household Growth by 2030 Shown by Income Category

INCOME CATEGORY	Projected Household Growth by 2030
0-30% MHI (\$0-\$19,999/year)	47,716
30-60% MHI (\$20,000-\$34,999/year)	66,693
60-80% MHI (\$35,000-\$50,000/year)	14,136
80-120% MHI (\$50,000-\$75,000/year)	63,516
Total (All Income Categories Below \$75,000/year)	192,061

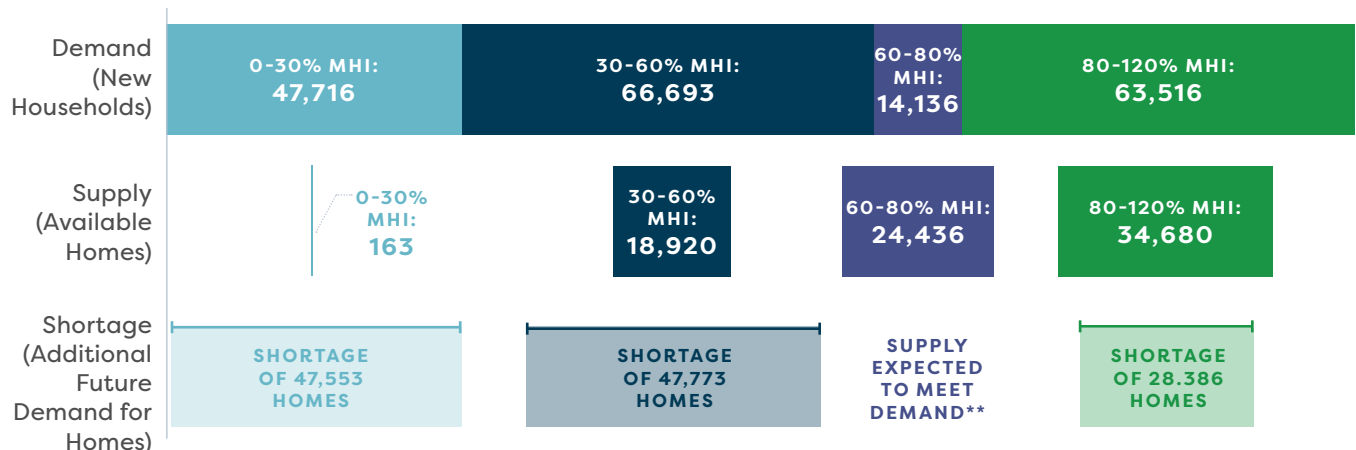
Comparing this projected household growth to the current supply of housing affordable in each income category gives a sense of which income categories have major shortages of supply within

each income category, and which theoretically have enough current supply to meet the needs for housing in the future. The below graph summarizes the difference between projected households by 2030 within each income bracket, and projected available homes in each income bracket today.

The graph shows a major need for new housing production at every income level except for 60-80% MHI; at 60-80%, it appears that current available supply could meet future demand. There are nuances to this analysis, however, that mean that housing production for households at 60-80% MHI could still be warranted.

- **Housing prices are likely to change by 2030.** Housing prices increase over time based on inflation and other events in the housing market. The major housing production shortage that has occurred during the COVID-19 pandemic is likely to have continuing impacts on housing prices over the next several years.
- **Cost burden is still a challenge.** Despite the appearance that some income categories, specifically the 60-80% MHI income category, have more than enough supply to meet current and future demand, there are still over 93,000 households who are cost-burdened in the 60-80% MHI category today.

Figure 37: Distribution of 10-Year Housing Demand and Available Supply by Income Bracket*



Locations of Potential Household Growth by 2030

In addition to understanding the number of units that are needed by 3030, it is also important to understand potential areas of high demand for housing. While growth in jobs cannot predict exactly where new

households will live, looking at the geography of job growth can help suggest where new housing is needed in order to accommodate current and future workers. The map below shows where jobs are concentrated as of today (2020). Black areas on the map have the greatest concentration of jobs. On the next page, there is a map showing where 2030 jobs are projected to be concentrated.

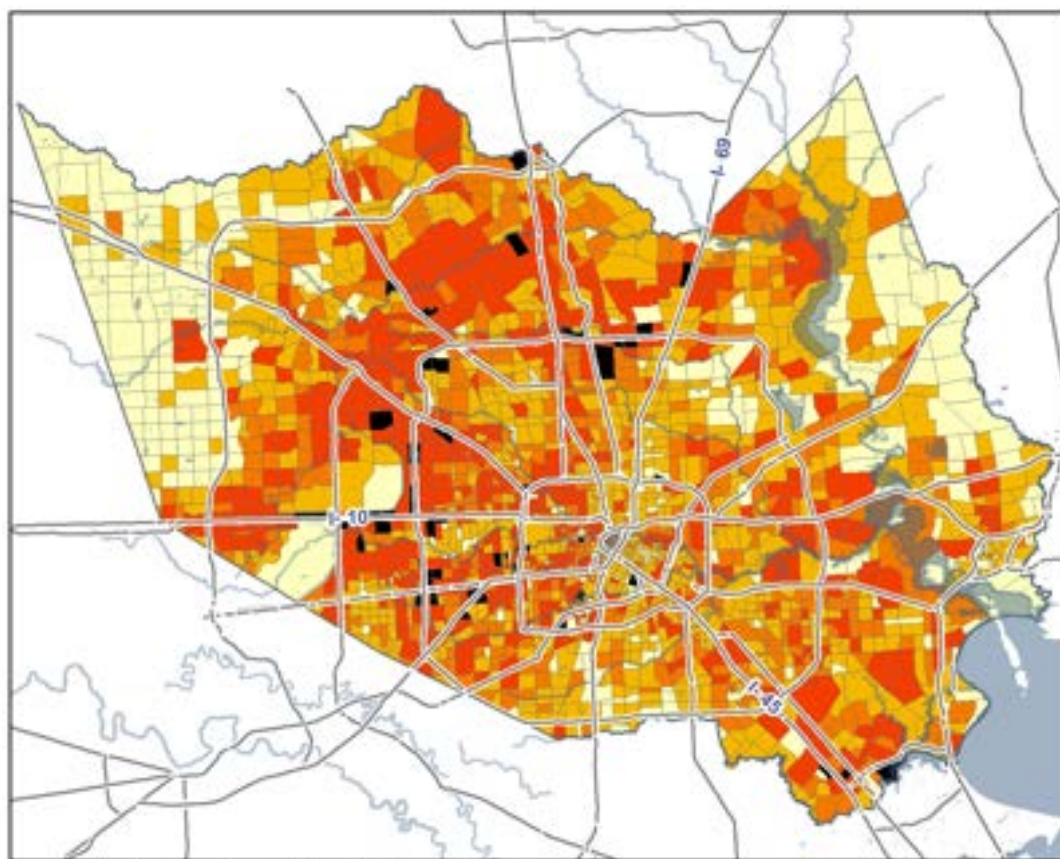


Figure 38: 2020 Harris County Jobs in All Wage Categories

Data Source: Houston-Galveston Area Council (H-GAC) 2018 Regional Forecast

Legend:

- Highways
- Rivers
- Water
- Airport

Data Ranges:

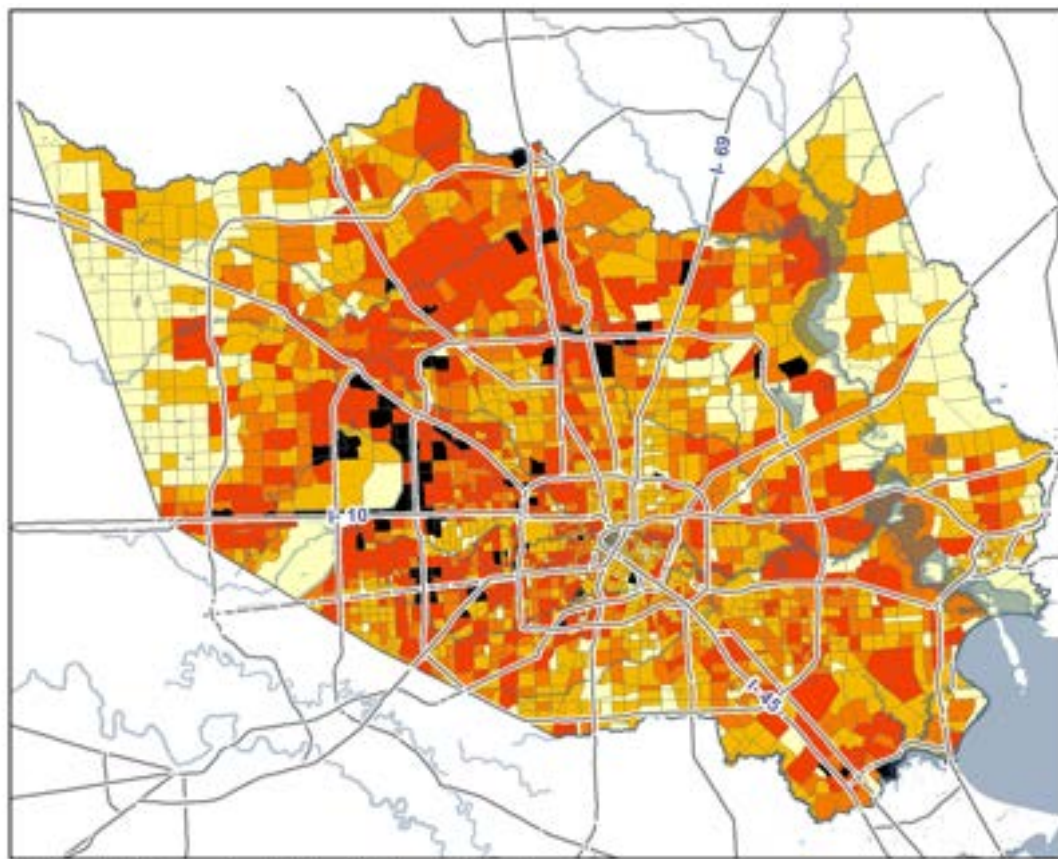
- Jobs in All Categories 2020**
- 0 - 100
 - 101-500
 - 501-1,000
 - 1,001-5,000
 - Greater than 5,000

Data Limitations:

- N/A

The map below, of projected jobs by 2030, shows that there will be growing concentrations of new jobs in western and northern Harris County by 2030, along Beltway 8 and I-10. This growth builds upon patterns of job concentration visible in 2020. Not all households may choose or be able to live in the exact locations where these jobs are

shown. However, locating new affordable housing investments near these areas of job growth could be a boon for lower-income households, and could open up access to more opportunity-rich areas.



**Figure 39: 2030 Harris County
Jobs in All Wage Categories**

Data Source: Houston-Galveston Area Council
(H-GAC) 2018 Regional Forecast

Legend:

- Highways
- Rivers
- Water
- Airport

Data Ranges:

**Jobs in All Categories
2030**

- 0 - 100
- 101-500
- 501-1,000
- 1,001-5,000
- Greater than 5,000

Data Limitations:

- N/A

Growth in Jobs for Lower-Income Households by 2030

Assuming that many households will desire to live near job locations, the map on the following page shows the projected growth in desired locations for households under approximately 60% MHI by 2030. These locations correspond to locations where jobs that employ workers at these salary levels are projected to grow by 2030. (This map shows households under \$41,000, which is slightly higher than the \$35,000 benchmark we use for 60% MHI throughout this report. The difference is based on the income categories available when analyzing the H-GAC job projections by industry and income level.)

Most of the demand for more affordable homes available to households under 60% MHI follow the overall pattern of job shifts for all households by 2030, with census tracts along major highways likely to see significant demand.



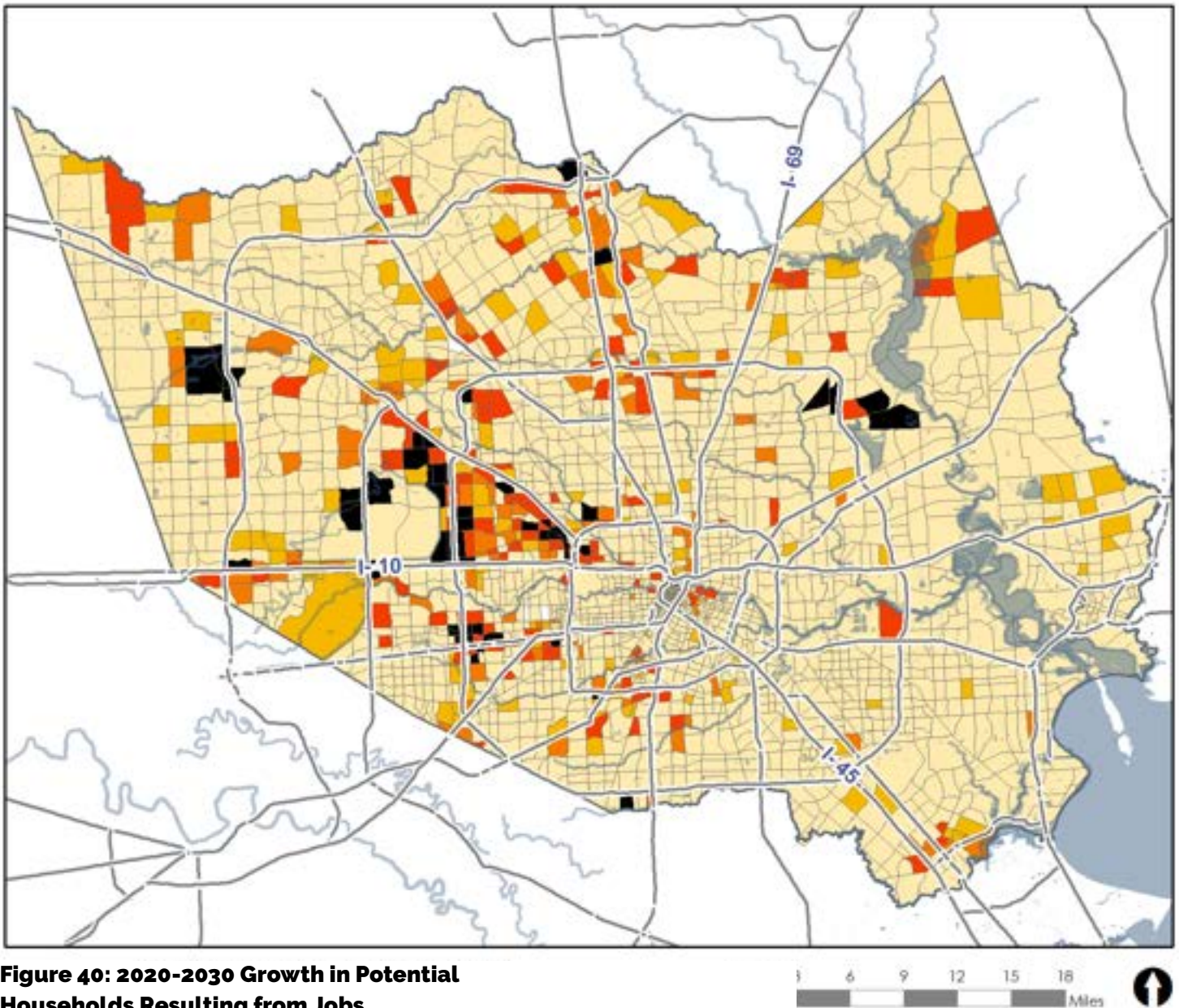


Figure 40: 2020-2030 Growth in Potential Households Resulting from Jobs

Data Source: Houston-Galveston Area Council (H-GAC) Regional Forecast

Legend:

- Highways
- Rivers
- Water
- Harris County Line

Data Ranges:

Growth in Households by Income

- Under \$41,000
- Less than 26
- 26 to 50
- 51 to 100
- 101 to 500
- Greater than 500

Data Limitations:

- Potential households are intended to represent the number and type of households that may result from the presence and growth of jobs.
- These households are calculated based on the number and type of jobs located in each TAZ, they are not H-GAC's projections of households located in these TAZs.
- These calculated households are not assumed to reside anywhere specifically, they are associated with the TAZs on the map because they are associated with the jobs located in these TAZs.

MY HOME IS HERE

WHAT WE HEARD





WHAT WE HEARD

Engaging residents to participate in an authentic, earnest conversation about the importance of this study was simplified by addressing our common values across five core themes. The survey is important to Harris County residents because we've got to improve how homes and neighborhoods are built so that we and our loved ones are safe from natural disasters like hurricanes, global pandemics like coronavirus, and life's general ups and downs.

Since all survey and engagement participation from residents was anonymous, it allowed the public to feel safe to address their concerns, questions, and desires free of fear. Participants in virtual activations, Speakouts or partner events were able to explore topics with one of our trained field engagement specialists, correspond via social media channels or remain engaged through the study's website.

At every step of the way we led with compassion, first. It was imperative that residents understood this study was important to the greater desire to understand how we can safely express "home" in Harris County during storms, pandemics, and other novel complexities of the 21st century. That lived value of compassion proved more necessary than ever during the unprecedented global disruption COVID19 delivered to the region. The pandemic forced us to prioritize what, how and when we asked residents about "home" in ways that met their needs.

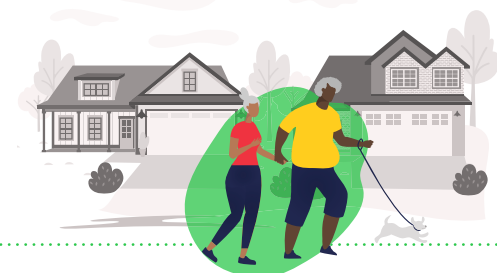
Categorizing the important variables that safe, affordable homes connect to in resident's lives helped to make a long-term project more relevant. We addressed safety, access, and affordability relative to transportation, the future of work, education, health care, and environmental infrastructure at times that were convenient and/or relevant to resident's current circumstances. For example, we promoted the survey during hurricane season asking, "Are you safe at home?" Again, we

aligned with current events and organizations that tethered to "home" including back to school events, COVID19 vaccination locations, housing fairs and mass transit operators.

What we heard were the concerns, needs, dreams, and desires of our neighbors, family members, friends, and colleagues. We learned that most residents are happy in their communities and want to remain there somehow, some way. We learned of hardships that we know exist, like flooding, the difficulty of finding housing that is equally accessible, and folks feeling concerned about money to maintain what they have. We also learned about concerns about home that many might not normally consider, like mold and pest infestations, air quality and toxic environmental concerns that make family members sick, and persons with disabilities having to re-navigate their homes when mass transit routes change.

Throughout the public engagement period the My Home Is Here team held sight of a higher standard for the residents of the 34 cities that make up Harris County. That standard was to slow down and engage with compassion, listen with expertise, and record with integrity.

While the data quantifies Harris County residents' sentiments numerically, the conversations created a single point of convergence that is critical to remember. Harris County residents call this place home. The sentence is as follows. "Harris County's Housing Policy Advisory Committee (HPAC) played an important role in reviewing community engagement findings and identifying the strategic objectives of the study. See the Values, Goals, and Strategies section on page 116 for more on HPAC's process.



HOUSING SURVEY

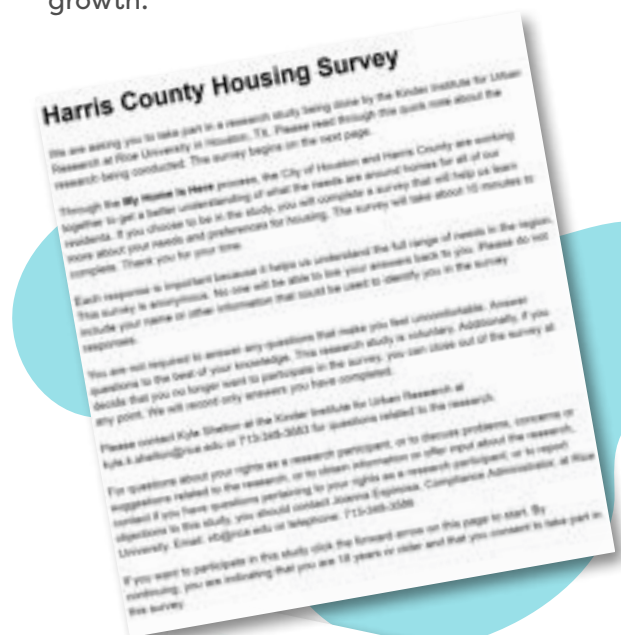
The Harris County Housing Survey was active for the span of a year during the project and collected over 17,500 responses. The survey kicked off right as people retreated home due to the COVID-19 shutdown. The engagement strategy shifted to digital formats as the weeks and months passed. During the rest of 2020 a total of 6,464 surveys would be collected. By January 2021, a revamped engagement strategy would help collect 11,148 surveys or 64% of the total--boosted in large part by City of Houston advertisements in utility bills. The My Home is Here survey results are also weighted by race/ethnicity and income, to account for under-sampling of these groups in the final data. Please see the weighting methodology in the appendix for more information on the methodology and results.

Our shared and aligned language informs our shared and aligned values. We led with values as a way to prioritize resident's desires and needs. For topics that are about protecting ourselves as human beings, the only authentic path to sustainable solutions must be led with compassion while also providing safe spaces with enough time to validate trustworthiness. In circumstances where time and space are unstable variables, language alignment focused on shared values must be the platform from which we engage.

The campaign's values were developed collaboratively with Harris County and the study team. They are as follows:

- Independence in truth, wherever it leads us.
- Evidence-based solutions that are informed by community-led values of worth, equity, access, and well-being.

- Understanding and acknowledging the historical causes for environmental, social, and economic inequities we are working to solve today.
- Accurate information, shared learning, and doing work that inspires sustainable, thoughtful growth.



HOW WE ENGAGED RESIDENTS

Authentic, inclusive and ethical public engagement informed every aspect of this study. Engagement results were a key component in determining the final strategies, policies, and investment priorities for the next ten years.

Our initial goal was to capture 2% of Harris County residents' statements (90,000) from June to November 2020. COVID19 mandated that we apply different strategies over a longer period of time; we expanded the length of time from June 2020 to March 2021. In spite of both economic and environmental disruptions, we were able to capture 17,512 survey responses, 25 journalist perspectives, and partner with more than 100 regional agencies.

It was important to prioritize our engagement resources to ensure that populations that are often underrepresented were strategically included. This included communities of color, non-English speaking communities, and persons with disabilities. We intentionally focused engagement in areas where we know significant housing concerns exist, such as areas where many households are cost-burdened, have concentrations of poverty, or that are at risk of gentrification. In addition, concentrated on areas where we knew there were significant stocks of subsidized and naturally-occurring affordable housing.

All of the engagement efforts were open to the public and we increased accessibility during COVID19 as we offered virtual meetings and activations. Our virtual activations and Speakouts enabled a cross-section of the County's population to attend while simultaneously focusing on outreach and inclusive engagement in areas where underrepresented populations tend to live.

We chose to focus on areas within Harris County that have elevated levels of poverty relative to what is standard in the county. There is considerable poverty within the county, but the

most acute feedback on the topic is likely to come from areas that have the highest concentrations of poverty. This allowed the field team to explicitly target areas where an identity or topic of concern was likely to show up more often. Targeting areas that were most saturated allowed us to prioritize getting input from people who are experiencing an issue most acutely. One notable exception is that in the maps regarding rent and cost burden, we highlight all areas where over 30% of the median income is being spent on housing costs.

Data was gathered from online engagement conversations with 37 community experts across Harris County from August 2020 to March 2021. Guest speakers were provided with campaign materials, then the 30- to 60-minute virtual conversations were moderated through the campaign's Facebook or Instagram page. Guest speakers had a range of expertise and knowledge, from housing, the environment, city planning, transportation, mental health and wellbeing, education, workforce development, business, legal aid, mortgage and real estate, architecture, community development and advocacy.

Over 70 stakeholders participated in focus groups and individual interviews for the My Home is Here housing study. Participants included Harris County policymakers; countywide social services and health agencies; single-family and multi-family developers; non-profit and for-profit developers; lenders; realtors; community organizations; and real estate consultants.

As a result of our engagement strategies and a focus on priority areas, the field engagement team conducted 227 activations, gathered over 2,300 emails of residents to keep them aware of the campaign, and connected via scheduled conversations, focus groups and interviews with over 100 stakeholders.

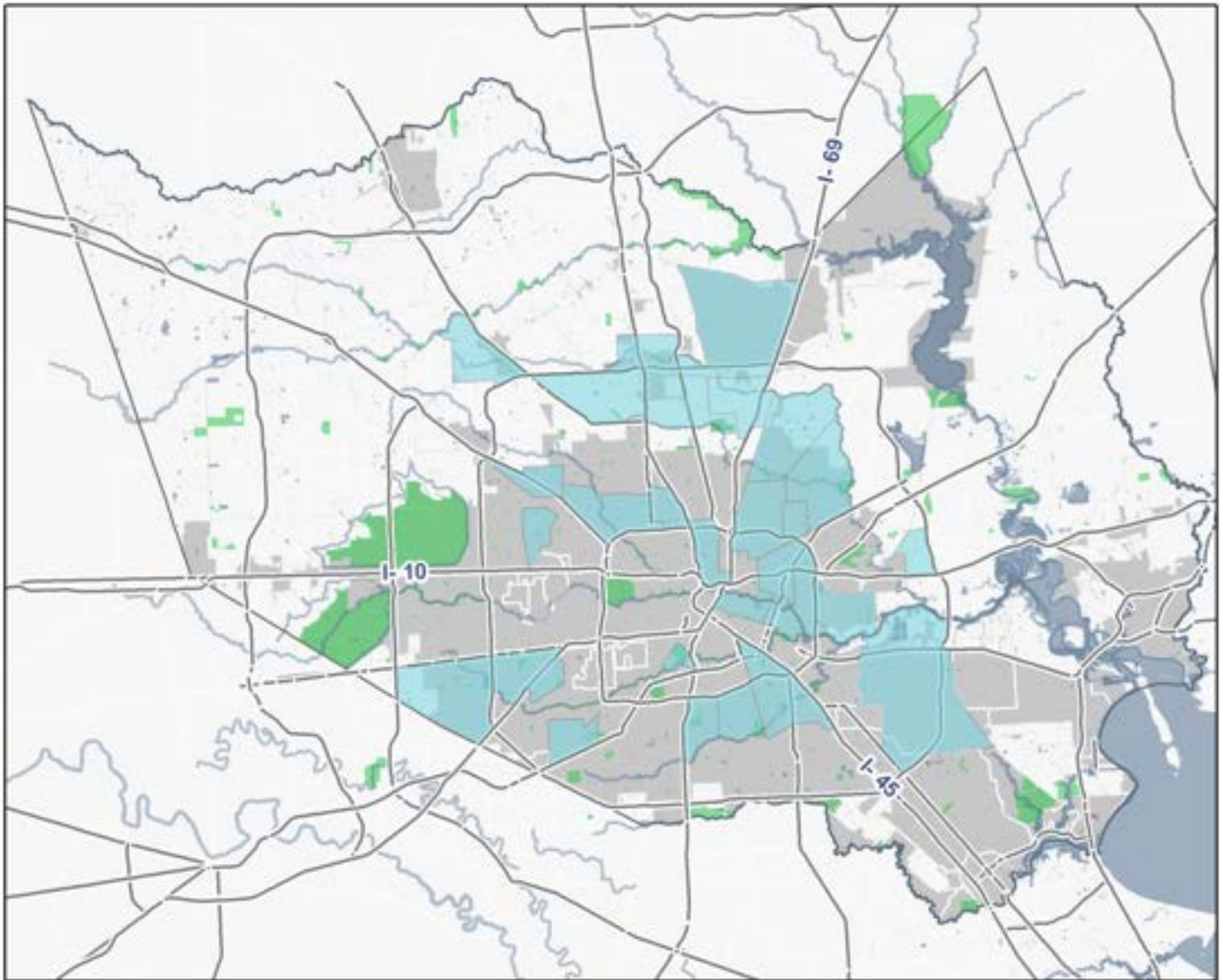


Figure 41: Engagement Priority Areas

Data Source: Kinder tabulation of underrepresented populations with the U.S. Census Bureau data

Legend:

- Engagement Priority CTAs
- County Parks
- Harris County Lines

Type:

- Cities
- Unincorporated County



Index Includes:

- People less comfortable speaking English
- Indo-European language speakers
- Spanish language speakers
- Population with a disability
- Population living in poverty
- Renters with cost burden
- Gentrification Risk
- Naturally Occurring affordable housing
- Subsidized housing
- Asian Population
- Black Population
- Hispanic Population

WHAT WE HEARD FROM RESIDENTS

For residents of Harris County, dignified housing means more than just the four walls of a home -- people want resilient and livable neighborhoods.

Residents' top five priorities when asked what was important to them in their home were:

Safe neighborhoods

Hazard resilience

Affordability

Walkability

Neighborhood Amenities

The following summary breaks down key findings within each of these top priorities based on our survey, focus groups, activations, and meetings with community leaders. It also shares quotations we heard from residents related to each of these five themes.

How What We Heard Informed The Results of This Study

After identifying the key findings, the study team and Harris County helped to ensure that residents' input would factor into the study in multiple ways. In particular, the top five themes informed the study's Opportunity Analysis, which examines how Harris County can target place-based investment in the things that residents of Harris County care about. The Opportunity Analysis looks at factors related to the five themes to help show how investments in housing can build on local assets and fill potential gaps in walkability, services, safety, or resilience to hazards. See the "What We Found" section for more information on the Opportunity Analysis.

The top five themes also informed all of the project's values, goals, and strategies, which are shown in the "Values, Goals, and Strategies" section of this report. These ideas will guide Harris County policies and investments in housing and neighborhoods over the next ten years.



Who We Heard From

Figure 42: Respondents by Race or Ethnicity

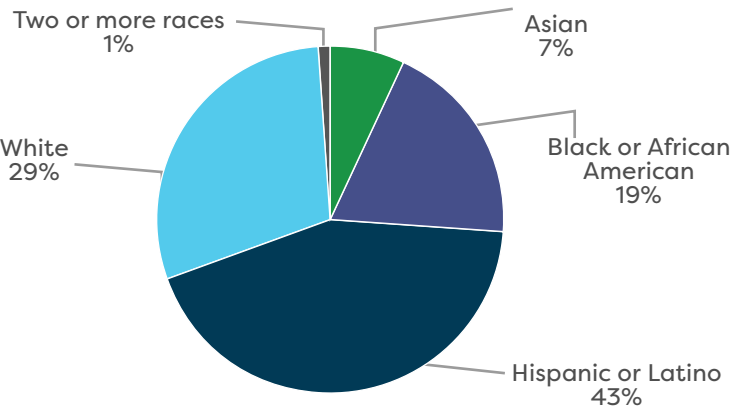


Figure 43: Respondents by Age

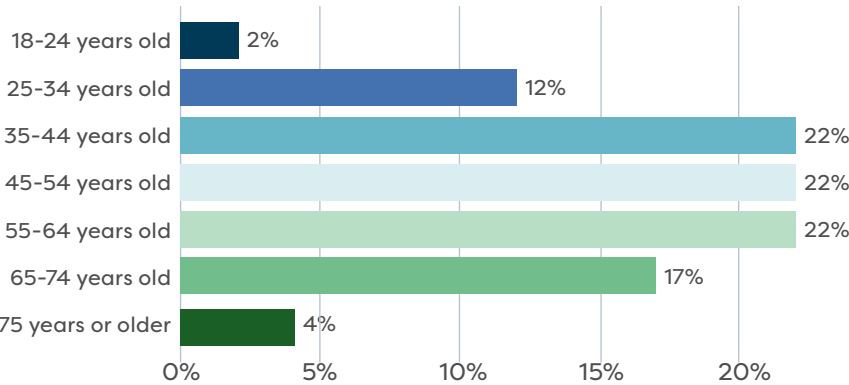
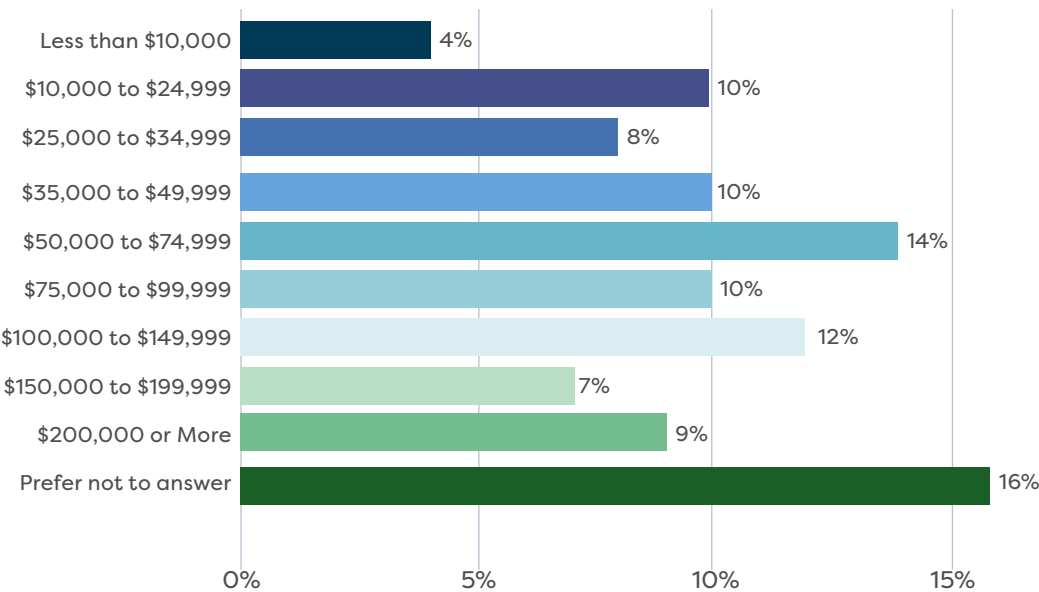


Figure 44: Respondents by Household Income



PRIORITY 1: SAFE NEIGHBORHOODS

Finding 1: People value safety and feel safe at home.

People value safety and feel safe at home above all other housing priorities. 76% of survey respondents identify a safe neighborhood as their topmost priority in their home. 78% of all survey respondents report feeling safe in their neighborhood, but this varies by race/ethnicity. While 86%, 82%, 81%, and 77% of White, Asian, Black, and Other respondents respectively report feeling safe, only 72% of Hispanic/Latinx respondents do. Safety was not defined in this survey and respondents commented that they do not feel safe for a variety of reasons, including crime and road and sidewalk conditions.



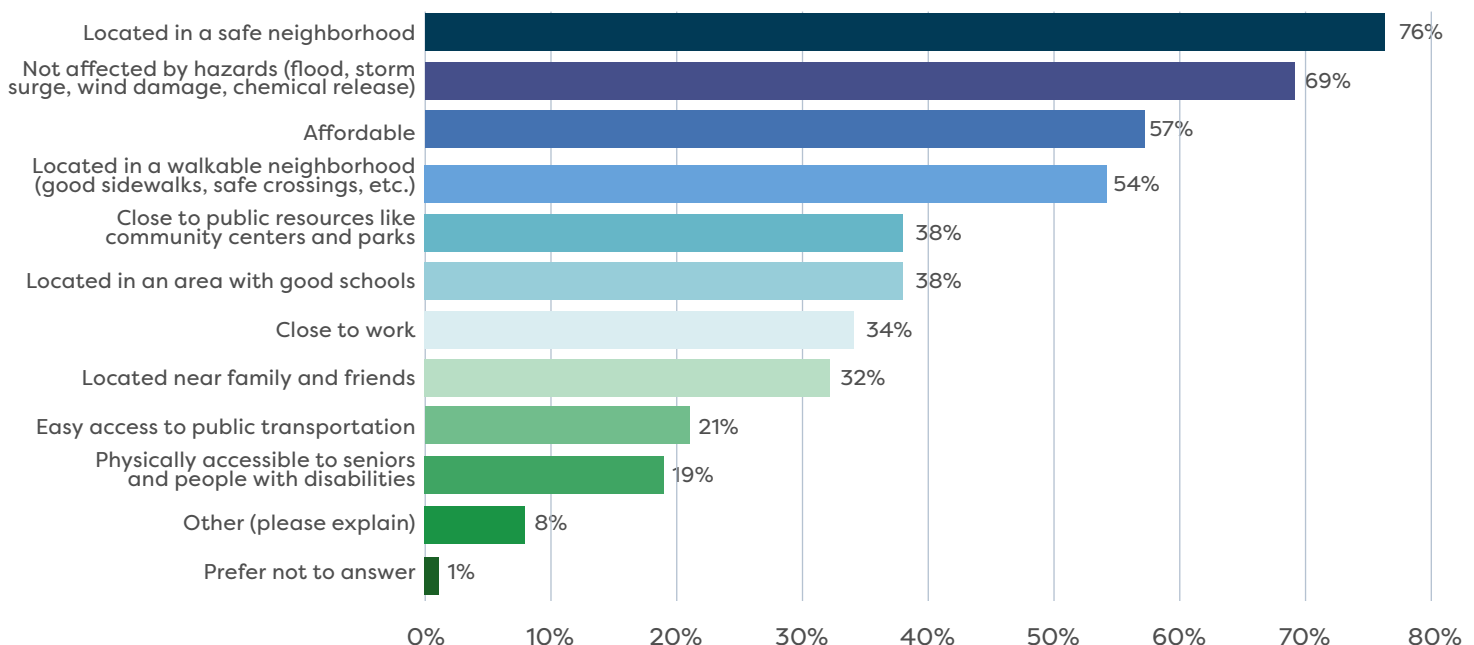
"Sidewalks are not safe (many large cracks and huge slabs of concrete lifted up that kids use it for skateboard jumping). I love my home but area is not safe."

"Affordable housing that provides safety and joy is too hard to come by in Houston near areas with job opportunities and ample public transportation."

"City of Houston and Harris County do need to work on building or providing safe and affordable housing for underprivileged families in our area. Too many low income families have few to no options, and are shunned away by upscale areas."

Figure 45: Importance of Housing Decision Factors

Q: What is most important to you in your home? Please pick up to 5 options.



Finding 2: People want safety from environmental hazards.

In addition to safe neighborhoods, safety from environmental hazards is among the top tier housing priorities. 69% of survey respondents identified hazard protection as central to their home. In the open ended survey questions, respondents identified air pollution and lingering damage from flooding as threats to their home. Over half of the respondents said that their neighborhood floods when it rains.

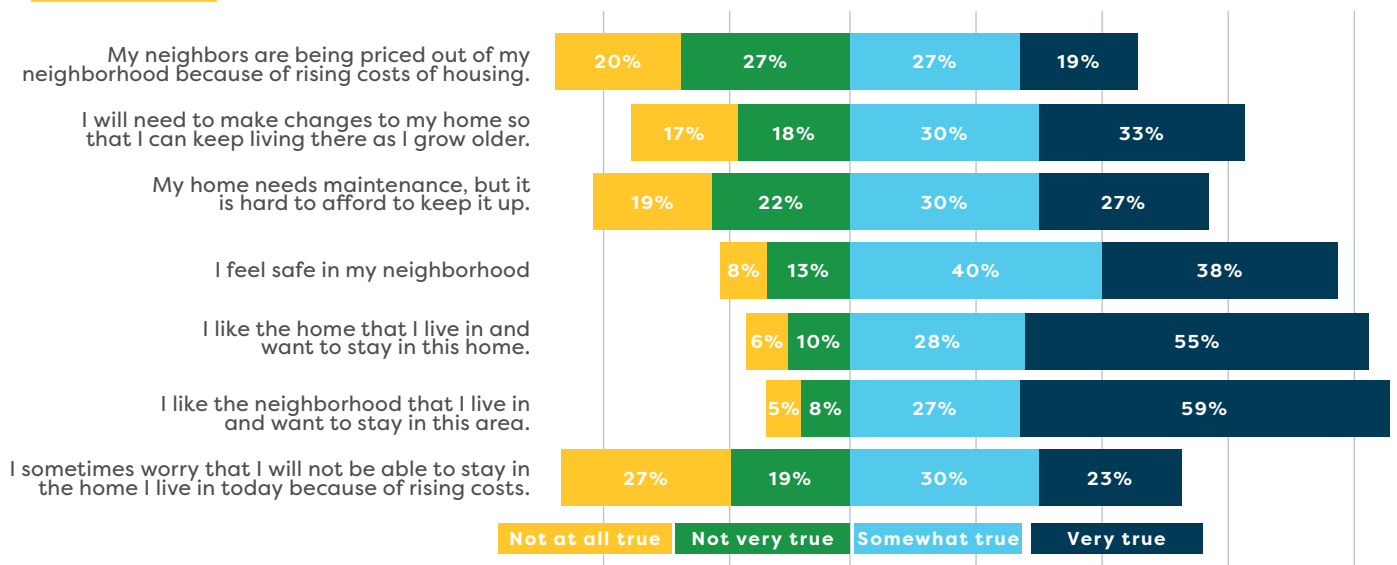


"Gentrification in my neighborhood is affecting me. I do NOT want to sell my home. I do NOT want to move out. Stop allowing builders to develop McMansions and Overpriced Townhomes. Houston needs affordable and safe housing for workers who work minimum wage jobs... Its about staying where you are and seeing it stay safe and affordable."



Figure 46: Respondent Sentiments Related to Neighborhoods and Housing

Q: Tell us how true the following statements are for you.



PRIORITY 2: HAZARD RESILIENCE

Finding 3: There is a need for better policies to control environmental hazards.

Environmental hazards were identified as top concerns for Houston residents and local advocates believe there need to be improved policies that would mitigate them. At engagement discussions, participants and speakers noted that a disproportionate burden of air pollution and other environmental pollutants have been placed on communities in Houston. A third of survey respondents said that their neighborhood has industries around it that cause pollution.

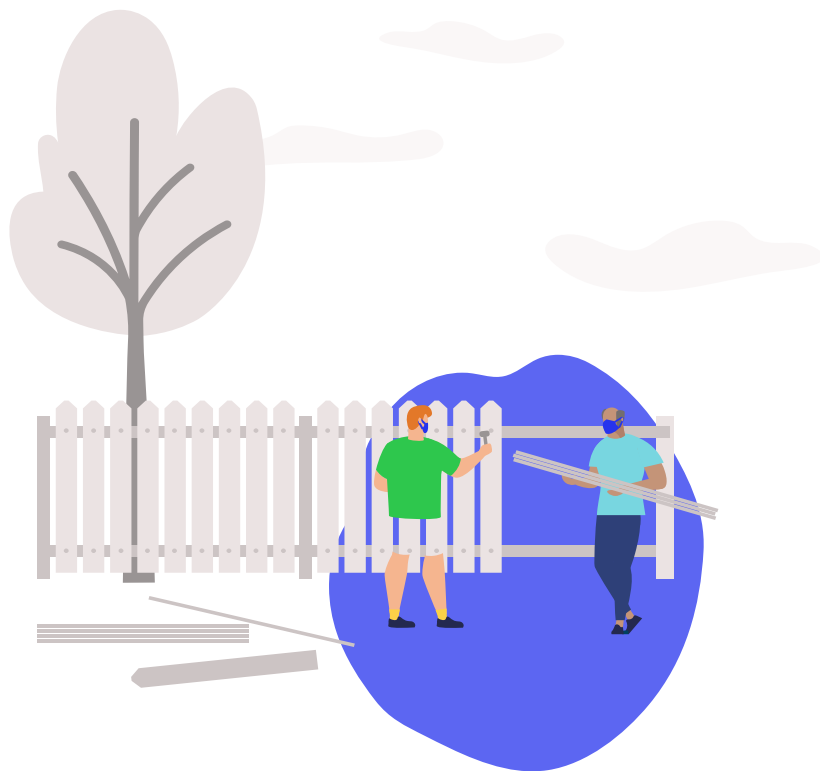
Finding 4: Many Harris County residents have not yet made repairs from Harvey and other floods, likely because they're paying out of pocket.

Over one-quarter of respondents (27%) had their homes damaged by flooding at some point in the previous five years. Of the respondents who experienced flooding, 65% have completed repairs to the damage, but 35% have not. Those who completed repairs often paid for the repairs themselves, rather than relying on insurance or government assistance; 47% of respondents who completed repairs paid out-of-pocket. The 35% of residents who have not yet completed repairs may be waiting because they cannot afford to bear a similar expense.



"No zoning laws hurt homeowners in Harris County. We are next to industrial waste and dangerous pipes."

"Living near the chemical releases and explosions puts stress on our family. My family has asthma. ExxonMobil sent us a PR letter with sanitizer last week explaining they create chemicals that go in sanitizer. I often wonder if my neighborhood will get bought out eventually for refinery expansion or for toxicity."



Finding 5: COVID-19 and other emergency conditions threatened loss, displacement and evictions. Hispanic and Black residents experienced a disproportionate impact from the pandemic that affected housing.

Inclement weather or emergency conditions, like hurricanes, winter storms, and the COVID-19 pandemic make it a greater challenge for residents to access amenities, but they also threaten families experiencing loss, displacement, and home evictions. 17% of survey respondents have lost income during the pandemic and 9% lost their job altogether. Combined with the rising costs to repair damage from environmental hazards,

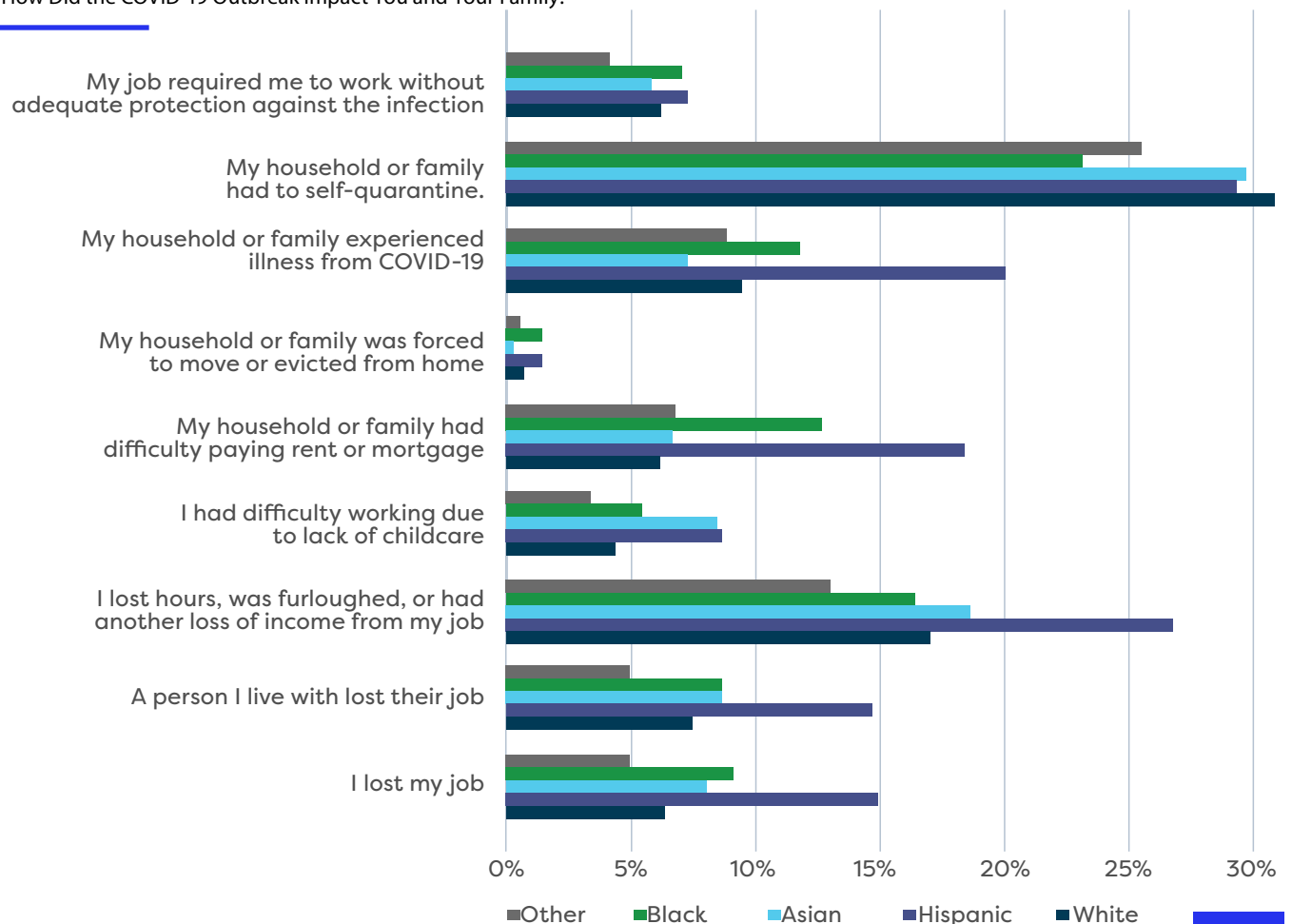
Harris County residents are particularly vulnerable to displacement, yet those identifying as Hispanic were 3 times more likely than their peers to experience difficulty paying rent or mortgage during the pandemic, and Black residents were 2 times more likely to experience difficulty with these payments. Both of these populations, were also more likely to experience income/job loss, or illness with COVID-19 or in their household or family.



"In home 35 years. It's paid off. Have flood insurance that did not pay for full gutters that pulled off fascia boards and some soffits. Three years since Harvey, I am saving to reach \$13,000 that it will cost to fix damage. FEMA said flood insurance would pay.... it didn't."

Figure 47: Covid Impact by Race

Q: How Did the COVID-19 Outbreak Impact You and Your Family?



PRIORITY 3: AFFORDABILITY

Finding 7: Residents have a strong desire to stay in their homes and neighborhoods, but face challenges doing home upgrades.

Residents have a strong desire to stay in their home and neighborhood but face challenges maintaining or upgrading their homes. The vast majority (86%) of survey respondents stated that they want to stay in their neighborhood and 83% want to stay in their home. Despite this, many Houstonians will face challenges in doing so. 66% of survey respondents reported that they will need to make changes to their home so that they can keep living as they grow older. 57% of respondents can already recognize that their home needs maintenance, but will struggle with the cost of that maintenance.

Finding 8: Residents are increasingly struggling to find affordable housing.

A 2020 study of housing in Harris County and Houston found that affordability and access to homeownership has become a growing challenge, with the affordability gap tripling in the last decade with median home sales prices far outpacing growth of median renter incomes. Over one-third (37%) of survey respondents feel that the monthly amount they spend on their home is too much for their budget. In addition to the costs of mortgages and rents, local experts and activists pressed the importance of other factors that feed into the cost of housing. This includes infrastructure, transportation, deferred maintenance, and the individuals' credit.



"I need to move to a smaller place in a safer neighborhood but can't find a place within my budget and can't afford closing costs. My house is 50 years-old and I cannot afford the cost of the mounting repairs. So I'm stuck in a situation that will get bad as time goes on."

Finding 9: Housing experts felt that reducing costs requires both innovative technology and additional subsidy options.

The biggest housing shortfalls in Harris County are for those who are at lower income levels (30 - 60% AMI). The focus groups discussed how finding subsidy methods and partners who can reach these lower income levels through rental development will help decrease cost burdens and improve quality of life. Lenders in the focus groups felt that the current available subsidies for-sale housing for homebuyers at 80% AMI and below is insufficient. Increasing the amount of subsidies available through the Down Payment Assistance Program and/or increasing the eligible home prices could help expand the pool of eligible buyers and homes.



"I am over 70 years old and need more affordable housing such as a senior living community. The repairs on my home which is more than 62 years old have become too expensive. The property taxes also combined with maintaining the home as [with] homeowners insurance have become too costly."

PRIORITY 4: WALKABILITY

Finding 10: Respondents rated walkability nearly as important as affordability and above other aspects like school quality, community centers, and parks.

54% of respondents stated that it's important their home be located in a walkable neighborhood. Local activists and experts argued that transportation costs, building walkable communities and ensuring access to other transportation options with proximity to work and home can all lower housing costs for families. When residents have access to multiple modes of transportation, like buses, walking, bicycling, or rapid transit, it allows them to access those opportunities for learning, gain the skills industries need currently, and find and/or maintain employment.

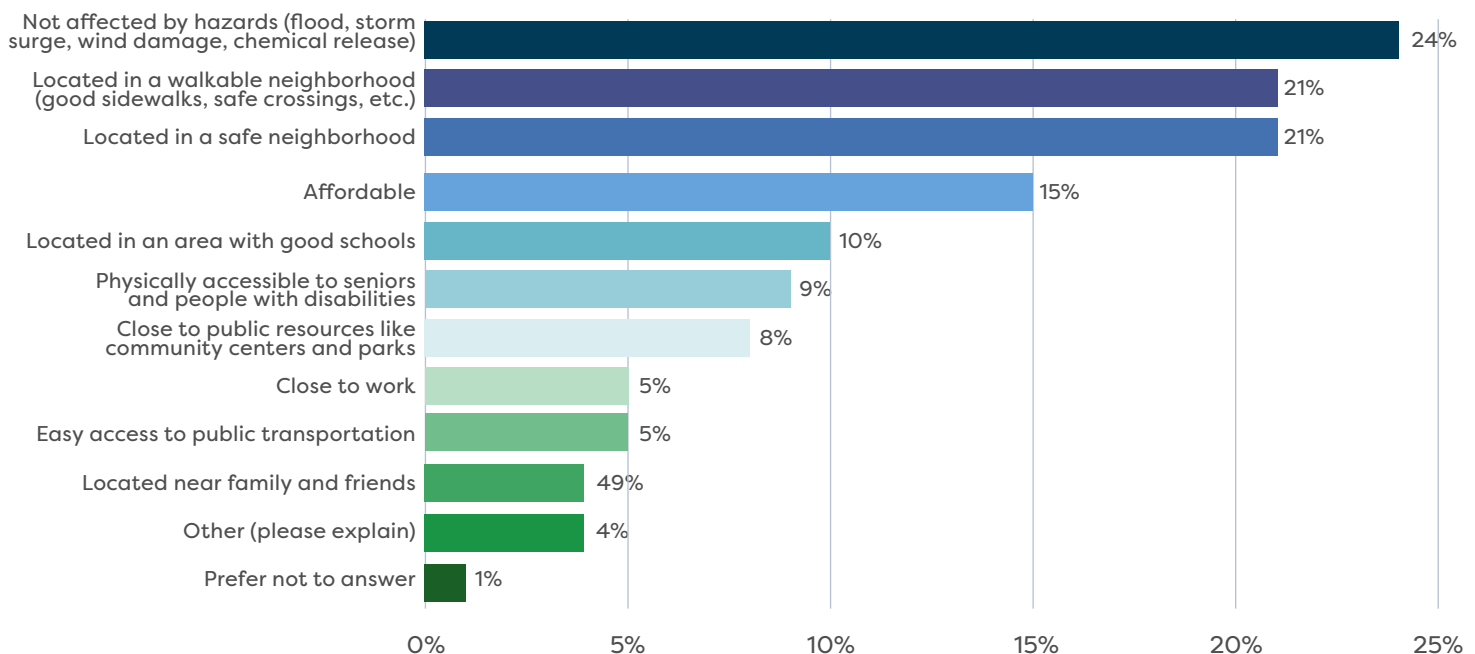


"The neighborhoods need better sidewalks and walkability the city doesn't invest enough money in infrastructure. We could live in a less expensive area but if we did we couldn't walk to any restaurants or parks and it wouldn't be as safe."

"Prices have increased drastically while services provided by the city/county have not. How can you take hundreds of lots that used to have single family homes and put multiple townhomes on them or increase density through multiple mid-level and high-rises within blocks of one another without expanding roadways/public transportation, neighborhood walkability...etc."

Figure 48: Top Priorities that Survey Respondents do Not Have Today

Q: Of the top five items that are important to you in your home, are there any that you do NOT have in your current home, today?



PRIORITY 5: NEIGHBORHOOD AMENITIES

Finding 11: Households earning less than \$50,000 per year value education and want better parks and community centers.

Low-income respondents identified access to good schools (52%) and having proximity to public resources (44%) like parks and community centers as their fourth and fifth priorities, much higher than the average respondent. Local advocates noticed their local park, the walkable areas, the proximity to small businesses or grocery stores, and or systems that make their environments safe and provide a good quality of life. This was particularly the case during the COVID-19 pandemic.



"I think it is probably easy to find an affordable home. However, security, the neighborhood and nearby amenities are just as important. Home has to be conveniently located to public library, post office, airport and stores such as grocery, hardware, pharmacy. Nice to have a nice shopping area, restaurants, and theaters close by."



"More amenities and large grocery food chains need to be closer to my neighborhood and Covid-19 vaccination locations need to be more accessible in my neighborhood."

Finding 12: Developers, lenders, and officials agree on the key factors that make for a good site for new affordable housing development.

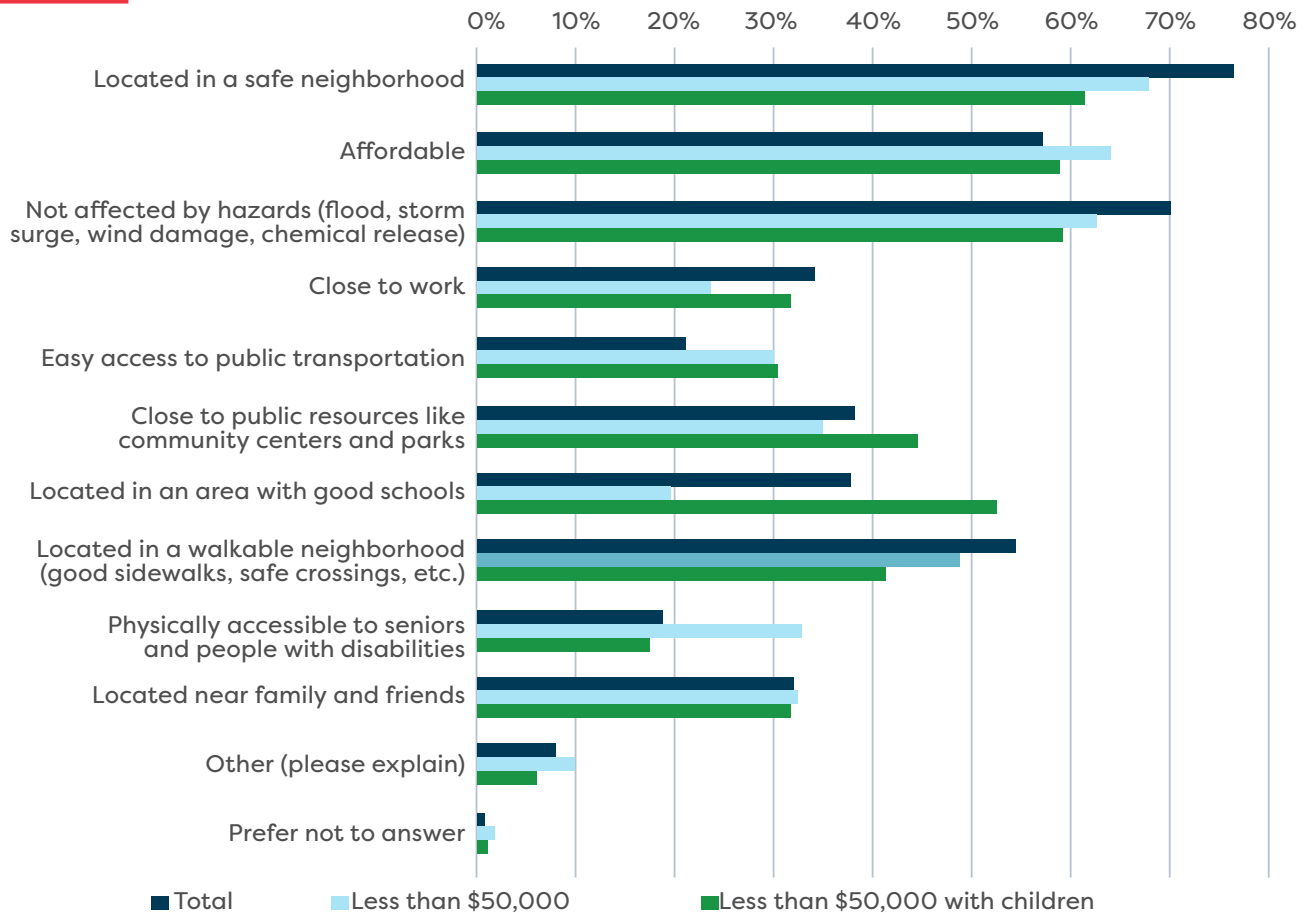
Focus groups with developers, lenders, and local officials revealed that the key factors for new housing in Harris County are:

- Located in good school districts near master planned communities that provide other amenities.
- Accessible to transportation options, though this is more difficult within the unincorporated county.
- Outside of floodplains, with minimal flood risk

This raises the question of how to reinvest in areas of the County that have experienced long-term disinvestment and currently have substandard housing stock and infrastructure. Many of these areas are in underfunded school districts and are lacking in neighborhood amenities such as parks and easy access to resources. Private-sector developers made it clear that these inequities would need to be addressed by the public sector, which might require coordination between various levels of government.

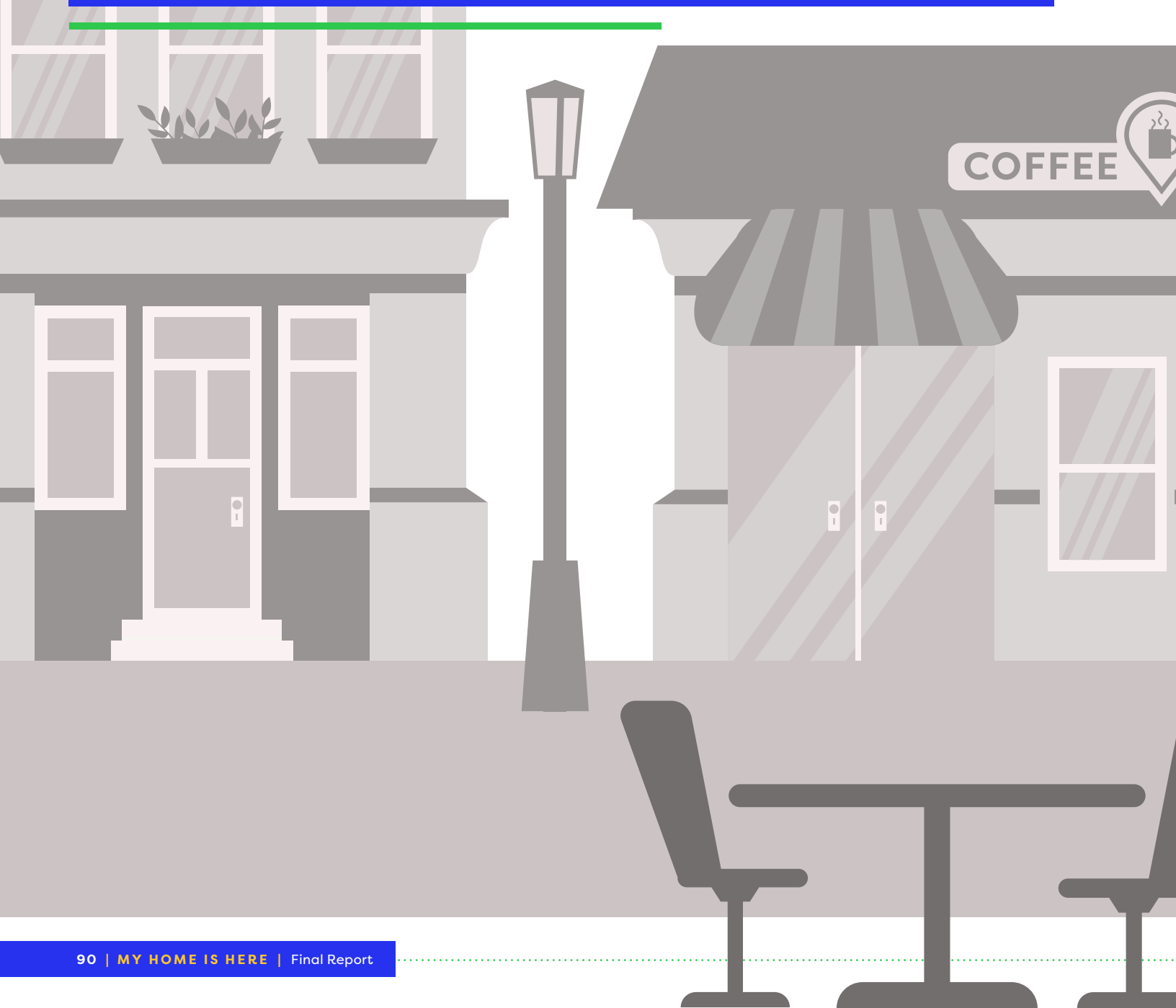
Figure 49: Importance of Housing Decision Factors by Income and Family Status

Q: What is most important to you in your home? Please pick up to 5 options.



MY HOME IS HERE

WHAT WE FOUND





WHAT WE FOUND

This section shows how we can invest in all communities and grow smarter, in ways that build on the strengths and assets of each community and minimize threats from disaster and hazards.

There are four primary areas of analysis in this section of the report.

- **Market Analysis:** The Market Analysis suggests investment opportunities that use market-based strategies to make investment effective and enable people to live in places across the County.
- **Opportunity Analysis:** The Opportunity Analysis takes what we heard from residents and uses data related to their top priorities to create a geographic analysis. The analysis shows where Harris County residents already have what they care about most – and where they don't. It then suggests investment opportunities based on each “cluster” of data.
- **Suitability Analysis:** The Suitability Analysis identifies the areas that are most suitable for future development across Harris County. It includes consideration of hazards and environmental constraints for development, now and in the future, to make sure we're investing in places that keep people safe. It also looks at issues like access to services to show which areas have the strongest context for new development in terms of local amenities.
- **Funding Analysis:** The Funding Analysis looks at what it will take to meet the projected housing needs for Harris County residents by 2030. It includes a discussion of total housing units needed by 2030, pro-forma analysis used to gain a sense of total cost for these housing units, and a funding analysis that looks at existing public and private sources as well as the remaining funding gap to meet local families' needs.

These four areas of analysis come together to form a framework that can shape the future of Harris County. This data and information is not just for the County to use. Instead, we hope it will be useful to all cities within the County, housing developers, non-profits, private investors, special districts, philanthropy, and local residents who are invested in making sure that Harris County can create inclusive growth over the next 10 years.

The ultimate conclusion of this section is that, while this framework can help the County and all its partners invest smarter, there is still a large funding gap of over \$35 billion dollars that will need to be filled if the County is to meet the needs of all households for quality, affordable homes. This is not a problem that is unique to Harris County; counties, cities, and states all across the country are grappling with this issue. Instead, this reflects a disconnection in the broader economy between what it costs to live in a home, and the wages that minimum-wage and lower-income workers are paid.

Harris County and its partners can fill some of this gap with high-quality investments that maximize every dollar of public subsidy – and our hope is that all of our partners will come together with the County to do so. But we also know that new sources of funding at every level of government, as well as policy changes that assist families in other ways, will be necessary to ensure that all families in our County can thrive.

Using Data and Tools from this Study to Fuel Investment*

As a part of this study, Harris County received an investment decision-making tool created with inputs from across the project. The tool is a way to understand the feasibility of housing investments in a given census tract. Outputs from the model also provide an understanding for what the land use mix and development density should be in that given market, including how much total land is needed for an investment opportunity and what income thresholds a development might support with affordable homes based on the level of public subsidy. A number of development assumptions are built into the tool, consistent with the market conditions from this study and can be adjusted based on different development scenarios or updated by county staff over time as new market data emerges in future years. In addition to the investment decision-making tool, all the data generated in this study belongs to the county and can be used for further examination. The list of data is available at the level of the case study geographies (see below) and the list of data includes:

1. **Suitability** – encompasses data on environmental constraints, hazard hotspots, and proximity to neighborhood amenities at the parcel level.
2. **Market Data** – 2020 and 2021 inventory on single-family rental, single-family resale, single family new sale, multifamily rental supply, all by bedroom size and school rating. In addition, 2020-2030 jobs and household projections are included and a market value analysis at the census tract level is provided which classifies the strength of markets throughout the county.
3. **Housing Survey** – 17,510 surveys collected are available by zip code and can be examined by income level, race/ethnicity, housing tenure, age cohort, or gender.
4. **Pro-forma** – investment decision-making tool and the underlying assumptions are provided as part of the development pro-forma data. The total funding needed to address the 10-year housing needs is a part of this dataset.
5. **Shapefiles and Sociodemographics** – all project shapefiles used for mapping analyses and census data.
6. **My Home is Here brand** – engagement activation kits and raw data files for using the MHIH brand.
7. **Technical Reports** – more in-depth technical analysis on market conditions,
8. **Case Studies** – subarea studies with the data to get a more localized sense of what the data and analyses means at smaller geographies. Those geographies include:
 - Unincorporated Harris County
 - County Precinct 1
 - County Precinct 2
 - County Precinct 3
 - County Precinct 4
 - Small Cities (33 cities)
 - Greater Greenspoint -W Aldine Concerted Revitalization Area (CRA)
 - Cypress at The Grand Parkway Community Tabulation Area (CTA)

* County Precinct boundaries are set to change January 1, 2023. Precinct data in this study reflects data for the effective precinct boundaries at the time of this study.

MARKET ANALYSIS

Why We Did This Analysis

The Harris County Market Index provides a look at the nature of the real estate market across the County. One area of investigation of this analysis was the relative strength of the real estate market in each Census tract across the County. Each census tract in Harris County is divided into one of three market categories. “Strong markets” tend to have higher housing prices and high demand for housing. “Middle markets” are in the mid-range of prices and demand for the County, while “soft markets” are more affordable.

How We Did It

The indicators used to determine market strength, and the methods for analysis, are shown in the table below. Each census tract was assigned a score based on each of the indicators; all indicators were equally weighted. Soft-market, middle-market, and strong-market tracts were then identified as follows:

- **Soft Markets:** Combined score of 5-7
- **Middle Markets:** Combined score of 8-9
- **Strong Markets:** Combined score of 10-12

In addition to market strength, the Market Analysis looked at whether each Census tract is mostly populated by renters (over 60% renters), mostly populated by homeowners (over 60% owners), or

a mix of the two (between 40-60% renters and owners). This helps determine how susceptible a neighborhood is to change. An area that is mostly homeowners will often change more slowly than a neighborhood that has a large population of renters, since homeowners are usually more able to control their monthly payments and tend to move less often than renters.*

The Market Index includes nine categories:

- **Soft Owner:** Soft market, majority owner
- **Soft Mix:** Soft market, mixed tenure
- **Soft Renter:** Soft market, majority renter
- **Middle Owner:** Middle market, majority owner
- **Middle Mix:** Middle market, mixed tenure
- **Middle Renter:** Middle market, majority renter
- **Strong Owner:** Strong market, majority owner
- **Strong Mix:** Strong market, mixed tenure
- **Strong Renter:** Strong market, majority renter

The map on the following page visualizes these categories by census tract. The remainder of this section discusses the implications of this analysis for future investment.

* National Association of Realtors. 2012. Social Benefits of Homeownership and Stable Housing. Online at https://www.nar.realtor/sites/default/files/migration_files/social-benefits-of-stable-housing-2012-04.pdf

Figure 50: Market Indicators for Harris County Market Analysis Index

MARKET INDICATORS	Data Source	Index Score: 1	Index Score: 2	Index Score: 3
Land Value per Acre	Federal Housing Finance Agency	Lowest third of census tracts	Middle third of census tracts	Top third of census tracts
Median Gross Rent	American Community Survey 2015-19	\$900 and below (affordable to 60% MHI and below)	\$1,000 - \$1,200 (affordable to 60% - 80% MHI)	\$1,300 and above (affordable above 80% MHI)
Median Year Structure Built	American Community Survey 2015-19	Lowest third of census tracts	Middle third of census tracts	Top third of census tracts
Median Dollar Value of Owner-Occupied Units	CDS Market Study	Lowest third of census tracts	Middle third of census tracts	Top third of census tracts
Residential Vacancy Rate	American Community Survey 2015-19	Top third of census tracts	Middle third of census tracts	Lowest third of census tracts

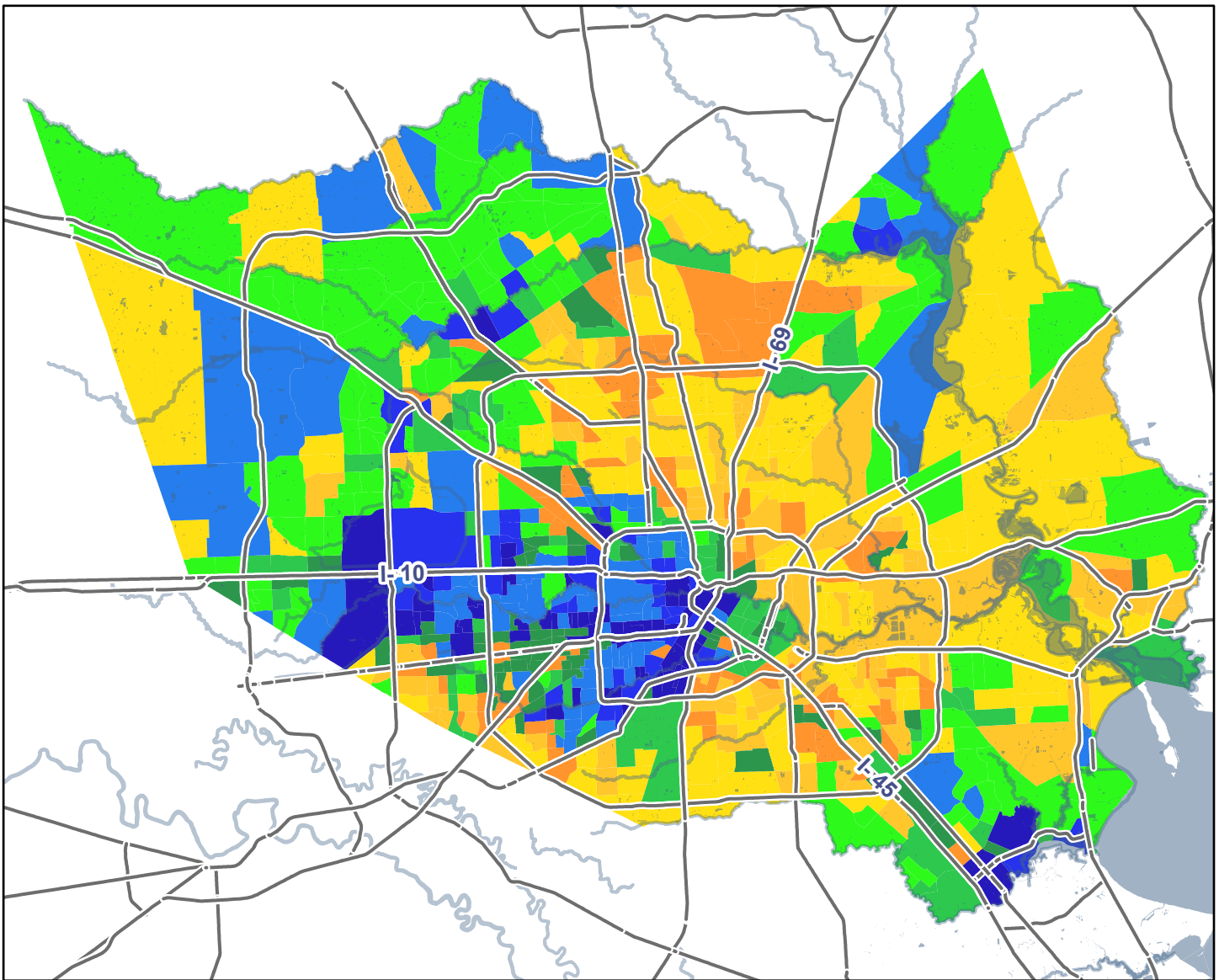


Figure 51: Harris County Market Analysis

Data Source: 2019 American Community Survey
 Federal Housing Finance Agency
 National Housing Preservation Database



Data Limitations:

- Limitations and suitability explanations are included in report.

Legend:

- Highways
- Rivers
- Water
- Middle Owner
- Middle Mix
- Middle Renter
- Strong Owner
- Strong Mix
- Strong Renter

Index Categories:

- Soft Owner
- Soft Mix
- Soft Renter

INVESTMENT OPPORTUNITIES BASED ON MARKET TYPES

The County and its partners can use the market analysis to focus investment that builds on the strengths of all neighborhoods and places, by understanding some of the unique characteristics of each market type.

Soft Markets

Census tracts with soft markets are relatively more affordable than other areas of Harris County: households generally pay lower median rent and lower prices to purchase a home. The market map shows that much of the eastern and north-central portions of Harris County are dominated by soft market areas, with exceptions in areas like Humble and Clear Lake. Tenure in soft markets is mixed. Areas near Spring, Greenspoint, and South Houston have more concentrated renter populations, while areas like East Aldine, Channelview, and Highlands have more homeowners.

Soft markets can have challenges attracting investment for a variety of reasons. In some areas, aging owner-occupied homes and infrastructure need renewal, but owners and special districts may not have the necessary income to re-invest. In other areas, rental housing developed in the 1960s and 1970s is beginning to reach the end of its useful life and needs reinvestment.

In soft markets, investment may seek to build community wealth through a variety of mechanisms. In areas with a large homeowner population, assistance to homeowners can help to ensure that established neighborhoods remain on a stable trajectory, and that moderate-income owners can preserve the equity they have put into their homes over the years. In areas with more renters, the County may seek to pursue preservation and rehabilitation of existing affordable rental homes, or work to provide homeownership assistance

programs to renters so they can realize the benefits of purchasing homes. Strategies in the “Values, Goals, and Strategies” section related to creating equity in home appraisals can also help to ensure that homeowners in these areas are realizing fair appreciation on their properties.

In addition to housing strategies, soft markets often require additional investment in amenities and neighborhood quality of life to remedy historic disinvestment. This might take the form of mixed-use development that creates jobs; commercial corridor improvement programs; or partnerships related to education, job training, small business supports, and employer attraction. The quality of local amenities such as parks and open spaces may also be a key factor in creating holistic improvement in neighborhoods.

Middle Markets

Middle markets are often good areas to focus targeted investment in affordable housing, because investments in land and property are less costly than in strong markets, but these areas still tend to have more assets and amenities for residents than soft-market areas. Part of investing in a middle-market area is understanding trends: is the area growing and on an upward cost trajectory, or is it aging and in need of reinvestment to avoid a downturn? The answer to this question can help inform whether strategies in the area focus on preservation of existing affordable housing, new production of affordable homes, or both.

As shown in the map on the previous page, middle markets are focused in the northwest and southeastern areas of Harris County near Cypress, Tomball, and Clear Lake, with some additional middle-market areas scattered throughout the eastern edge and near the “Houston Arrow” of

strong markets in the central west side of the City of Houston. These areas, particularly in the northwest, correspond with areas where jobs are projected to grow over the next 10 years. Therefore, preserving affordability in the face of growth may be a high priority, and one way to do this is with new housing production.

Middle markets with a high degree of homeownership can be good places to balance investment in new single-family rental and ownership homes with the addition of missing-middle housing types that add contextual density and more affordable options. Community land trust investments in these areas can be beneficial to conserve affordability in areas of growing demand. Mixed-use and multifamily options along commercial corridor can also help to enhance the demand for retail and stimulate the development of local businesses and amenities. Meanwhile, assistance to current homeowners through home repair or weatherization programs may help if homes are beginning to age.

Middle markets with a majority of renter households may benefit from the addition of new ownership options, including denser options such as condominiums where appropriate sites for single-family development are scarce. Mixed-use development, and ensuring that these neighborhoods have good access to local amenities, may also help balance the desire to maintain affordable rental availability with the need for amenities to support a growing population.

Strong Markets

Strong markets have higher rents and home values, and therefore often have less affordable housing available for residents earning less than 80% of Harris County's MHI. Based on the defining variables, they also tend to have newer housing stock (though there are some exceptions with historic neighborhoods that have been restored

and are valuable, particularly near the inner core of the City of Houston). Lower vacancy rates mean that fewer homes are available to purchase or rent in these areas, and higher land values mean that it tends to be more expensive to develop new housing.

As shown in Figure 51, strong markets tend to concentrate in the "Houston Arrow" or the western portion of the City of Houston, as well as in scattered areas around the outskirts of the County. Areas closer to Downtown Houston, Westchase, and Alief are majority-renter, while other areas are primarily homeowners.

The key to introducing or preserving affordability in these areas is strategic investment that still affirms the need to subsidize units in high-opportunity areas. Land values and property values will be higher, so strategic site acquisition or use of public land for development will be critical. Building political support is also important. However, overall, strong markets are generally high-opportunity areas with strong access to jobs and services – so adding affordability in these places can be a powerful tool to help families thrive.



OPPORTUNITY ANALYSIS

Why We Did this Analysis

A place-based investment approach should be informed by the issues people care most about. Survey respondents made clear that dignified housing means more than just four walls – people want resilient and livable neighborhoods. The Opportunity Analysis Map illustrates where supportive policies and investments can build on neighborhood strengths and address challenges that will help make housing more resilient and livable for more families in Harris County.

Public input was gathered through workshops with the Harris County Housing Policy Advisory Committee (HPAC), focus group interviews, and the community survey. People-centered perspectives complement the data-driven approaches laid out in the market value assessment and suitability analysis.

ANALYSIS INPUTS: WHAT PEOPLE CARE ABOUT

Community preferences were gathered through workshops with the Harris County Housing Policy Advisory Committee (HPAC), focus group interviews, and the community survey. The place-based

factors that ranked highest among these three core groups include:

- **Safety.** 76% of survey respondents identified neighborhood safety as a top priority at home.
- **Hazard exposure.** Finding a secure home unaffected by hazards like was the second highest ranked priority in the community survey.
- **School quality.** HPAC and focus groups identified school quality as top priorities, while it tied for 5th among survey respondents.
- **Accessibility.** Proximity and access to services was identified as a priority by HPAC and focus group participants. 54% of survey respondents identified walkability as a top priority.

The Opportunity Analysis Map on the next page uses a technique called “cluster analysis” to show where these four different priorities group together across the County. The results illustrate four predominant categories that point to the types of supportive policies that will make housing in these areas more resilient and livable for families. Harris County and its partners can use the table below, along with the Strategies defined later in this summary, to help determine how to shape policies and investments that complement housing investments in the areas shown on the map.

Figure 52: Challenges and Assets from each Opportunity Category

FACTORS USED TO ESTABLISH CATEGORIES	Preserve and build affordable infill housing options	Attract investment that enhances economic opportunity	Diversify housing types and expand transportation choices	Adapt to hazards and support sustainable neighborhood development
Safety: Predictive model for assaults	Safety: Low	Safety: High	Safety: High	Safety: Medium
Hazard exposure: Environmental constraints	Hazard exposure: Medium	Hazard exposure: Low	Hazard exposure: Low	Hazard exposure: High
School quality: TEA elementary school quality score	School quality: Medium	School quality: Low	School quality: High	School quality: Medium
Accessibility: QATi score and access to services within 15 miles	Accessibility: High	Accessibility: Low	Accessibility: Low	Accessibility: Medium

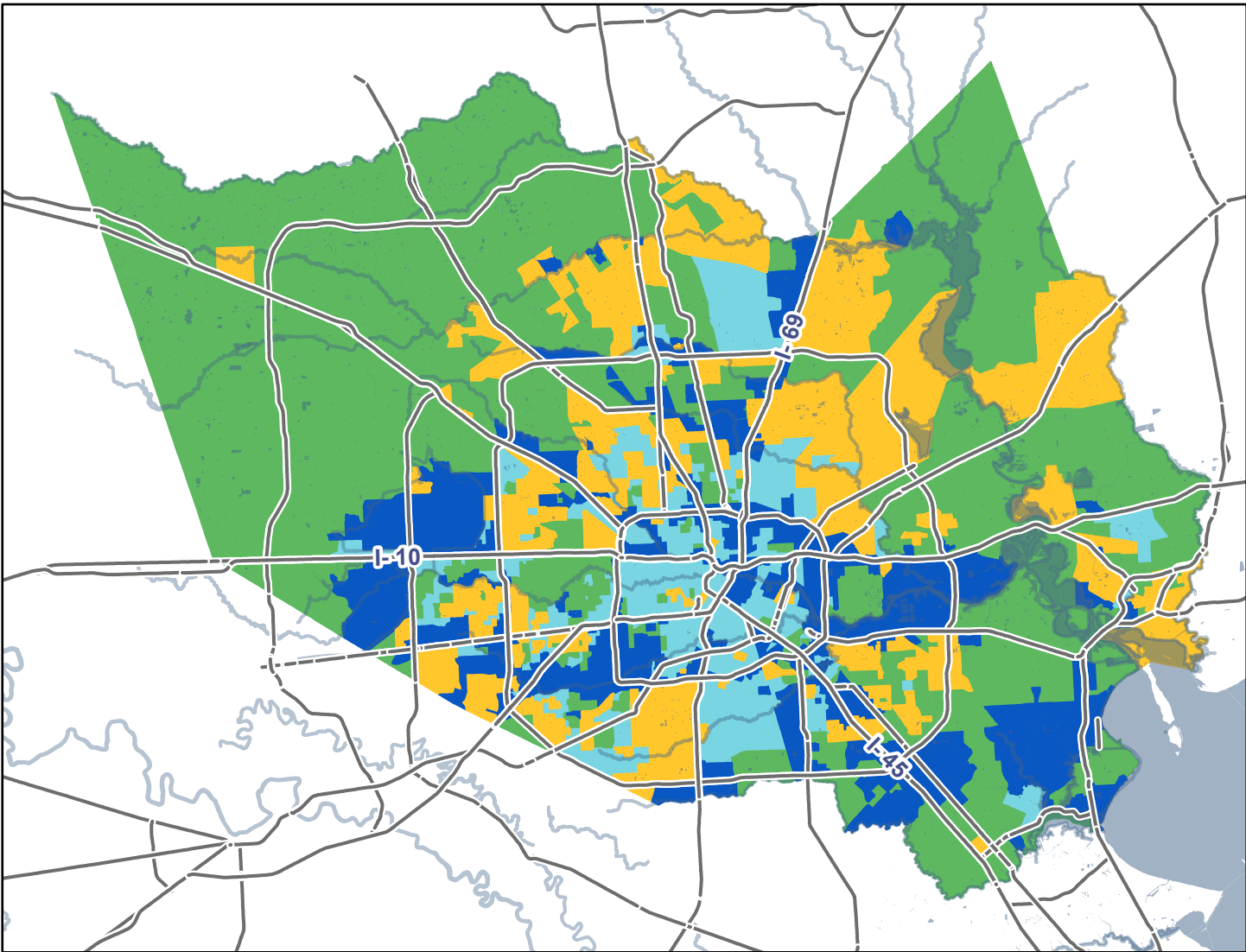
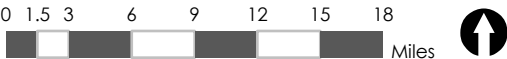
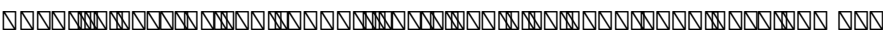
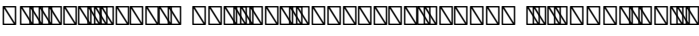
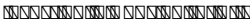
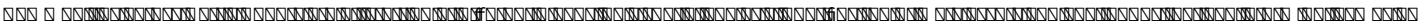


Figure 53: Harris County Opportunity Analysis



Categories:

-  
-  
-  
-  



INVESTMENT OPPORTUNITIES BASED ON OPPORTUNITY ANALYSIS

Preserve and build affordable infill housing.



Preserving and building affordable infill housing will ensure that families continue to have housing choices in areas with strong public transit, good schools, and with minimal flood risk. Neighborhoods in this category tend to be centrally located near major employment centers and have the highest transportation accessibility scores in the county. They are also situated near above average schools and have a moderate environmental risk. Housing investments are an opportune objective within these neighborhoods which are characterized by higher land prices and steady gentrification activity. Supportive policies can also help make housing investments more resilient and livable for area families, such as reducing crime.

Attract investment that enhances economic opportunity.



Attracting investment that enhances economic opportunity aims to expand community development to areas of Harris County that have faced chronic disinvestment. Neighborhoods in this category are characterized predominantly by low school quality, but also by average access, and both low crime and hazard risk. The public sector can play a convener role in communities within this cluster type that brings together area nonprofits, anchor institutions, philanthropy, and mission-driven housing developers to bring place-based investment.



Diversify housing types and expand transportation choices that support communities.



Diversifying housing types and expanding transportation choices have the benefit of making housing much less expensive for families by introducing new homes at different price points in the market and reducing transportation costs. Areas in this opportunity cluster are much further out from large employment centers and have the lowest transportation access scores. This opportunity cluster also has low hazard exposure, low crime, and good school quality. Diversifying the housing stock can help bring future housing options within reach of more families. This can include policies that allow accessory dwelling units (ADUs), duplexes, fourplexes, cottage courts, or small-lot single-family, such as Harris County's Imagination Zones effort.

Adapt to hazards and support sustainable neighborhood development.



Adapting to hazards and supporting sustainable neighborhood development can work to mitigate or adapt neighborhoods to a changing climate and to reduce the impact of locally-unwanted land uses (LULUs). Communities in this category stand out for high hazard risk but are otherwise “middle of the pack” on crime and school quality and display the second best accessibility scores (i.e. relatively strong transit and proximity to services). Homes in this cluster type can benefit greatly from development approaches that seek to both adapt and mitigate to a changing environment. Infrastructure and nature-based investments, and rehab projects are able to make an impact in the sustainability of neighborhoods.



Access to Services

Creating healthier, more resilient communities depends on households and families having access to everyday services and destinations. Proximity and access to services and amenities was identified as a priority by HPAC and focus group participants. Survey respondents identified walkability and proximity to public resources like community centers and parks as essential—54% of

respondents identified walkability as a top priority in their home.

Accessibility was measured using three equally weighted components at the Census block group level. These include access to transit, a measure of the proximity to parks and open space, and a measure of reachable services via a 15 minute drive.

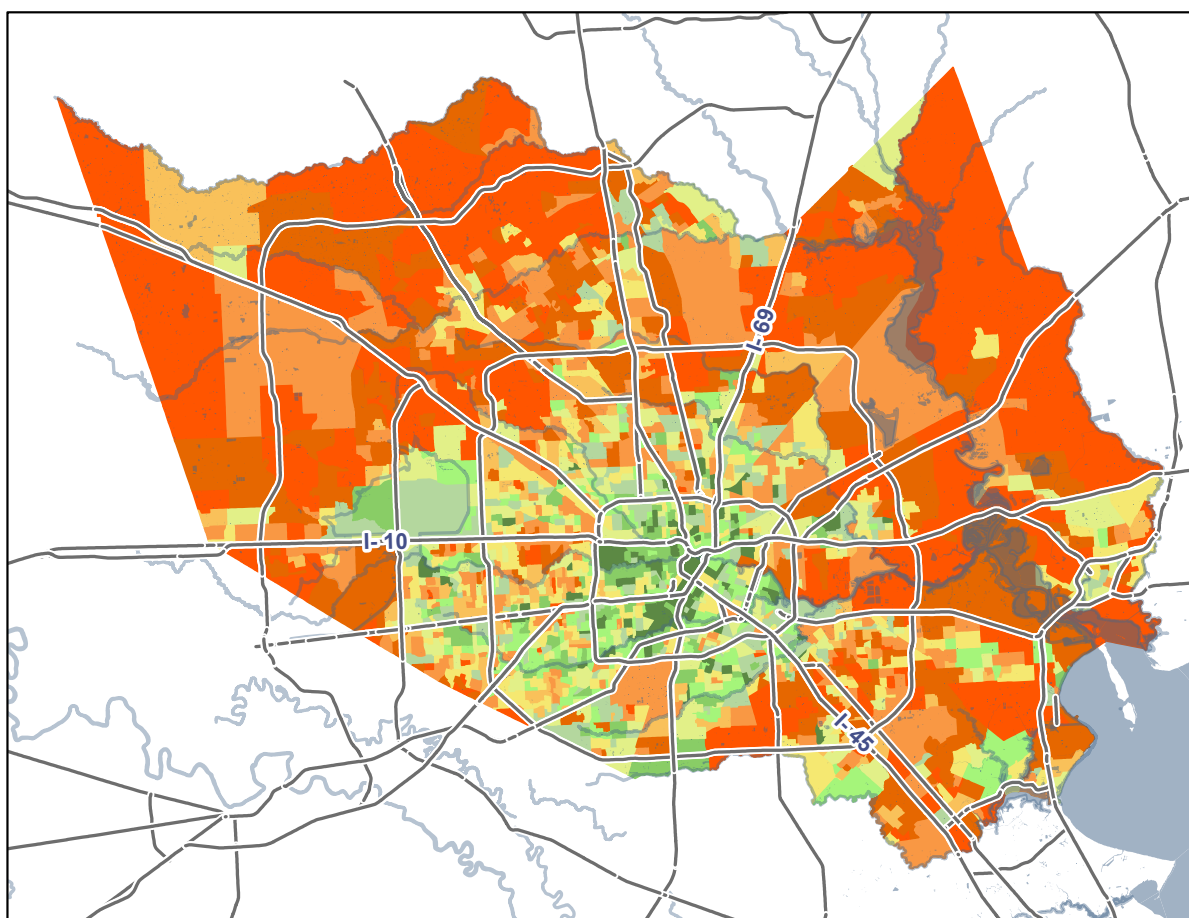


Figure 54: Harris County Access to Services

Access to Services and Amenities:



<1
Fewest services
within a 15 mile
drive or proximity
to transit, walk, or
bike networks

<10
Most services
within a 15 mile
drive or proximity
to transit, walk,
or bike networks



Data Sources: Harris County, H-GAC, City of Houston, Kinder Institute for Urban Research, LINK Houston, USDA, Infogroup, Texas HHSC

Quality Schools

Facilitating upward mobility comes down to equitable access to quality education and resources. HPAC and focus groups identified school quality as top priorities. Overall survey respondents, on the other hand, ranked it 5th, though it rose significantly as a priority for respondents with

children who reported earning less than \$50,000 a year or 80% of the county’s median income. The map shows wide variation in school quality across the county, with the highest scores tending to be to the northwest and southeast of downtown Houston, as well as in the “arrow” extending west of downtown.

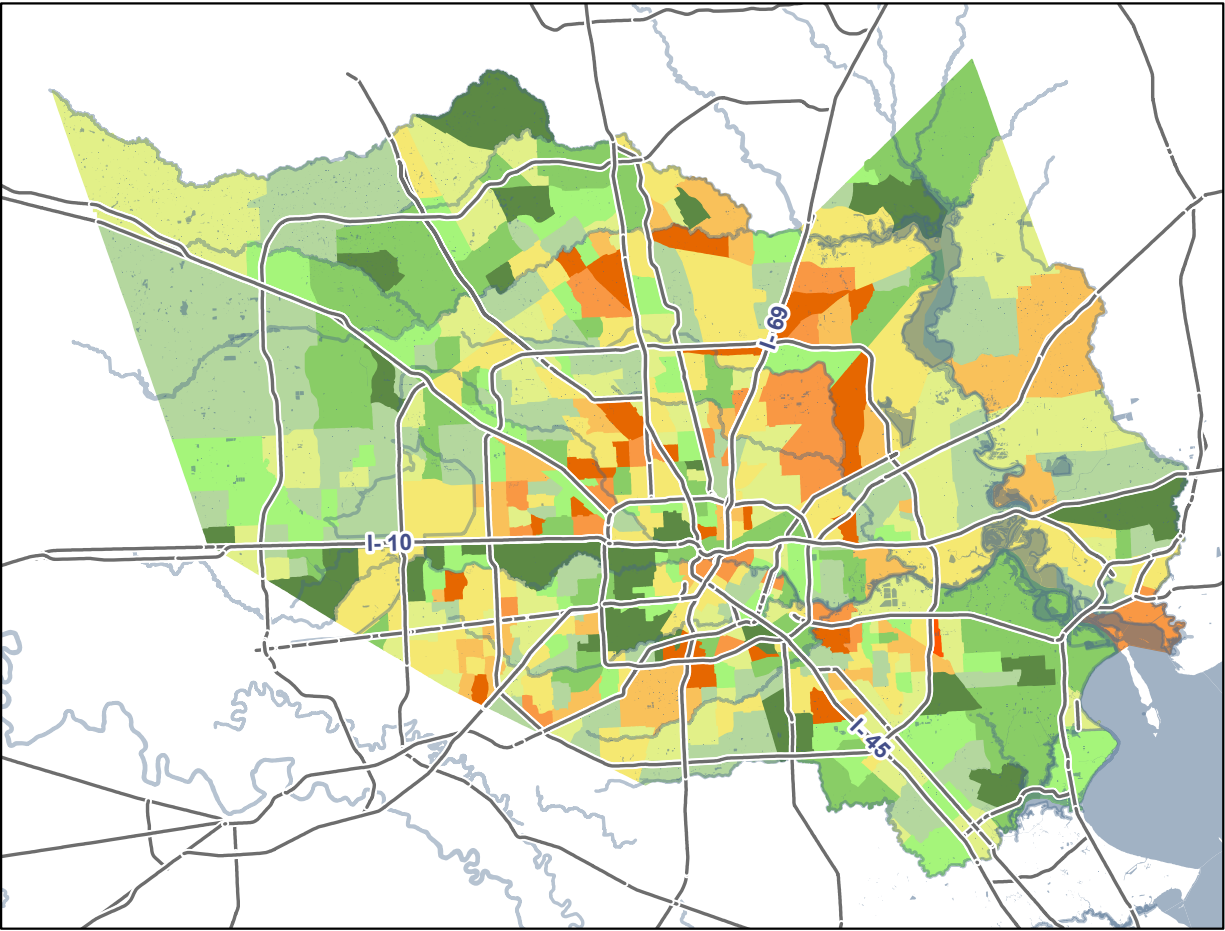
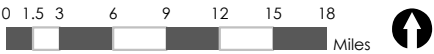


Figure 55: Harris County School Quality

School Quality (According to “A-F” TEA Accountability Rating)



Safety

Neighborhood safety is at the core of what county residents want in their home with over 76% of survey respondents identifying it as the top priority at home. Respondents also identified wanting safety from environmental hazards and on streets, as those two items ranked higher when respondents

were asked to rate factors by those they do not have at home. Neighborhoods in southeast and northeast Houston show the highest rates of crime, however, this index should be analyzed in tandem with other safety concerns from the public like environmental hazards and safe streets.*

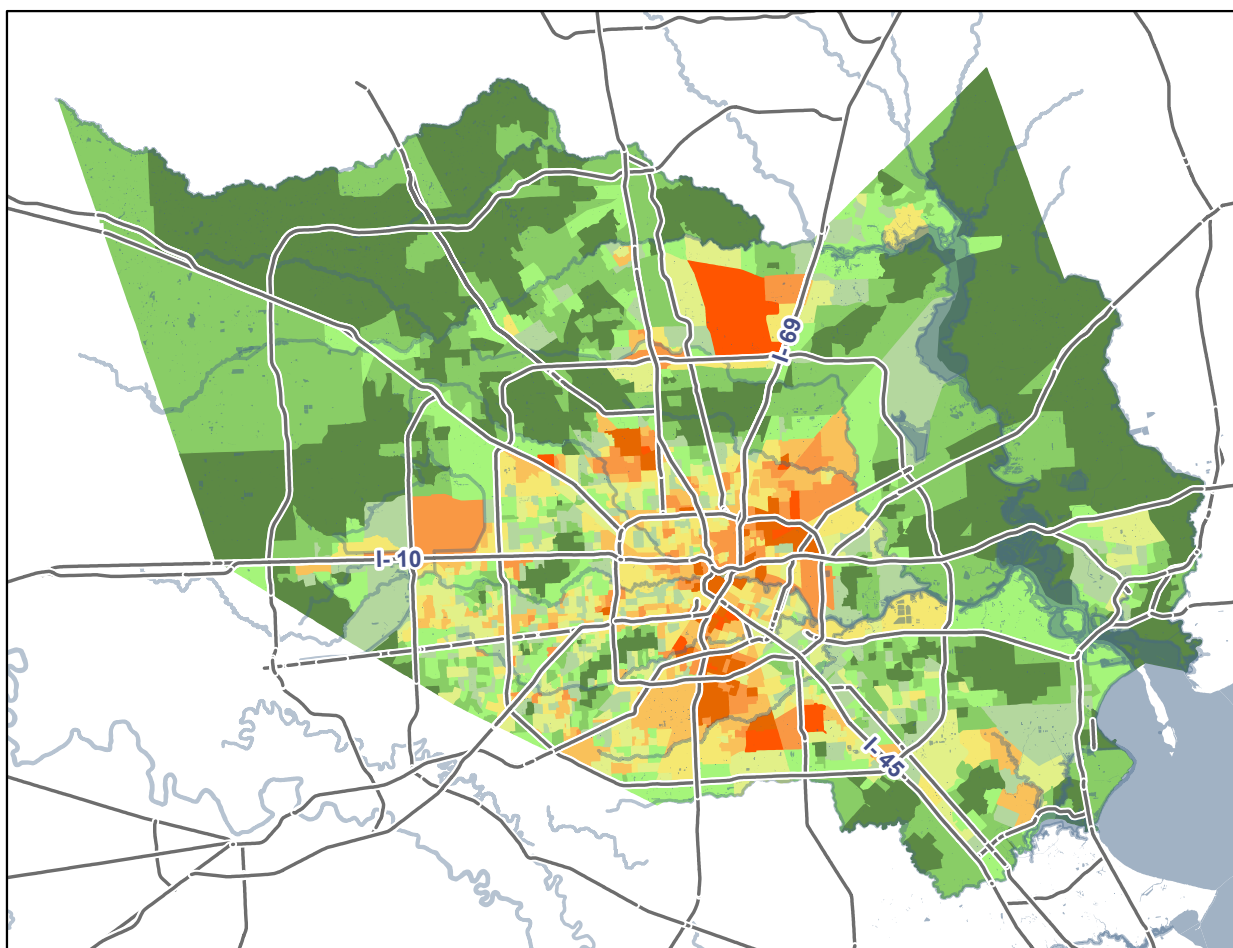


Figure 56: Harris County Crime Rates



Crime

≤59.5	≤463.5
≤116.5	≤581.5
≤180.5	≤734.5
≤258.5	≤920
≤353.5	≤1226.5

* Each block group in Harris County was scored according to an index made up of seven years of national crime data, numerous socioeconomic characteristics taken from the US Census, and scaled by population.

Hazard Risk Management

Finding a secure home in Harris County includes considerations for the risk or exposure to flooding, storm surge, wind damage, or chemical release, among other dangerous conditions. Not affected by the threat of a hazard was the second highest priority in the community survey with over 69% of respondents identifying as a priority in their home. Many county residents must often choose between

an affordable home at the expense of accepting a hazard risk. Areas along the Ship Channel in southeast Harris County and along the 100-year floodplains in northeast and southwest portions of the county present the highest hazard risk to neighborhoods. See the technical note for a full methodology on hazard resilience.

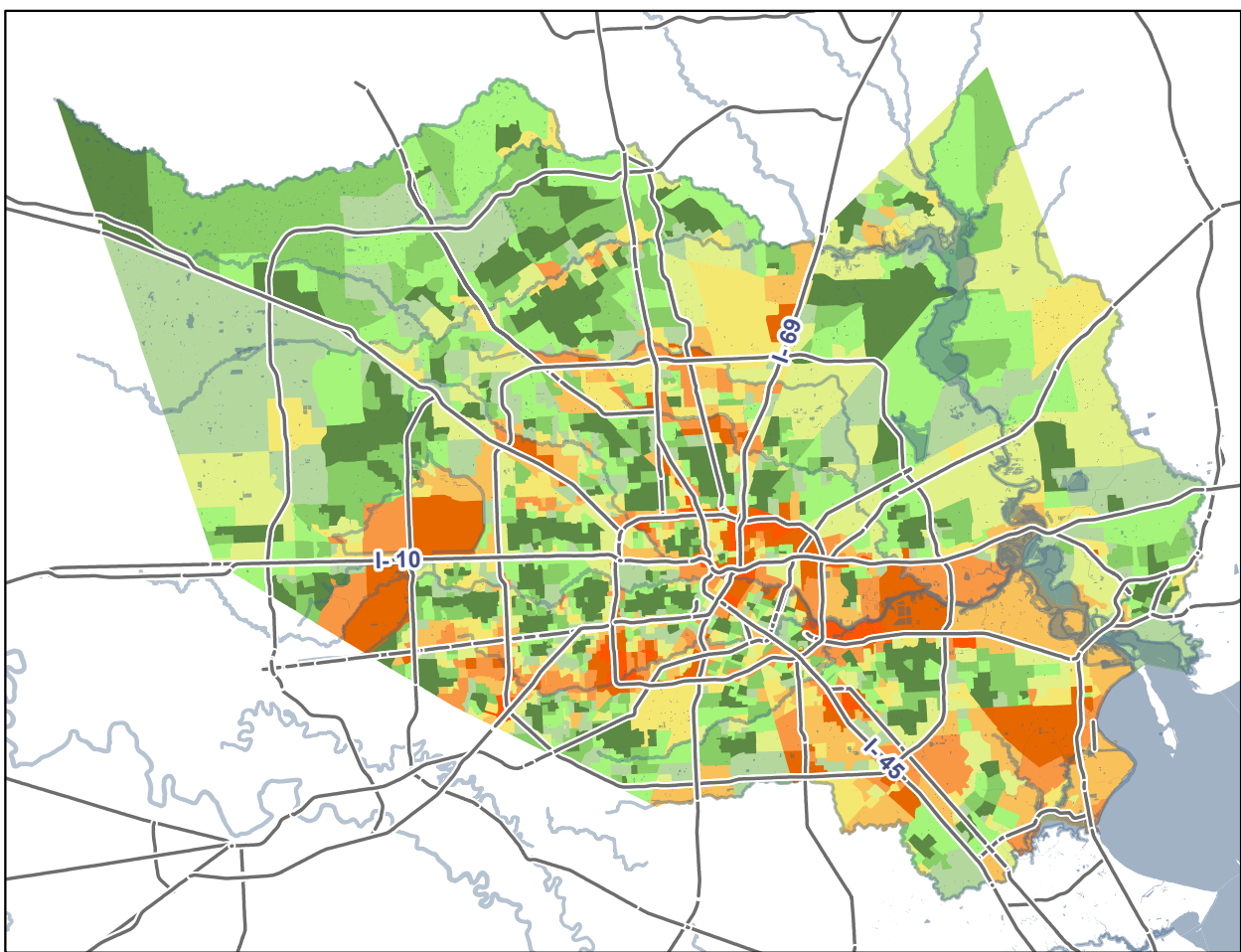


Figure 57: Harris County Hazard Exposure



Hazard Risk



<0.728

<0.019

Highest Risk

Lowest Risk

SUITABILITY ANALYSIS

Why We Did This Analysis

When developing a strategy for developing affordable housing in Harris County, one should consider the environmental appropriateness of different sites. Harris County has a poor track record of building homes in unsafe areas. For example, the Kinder Institute's 2021 State of Housing in Harris County & Houston report found that roughly 25% of the county's housing stock was in the floodway, 100-, or 500-year floodplains, with even more in the hurricane surge areas. These homes are roughly \$30 billion of residential fixed investment that is at an elevated risk of washing away in the next major hurricane. Global climate change means the next "major hurricane" may come sooner than the county hopes (or is prepared for).

Beyond storms and flooding, Harris County has many air polluting land uses, Superfund sites, and high-traffic transportation areas, along with many other land-uses that are detrimental to the health of their neighbors. These many challenges require that policymakers take a deliberate approach to finding housing sites that will not place people in harm's way.

How We Did It

Suitability analysis is a useful tool for helping planners identify safer development sites. Suitability analysis methods, developed initially by University of Pennsylvania faculty, entail planners mapping various environmental and social barriers to development. Traditionally, these various environmental maps—typically flooding, soil types, elevation, and other pollution/environmental concerns—are "overlaid" with transparencies so that planners and builders can identify the areas most suitable for construction.

Advanced geographic information systems technology makes this process easier, and allows planners to "weigh" different factors by importance,

and include a broader variety of factors such as important social and equity indicators. Often, planners performing suitability analysis may take preliminary maps to the public in order to identify new concerns or challenges, and then add these factors to future maps.

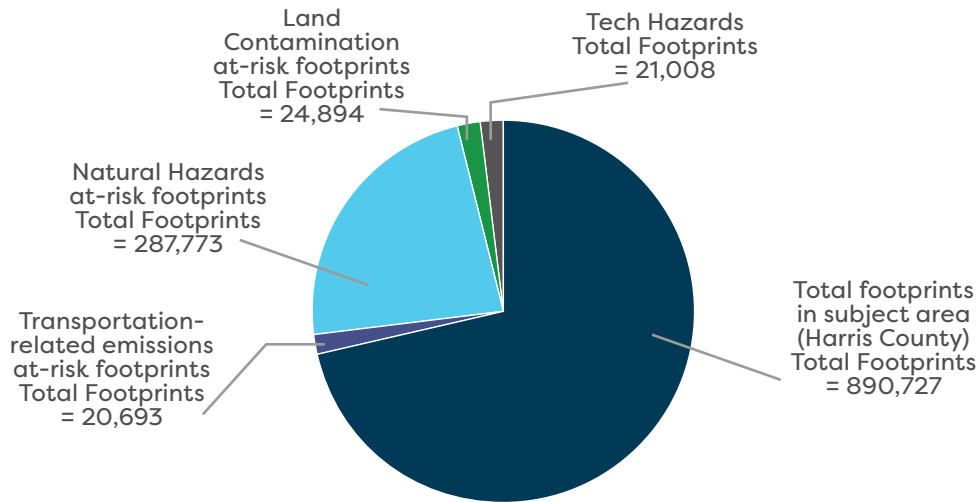
Briefly, the plan's authors and researchers gathered map data on the location for every single built home structure in the county: this was 1,427,306 buildings, according to DATE data from the Harris County Appraisal District, which includes multifamily buildings with multiple residential units. Then, researchers gathered map data on hazards like hurricane wind risk, flooding, wetlands, high-traffic freight areas, Superfund sites, landfills, brownfield sites, high pollutant industrial facilities, and other high-risk areas, consulting government, research, and private-sector resources for these data. Researchers then overlaid these data into a geographic information system, creating this sub-section's analysis and providing planners, policymakers, and builders with a better idea about the safest places to build.

Results: What are the major hazards and where are they sited?

We talk a lot about flooding in Harris County for a good reason: about 420,000 residential structures (which includes multifamily buildings with multiple units) are within the floodplains, hurricane wind, or storm surge areas, around 30% of all homes in the county (and slightly larger than the State of Housing estimate because it includes hurricane surge and wind damage). Of the four categories of area hazards in this analysis, natural hazards was the hazard for which most Harris County homes risked exposure. The second most common hazard is land contamination (6% of homes), transportation emissions (4%), and chemical release/spill (1%).

Figure 58: County Wide Counts (excluding Houston)

TIER 1 Total Building Footprints



TIER 2 Total Residential Building Footprints

	Total footprints in subject area (Harris County)		Transportation-related emissions at-risk footprints		Natural Hazards at-risk footprints		Land Contamination at-risk footprints		Tech Hazards	
	Count	%	Count	%	Count	%	Count	%	Count	%
Total Residential Footprints	818,380	100%	16,743	100%	254,407	100%	23,101	100%	13,959	100%
Single-Family Detached	738,168	90%	14,273	85%	228,505	90%	21,137	25%	12,297	88%
Townhome	35,978	4%	920	5%	9,104	4%	192	0%	298	2%
Missing Middle	6,346	1%	264	2%	2,424	1%	253	0%	236	2%
Mobile home park	20,486	3%	446	3%	8,102	3%	1,157	1%	676	5%
Low-Rise	13,440	2%	645	4%	4,318	2%	215	0%	295	2%
Mid-Rise	147	0%	10	0%	55	0%	0	0%	5	0%
High-Rise	0	0%	0	0%	0	0%	0	0%	0	0%
Group Home	595	0%	84	1%	250	0%	10	0%	32	0%
Other	3,220	0%	101	1%	1,449	1%	137	0%	120	1%
Non- Residential Footprints	31,994		2,445		14,018		75		3,521	
Unclassified	40,353		1,505		19,348		1,718		3,528	

TIER 3 Total LIHTC Footprints

	Total footprints in subject area (Harris County)	Transportation-related emissions at-risk footprints	Natural Hazards at-risk footprints	Land Contamination at-risk footprints	Tech Hazards
	Count	Count	Count	Count	Count
Total LIHTC Footprints	32	4	23	1	4

**For a complete methodology of the countywide housing suitability analysis in My Home is Here, please consult the appendix.

Harris County Hazard Hotspots

This Harris County Hazard Hotspot map below shows where hazards are concentrated. Per this analysis, around 35% of developable land in the county is hazard free (excluding roads and water bodies) and should be targeted for future development. Areas with darker red shading have a higher number of hazards. Unfortunately, much of the county lives with at least one hazard nearby. Areas with high

concentrations of many hazards appear in the county's east, around the Ship Channel and near the bay. These low-lying areas contain high-traffic corridors, industrial uses, and low elevations/proximity to water. Around 43% of residential structures are within the medium-shaded area with 2-3 hazards, while 5% of all residential structures are within the highest-hazard 4-11 areas.

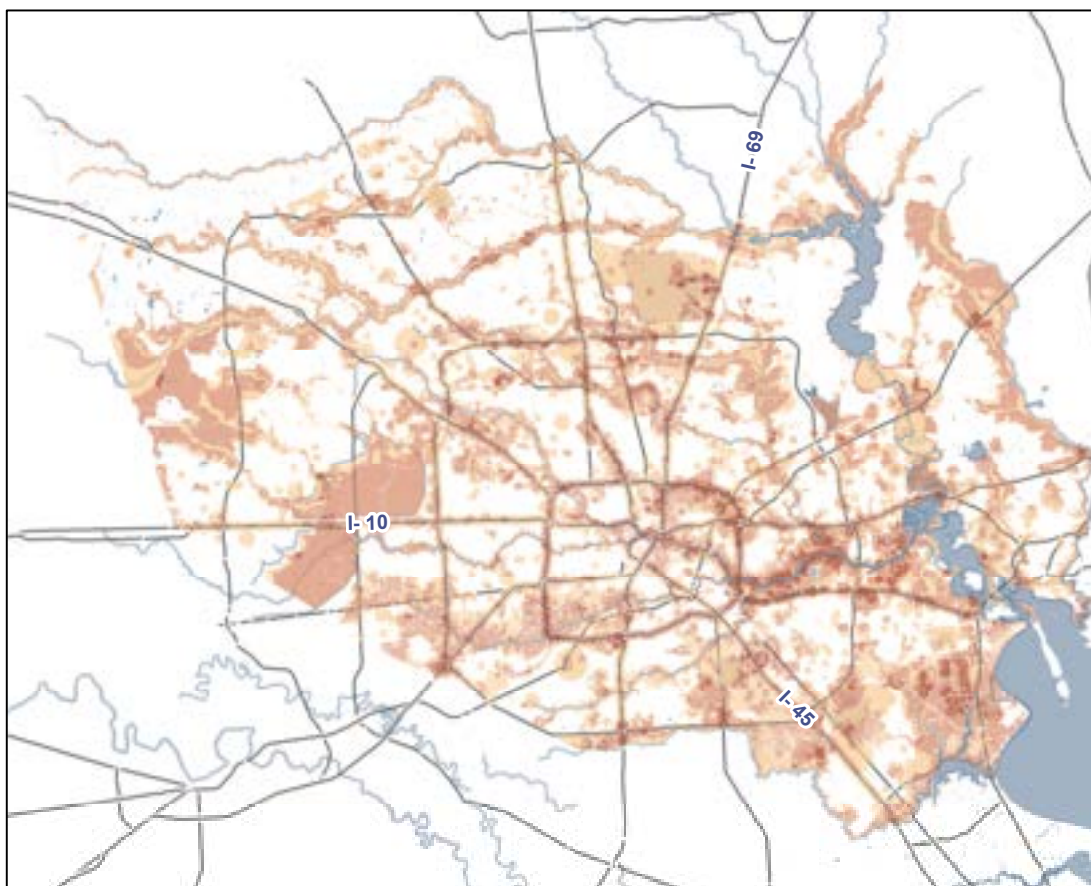


Figure 59: Harris County Hazard Hotspots

Data Source: TxDOT, TCEQ, Harris County, City of Houston, The Kinder Institute for Urban Research, US Census, USGS

Legend:

— Highways
— Rivers
Water
Airport

Hazards Hotspots: Hazards (# present)

1
2 - 3
4 - 11

Data Limitations:

- Limitations and suitability explanations are included in report.

Harris County Development Constraints

This Development Constraints map helps identify sites not just with harmful potential hazards, but areas with high appropriateness for future development. Constraints include “Class 2” hazards 101-500 year floodplains, wetlands, toxic-release risk areas, or waste collection areas: places with an elevated risk of harm but not as high as “Class 1” hazard (marked in grey on the map) like 100-year

floodplain or floodway, high-traffic transportation area, or a superfund site. My Home is Here researchers and staff weighted the different constraints through an extensive community input process, with safety from flooding given the highest priority. For an extensive methodology of the weighting process, see the appendix.

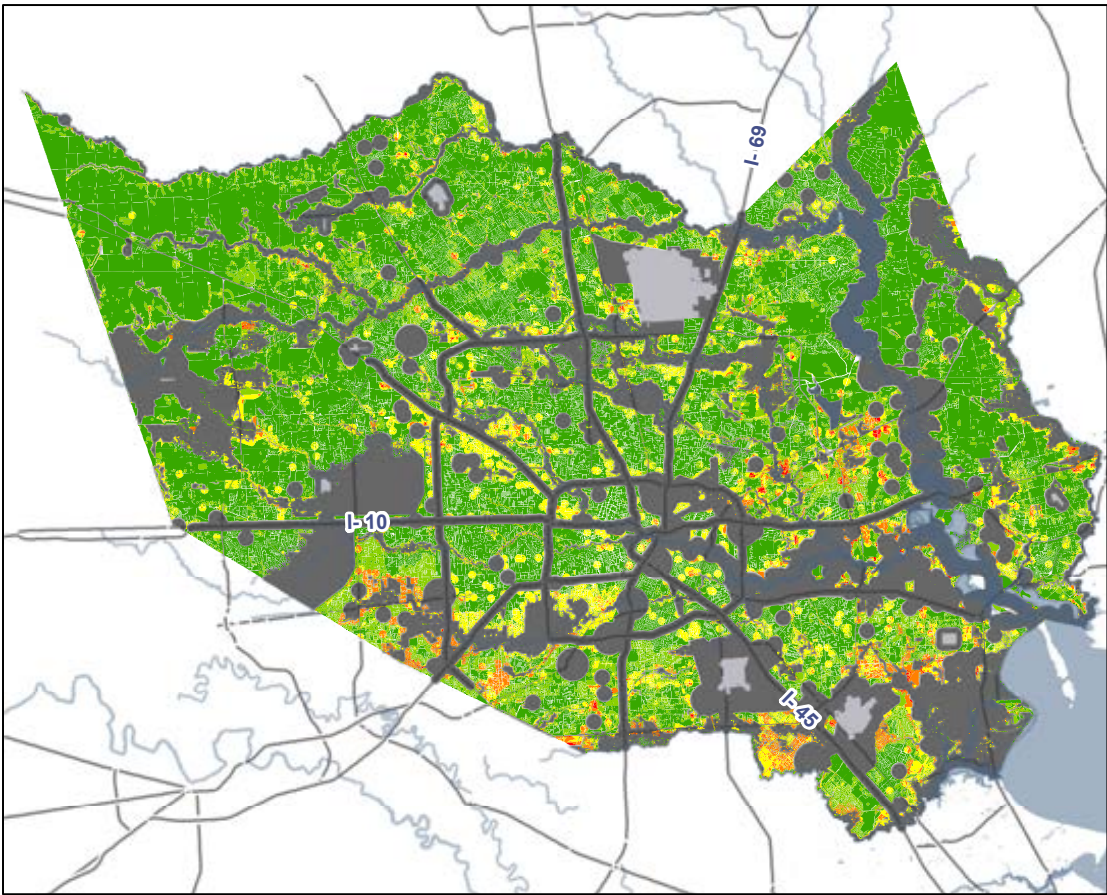


Figure 60: Harris County Development Constraints

Data Source: TxDOT, TCEQ, Harris County, City of Houston, The Kinder Institute for Urban Research, US Census, USGS

Data Limitations:

- Limitations and suitability explanations are included in report.

Legend:

- Highways
- Rivers
- Water
- Airport
- Hazards: Type 1

Constraints Score:

- 1
- 2
- 3
- 4
- 5

The final suitability analysis map comes from merging the development constraints in Figure 60 with the compounding hazards in Figure 59. The greener the area, the more suitable it is for development, possessing not only a relative freedom from hazards but also appropriate environmental and social factors for future growth and development.

Around 80% of the county's developable land, outside of the high-risk "Class 1" hazard zone, is identified as most suitable (with either a 4 or a 5 rating). Generally, the northern parts of the county have more suitable land than the south.

Suitable areas include both "greenfield" developments in the county's fringes and infill areas within the 610 Loop. Each zone comes with specific environmental concerns. Therefore, this map should be used as a broad guide to target larger geographic areas that would be more appropriate to encourage affordable housing development.

Investment Opportunities Based on Suitability Analysis

The Development Suitability map on the following page helps identify sites not just with harmful potential hazards, but areas with high appropriateness for future development. Constraints include "Class 2" hazards 101-500 year floodplains, wetlands, toxic-release risk areas, or waste collection areas: places with an elevated risk of harm but not as high as "Class 1" hazard (marked in grey on the map) like 100-year floodplain or floodway, high-traffic transportation area, or a superfund site. My Home is Here researchers and staff weighted the different constraints through an extensive community input process, with safety from flooding given the highest priority. For an extensive methodology of the weighting process, see the appendix.



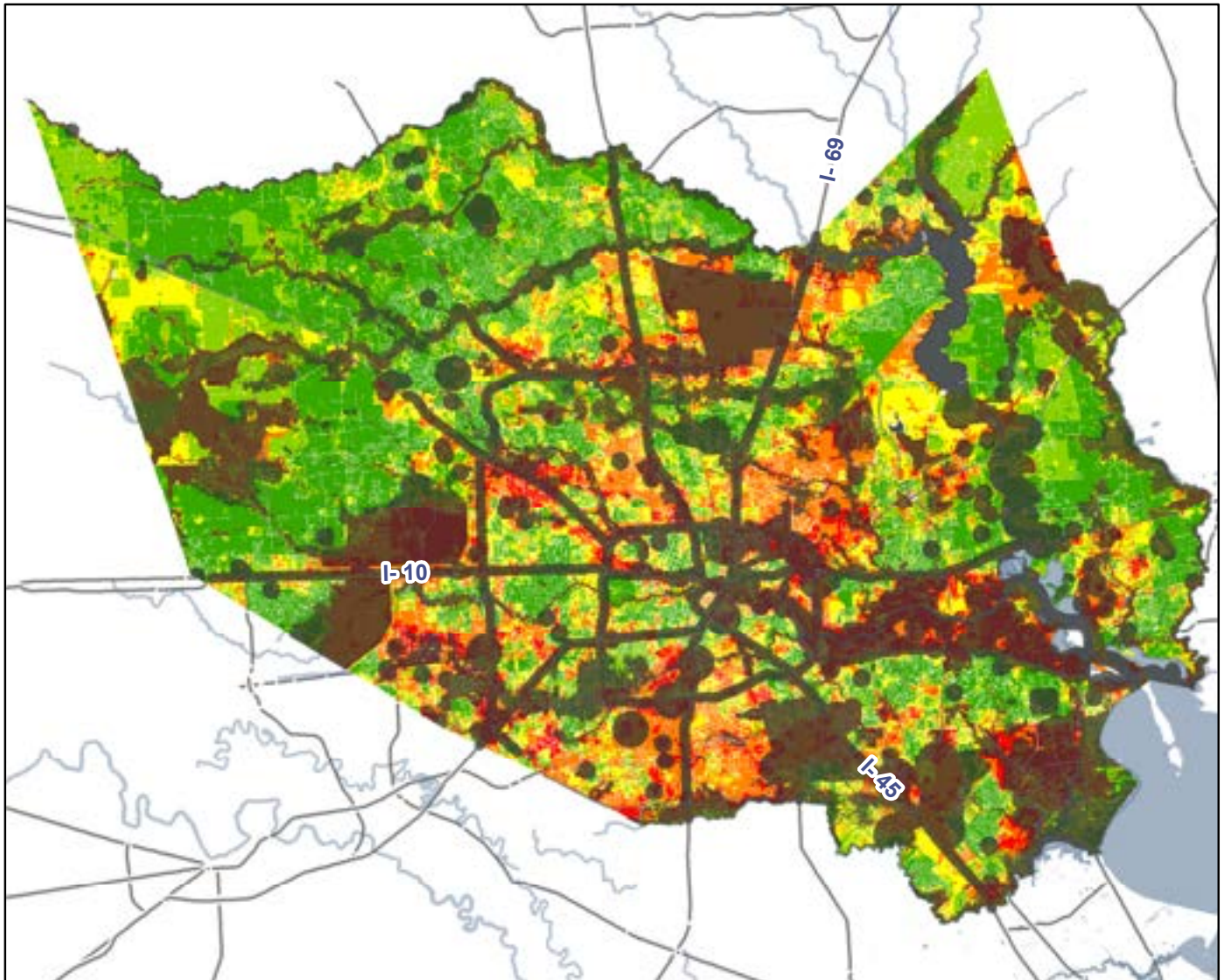


Figure 61: Harris County Development Suitability

Data Source: TxDOT, TCEQ, Harris County, City of Houston, The Kinder Institute for Urban Research, US Census, USGS

Legend:

- Highways
- Rivers
- Water
- Airport
- Hazards: Type 1

Suitability Score:

- 1
- 2
- 3
- 4
- 5



Data Limitations:

- Limitations and suitability explanations are included in report.

FUNDING ANALYSIS

Potential Housing Production Goals for Harris County and Partners

When calculating the number of new homes needed for residents of Harris County, we must account for two sets of residents. First, there are **current cost-burdened residents** who need more affordable homes, as discussed in the “Why Housing Matters” section. However, not every cost-burdened resident needs a new home, and the challenge of cost burden is too large for the county and its local partners to “build their way out” of the issue. The table at right estimates the requirements to assist 20% of cost-burdened residents in Harris County with a new, affordable home. Other policies and programs that can serve the remaining 80% of cost-burdened residents include: a large expansion of Housing Choice Vouchers or similar subsidies from the federal government to assist extremely low-income households; home repair programs to help existing homeowners maintain their homes and age in place; and public transportation improvements, as well as creation of walkable retail and services, that make affordable housing toward the edges of Harris County more accessible for a variety of households.

A second group of residents that needs new homes is the **new households that will be formed over the next 10 years**. These households can be formed when people move into Harris County, or grow up and move out of their parents’ home, or move to their own home after living with roommates, or through other means. The common factor is that all of these households will need a home, which increases the number of homes that need to be built.

In total, to meet these housing needs, there are **203,200 new homes needed in the County by 2030** for households earning less than \$75,000, or approximately **20,320 homes needed every year** through 2030.

Figure 62 New Housing to Meet the Needs of 20% of Today's Cost-Burdened Residents

	Renter	Owner	Annual Goal through 2030
0-30% MHI (\$20,000/ year)	24,465	1,288	2,575 Units
30-60% MHI (\$35,000/year)	23,564	1,240	2,480 Units
60-80% MHI (\$50,000/year)	11,622	7,116	1,874 Units
80-120% MHI (\$75,000/year)	5,550	6,892	1,244 Units
Total	67,729	14,008	8,174 Units Per Year

Figure 63: New Housing for Households Formed in Harris County over the Next 10 Years

	Renter	Owner	Annual Goal through 2030
0-30% MHI (\$20,000/ year)	45,175	2,378	4,755 Units
30-60% MHI (\$35,000/year)	45,384	2,389	4,777 Units
60-80% MHI (\$50,000/year)	Supply Meets Demand	Supply Meets Demand	Supply Meets Demand
80-120% MHI (\$75,000/year)	1,680	27,156	2,884 Units
Total	98,160	27,156	12,416 Units Per Year

Estimating the Cost to Meet these Production Goals

As discussed on the previous page, to fully close its housing gap by 2030, Harris County needs to subsidize, produce, and set aside 203,200 homes for households earning less than \$75,000 per year. We estimate the locally generated taxpayer funds that would be needed to both close Harris County's existing housing affordability gap and to prevent it from reopening between now and 2030 as between **\$41 and \$70.7 billion**.

Here we provide a brief overview of how we estimate these figures. Details and assumptions can be found in Appendix: Pro Forma.

We begin with the bottom line housing supply gap figures discussed earlier in this section. One of the strengths of the building industry and regulatory systems in Harris County and its cities, compared to what exists in other metro regions, is that market rate developers to date have been generally successful in producing rental and for-sale products affordable to households earning above 80% of the median income. Although there are some concerns that this record of success could be imperiled in coming years, a situation that demands attention, for this analysis we focus on the most acute need, i.e., for households that earn below 80% of median income, for whom existing and new unsubsidized housing offers options that are at best suboptimal.

After subtracting the 80%-120% MHI households, the size of the housing gap is reduced to 161,920 units. There are a lot of different ways one could imagine distributing these needed affordable homes across Harris County, ranging from the status quo (in which affordable housing mostly gets built in low- or moderate-income neighborhoods) to a complete reversal from business as usual (in which affordable housing would only be built in affluent neighborhoods). In this analysis, we take an intermediate path, and assume that each Harris

County census tract (which can be thought of as roughly analogous to a neighborhood) receives new affordable homes in proportion to its existing share of the countywide total of housing units (as of the latest Census data, from 2019).

We do not assume that every unit of affordable housing produced is identical. Instead, the homes in the analysis are allocated among seven different development types: large-lot single-family detached for-sale; townhouse for-sale; large-lot single-family rental, and townhouse rental; garden apartment rental; midrise rental; and secure mobile home parks.

Following the allocation of the various development types, with accompanying unit counts, to each Harris County census tract, we rely on a simple pro forma model for each development type to quantify the local subsidies needed to support that type of housing at either the 30%, 60%, or 80% median income level for Harris County. Our pro forma models attempt to capture a "typical" development of that particular type, sometimes with a slight construction cost premium to account for the use of storm- and flood-resilient building features, such as the use of lightweight steel framing in single-family houses, rather than the wood framed construction that is typical, depending on the assumptions used.

Based on the pro-forma, the high end of the cost range is \$70.7 billion. This assumes that 5% of all units produced are in mobile home parks. This also assumes that new units are built in every single tract in Harris County in the same proportion as that tract's share of overall housing units in the county today. This also assumes a generous allocation of money to achieve 4' of elevation for every single unit (except for the mobile home units) for flood protection.

The low end of the cost range is \$41.0 billion. This low-end estimate removes the flood elevation

assumption; assumes that new units are built only in census tracts with lower land costs and income levels; eliminates all single-family rental units; and eliminates all homeownership units.

Funding Sources and the Remaining Funding Gap

Whether \$41 billion or \$70 billion is the correct number, these figures may seem staggeringly large. It is easier to grasp when one considers that it works out to about \$200,000 in subsidies per unit produced, and that most of the units produced would serve households at what are considered extremely low income levels, or 30% of Harris County's median income. There is a reason that these units have been chronically underproduced in the United States for decades, since at least the days of large-scale construction of public housing and HUD-funded developments: they are difficult and expensive to build.

The graph on the next page visualizes an intermediate cost scenario, at approximately \$47 billion. It shows the existing funding sources available to Harris County and its public-sector partners in various shades of blue. Some of the largest sources of funds today are Low-Income Housing Tax Credits (LIHTC), tax-exempt bonds that accompany 4% LIHTC, and CDBG-DR funding provided to help the County recover from Hurricane Harvey. "Entitlement" funds provided by the federal government to the County, City of Houston, City of Baytown, and City of Pasadena are also of assistance, though these funds are used not just for new housing production but also for revitalizing neighborhoods and infrastructure costs. The City of Houston has local sources including Affordable Housing Bonds and funding from several Tax Increment Reinvestment Zones (TIRZ) to help fund affordable housing.

In yellow, we show two potential sources of funding that can help solve the affordability challenge

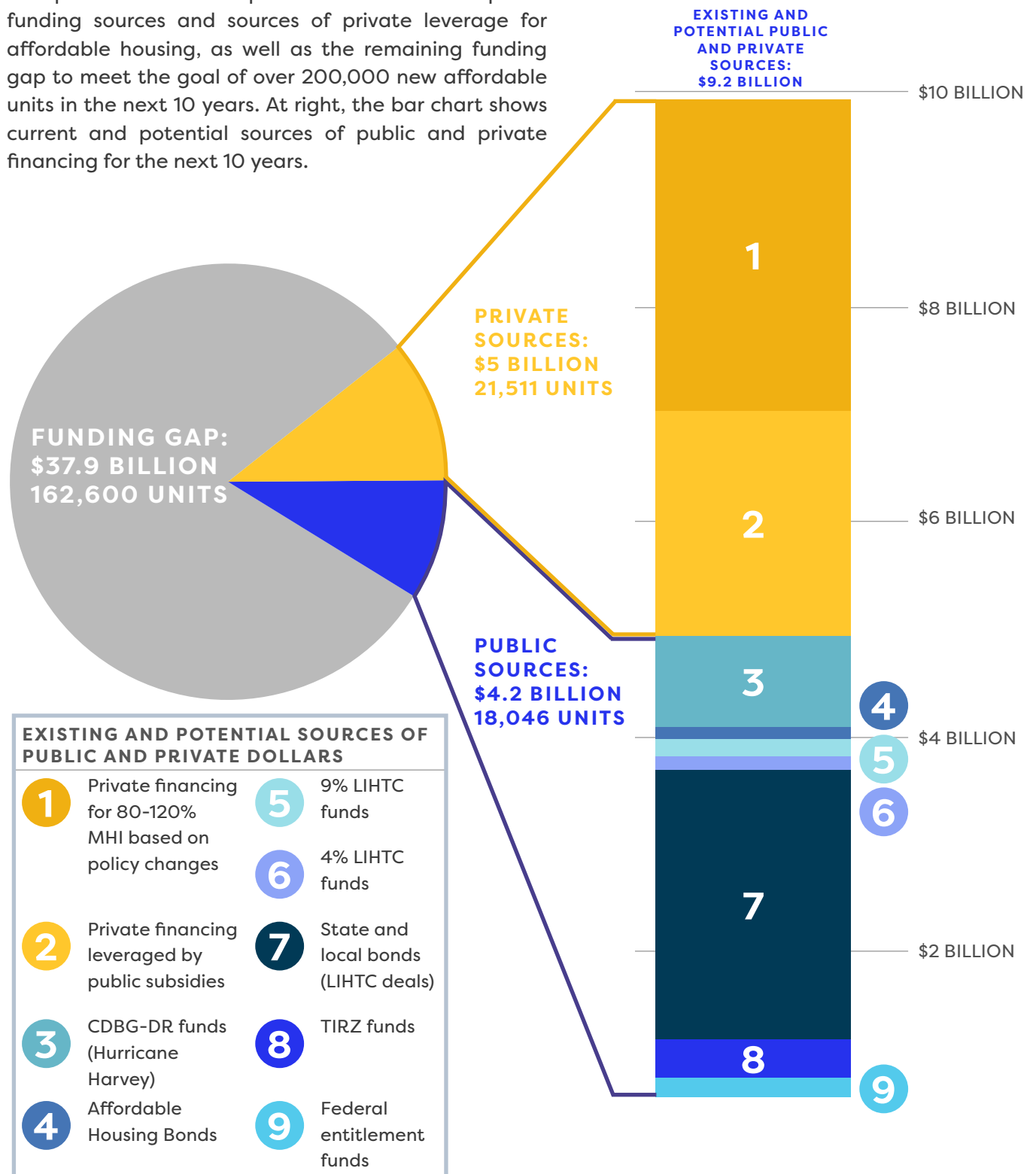
in the near term. These include private-sector funds that are already involved in most deals that are subsidized by public funds (most affordable developments have a component of private financing through first mortgages from banks). They also include additional private-sector funds that could be leveraged based on policy and code changes to close the gap for households earning 80%-120% MHI (\$50,000-\$75,000 per year). For example, reduced minimum-lot sizes and support for innovative construction methods could help produce homes for families at this income level without the need for additional subsidy.

The large gray section on the pie chart — \$37.9 billion in unfunded housing need to meet housing production goals — shows that many more partnerships and many new funding sources will be needed to fully close the affordability gap in Harris County. One potential new source is American Rescue Plan Act (ARPA) State and Local Recovery dollars, which offer an opportunity to set up a countywide Housing Trust Fund which can provide a flexible, local source of funding for affordable homes). Another potential source is infrastructure bond funding that can support affordable development, or an increase in Project-Based Vouchers through advocacy with the federal government. These ideas are further described in the Values, Goals, and Strategies section of the full report.

The strategies in this report will help make headway on the funding gap shown at right. However, because of the size of the gap, it is likely that a dramatic escalation of local spending on housing subsidies, far in excess of anything ever undertaken before, will be needed to fully close the gap and bring an affordable home to every family that needs one.

Figure 64:
Visualizing Funding Sources and the Funding Gap

The pie chart below represents the available public funding sources and sources of private leverage for affordable housing, as well as the remaining funding gap to meet the goal of over 200,000 new affordable units in the next 10 years. At right, the bar chart shows current and potential sources of public and private financing for the next 10 years.



MY HOME IS HERE

VALUES, GOALS, AND STRATEGIES





VALUES, GOALS, AND STRATEGIES

Four core values will guide the work to meet the need for affordable homes in Harris County. Eleven goals, and specific strategies within each goal, will direct the implementation of these four values.

The values, goals, and strategies in this section represent the results of over two years of collaborative work. They are based on feedback from the Harris County Housing Policy Advisory Committee (HPAC); from our broad-based community input process, including the survey and activations; from our focus groups and interviews with diverse members of the housing advocacy, real estate, health, and social service provider communities; and from the research team that conducted this study.

HPAC is an important collaborative effort that helped to define study priorities. The committee was formed January 28, 2020 by Harris County Commissioners Court to develop housing policy in concert with the County's vision and values. The committee is formed by a diverse range of community leaders and experts in housing production, finance, and policy (see Acknowledgements page for a full list of participants). In 2020, HPAC focused on developing goals for My Home is Here through a strategic planning process covering priorities across a spectrum of housing issues and opportunities. These were undertaken through three workgroups:

- **The Accessibility and Opportunity Workgroup** identified issues and makes recommendations related to increasing access and opportunity to affordable housing for more Harris County residents.
- **The Funding and Financing Workgroup** reviewed existing funding and financing mechanisms, explores creative and innovative housing funding tools; and make key recommendations on what role the county can play in supporting

or funding such mechanisms to increase the supply of affordable housing.

- **The Land Use, Design, and Resilience Workgroup** focused on land use, design and construction changes necessary to incentivize affordable housing development and to encourage diversity of housing types in both established neighborhoods and new developments.

HPAC will continue to assist with strategic implementation of the values, goals and strategies defined in this study over the coming years.

Each strategy will be evaluated using the following format:

Timeline:

Short, Medium, Long

Where Heard:



Plan Review:



Role:

Lead, Convene, Support, Inform, Fund

Partners:

Implementation Partners

My Home is Here Core Values

The four core values on this page are the key defining factors that will guide policy, programs, and investments from Harris County and its partners moving forward. Read about these core

values below. On the following pages, you can read the goals and specific strategies associated with each value.

INVEST IN HOUSING FOR ALL through preservation, new construction, and infrastructure investments that support communities.

This value encompasses investments in new development of affordable homes, as well as preservation of existing affordable homes. It also includes expanding the number of financial and infrastructure tools available to support this development work.

COLLABORATE WITH PARTNERS to foster a comprehensive, affordable housing system.

This value includes goals and strategies that focus on collaborative investment with partners in housing, as well as the amenities like transportation and mixed-use development that support resilient, quality neighborhoods.

ADVANCE EQUITY AND RESILIENCE in all county housing efforts.

This value encompasses inclusive and fair housing investment that ranges from ending chronic homelessness to making home appraisals more equitable, as well as strategies that help the County adapt to hazards in a variety of ways.

ADVOCATE FOR HOUSING POLICY REFORMS at all levels of government.

Harris County's government cannot complete this work alone. This value includes the comprehensive federal, state, and local supportive policies that will help meet the needs of Harris County households for the next 10 years.

VALUE: INVEST IN HOUSING FOR ALL

through preservation, new construction, and infrastructure investments that support communities.

GOAL

1 Increase the supply of safe, high-quality rental and for-sale housing for low-moderate income households.

1A • **Countywide Housing Trust Fund.** Create a Countywide Housing Trust Fund that raises public, private, and philanthropic monies for affordable housing preservation and development to support the county's ten-year housing production goals.

1B • **Long-Term Affordability Preservation.** Use various strategies, including direct purchase, to preserve affordability for subsidized units when the original affordability restrictions end.

1C • **Shared-Equity, Affordable Homeownership.** Scale up shared-equity and rent-to-own investments through the Harris County and City of Houston Community Land Trusts.

1D • **Innovations that Reduce Residential Construction Cost.** Support innovative approaches such as high-quality, resilient manufactured and modular housing as well as other innovative technologies that help to reduce construction costs.

GOAL

2 Incentivize a mixture of housing types.

2A • **Purchase of Land.** Use strategic purchase of land by the County to support resilient and diverse housing choices (i.e. Imagination Zones).

2B • **Investment of Federal and Local Dollars.** Increase federal and local dollars going toward housing development, redevelopment, or recovery.

GOAL

3 Preserve and build affordable infill housing options.

3A • **Incentives for Affordability Preservation.** Provide funding for rehabilitation incentives to preserve and renovate naturally-occurring affordable housing and expiring subsidized properties, in exchange for affordability requirements that promote mixed-income communities.

3B • **Aging-In-Place Assistance.** Scale up rehab and renovation funds for elderly homeowners to support aging-in-place for the growing elderly population on fixed incomes.

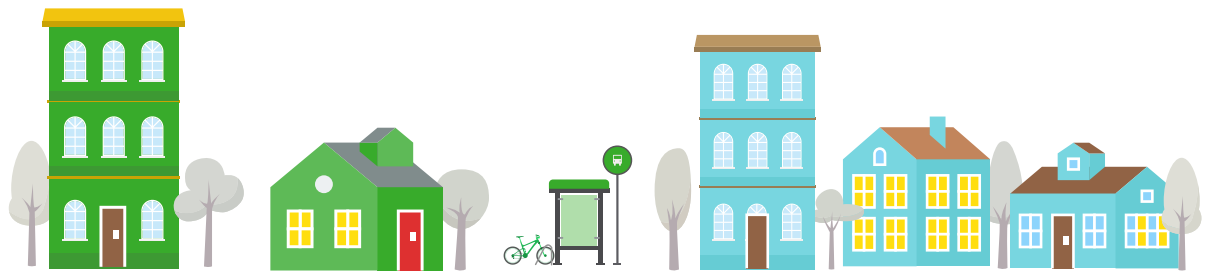
GOAL

4 Ensure that infrastructure improvements are available to support the production of affordable housing.

4A • **County Co-Development of Affordable Homes.** The County may co-develop affordable homes by providing land, developing infrastructure, and/or acting as co-developer of affordable homeownership or rental properties.

4B • **Equity Framework for Infrastructure Investment.** Extend the County's equity framework to all County-backed infrastructure bonds to acknowledge and expand their impact on housing and service provision.

4C • **Multifamily Opportunities.** Ensure special-purpose districts allow multifamily uses in exchange for public investments in aging or constrained infrastructure.



VALUE: COLLABORATE WITH PARTNERS

to foster a comprehensive, affordable housing system.

GOAL

5 Create mixed income housing communities and mixed-use housing developments where there is access to jobs, transportation, services, and amenities.

5A •**County Investment Strategy.** Partner with area jurisdictions on a coordinated investment strategy to address the ten-year housing gap in Harris County.

5B •**Transit Oriented Development.** Pursue Joint Development opportunities with area jurisdictions to bring mixed-income, mixed-use development near frequent transit.

GOAL

6 Attract investment that enhances economic opportunity.

6A •**Place-Based Investment Led by Anchor Institutions.** Approach anchor institutions to increase investments in employer- or university-supported mixed-use housing opportunities. Partner with school districts, churches, TIRZs, community colleges, universities, and area health systems.

6B •**Mixed-Use Development.** Create mixed-use development that provides both affordable homes and community services in neighborhoods that have experienced disinvestment. Services may include fresh food options, child care, and other retail or commercial uses that promote economic development.

6C •**Neighborhood-Based Economic Inclusion.** Institute a Community Benefits approach to publicly-subsidized projects based on neighborhood input.

GOAL

7 Diversify housing types and expand transportation choices.

7A •**Transit Expansion.** Identify areas of Harris County suitable for fixed route transit service expansion and first and last mile connections to transit by maximizing federal/state grants and METRO's Moving Forward Plan.

7B •**Housing Diversity in Incorporated Areas and Houston's ETJ.** Work with county cities to enable missing middle housing types, Harris County's Imagination Zones, and accessory dwelling units (ADUs) by-right.

7C •**Development Incentives with Builders and Lenders for More Diverse Housing Types.** Create incentives and development partnerships through the Countywide Housing Trust Fund to promote construction of diverse housing options (i.e. multiplexes, cottage courts, ADUs, live-work, small lot single-family, etc.). Focus these incentives near amenity-rich areas that provide community services and job opportunities.

VALUE: ADVANCE EQUITY AND RESILIENCE

in all county housing efforts.

GOAL

8 Aim for inclusion and promote fair housing to undo the legacy of racial and economic segregation.

- 8A •An End to Chronic Homelessness.** Provide affordable housing and permanent supportive housing options, and conduct outreach in partnership with the Continuum of Care, to end chronic homelessness in Harris County.
- 8B •Racial Disparities in Homeownership.** Curb historic inequities in access to homeownership for communities of color.
- 8C •Appraisal Workforce of the Future.** Diversify and prepare the appraiser workforce through recruitment scholarships and enhance equity, diversity, and inclusion training for certified appraisers in Harris County.
- 8D •Eviction Moratoria During Disasters.** Work with the City of Houston to put an automatic eviction moratorium in place during declared disasters, including a rent relief program to support tenants and landlords with back-rent.

GOAL

9 Adapt to hazards and support sustainable neighborhood development.

- 9A •Data-Driven Approaches to Elevate Existing Homes.** Get a full picture of the hard and soft costs for (not) elevating homes. Factor in the fiscal impact to public entities for expenditures on relocation costs, public/emergency services, social vulnerability, tax base and property valuation, among other factors for data-driven policymaking.
- 9B •Resilient Housing and Building Materials.** Give preference through incentives for the use of resilient building materials in affordable housing development.
- 9C •Recovery Aid.** Improve outreach to residents impacted by Hurricane Harvey, COVID or Uri who qualify for housing-related recovery aid. Codify this work through the My Home is Here brand so that outreach is easier in future disasters.



VALUE: ADVOCATE FOR HOUSING POLICY REFORMS

at all levels of government.

GOAL

10

Identify federal and state level reforms.

- 10A •County Authority.** Advocate for ordinance-making powers for populated counties facing rapid urbanization challenges.
- 10B •Vouchers and Housing Choice for Voucher Holders.** Advocate with the federal government to increase the number of Housing Choice Vouchers available to Harris County to meet the large housing gap for households at 0-30% of Harris County's median household income. Increase opportunities for successful use of vouchers through change in state source of income discrimination law, landlord incentives, and opportunities for additional vouchers.
- 10C •Racial Disparities in Appraisals.** Work with the Texas Appraiser Licensing & Certification Board to eliminate racial disparities in the appraisal process through equity, diversity, and inclusion guidelines for all certified appraisers.

GOAL

11

Identify local reforms with municipalities and special-purpose districts to support the development of affordable housing.

- 11A •Municipal Powers.** Coordinate with municipalities and the City of Houston to use their ordinance powers to reach more resilient outcomes and coordinated investments.

CORE VALUE:

Invest in Housing for all through preservation, new construction, and infrastructure investments that support communities.

Goal 1: Increase the supply of safe, high-quality rental and for-sale housing for low-moderate income households.

Goal 2: Incentivize a mixture of housing types.

Goal 3: Preserve and build affordable infill housing options.

Goal 4: Ensure that infrastructure improvements are available to support the production of affordable housing.

Strategy 1A: Countywide Housing Trust Fund. Create a Countywide Housing Trust Fund that raises public, private, and philanthropic monies for affordable housing preservation and development to support the county’s ten-year housing production goals.

Timeline:	Where Heard:	Plan Review:		
	 Focus Group	 Develop Affordable Housing	 Rehabilitate Housing and Revitalize Neighborhoods	 Promote Infill and Redevelopment
Role	Partners:			
Lead	LISC Houston	Multifamily property owners		

Context

A Housing Trust Fund (HTF) is a fund established to support the production and/or preservation of affordable housing. HTFs are generally supported by the public sector (local and/or state governments) to fill gaps in the housing supply provided by the market. They are also supported by philanthropy and the private sector. HTFs are inherently flexible and can be designed to meet the most critical housing needs for communities. Examples of key priorities for HTFs can range from providing affordable housing to an area’s most vulnerable populations, to providing gap financing to affordable housing developers, to acquiring land for future housing development. Once an acting entity defines key priorities for a Housing Trust Fund, the HTF can be efficient in filling affordable housing gaps that would not have otherwise been met.

In Texas, the state’s Department of Housing and Community Affairs (TDHCA) administers a Texas Housing Trust Fund program. The Texas HTF provides loans and grants to finance, acquire, rehabilitate, and develop decent and safe

affordable housing.* The Texas HTF receives about \$4.7 million through an Annual General Revenue Appropriation to operate.† The City of Austin and the City of San Antonio have already established HTFs so there should be no legal impediment to Harris County setting aside funds for this purpose.

- **The Austin Housing Trust Fund** supports the development and rehabilitation of owner occupied homes, rental housing development, and acquisition of property for use as affordable housing.‡ Austin’s City Council dedicates 40 percent of City property tax revenues from developments that have been built on previously City-owned land towards affordable housing.§ City Council also seeded the HTF with \$1 million annually for three years.¶
- **The San Antonio Housing Trust Fund** creates and preserves housing that is affordable,

* Texas Department of Housing and Community Affairs. 2021. Texas Housing Trust Fund.
† Texas Department of Housing and Community Affairs. 2021. 2022-2023 Texas Housing Trust Fund Biennial Plan.
‡ City of Austin. 2021. Housing Trust Fund.
§ Ibid.
¶ Ibid.

accessible, attainable, and/or sustainable.* The Fund was established with a \$10 million corpus by the City of San Antonio. It earns interest from an established corpus, revenue generated from prior loan repayments, funds sourced from the other Trust entities, funds sourced from the City, and donations.† The Trust is also capable of accepting and holding land in Trust.‡

Potential Impact

Housing Trust Funds are catalysts for supporting and producing accessible affordable housing. However, in order to effectively support the preservation and production of affordable housing, HTFs need ongoing dedicated sources of revenue. A stable, flexible, and reliable dedicated funding source, such as a percentage or amount of local funds that are automatically deposited in the housing trust fund each year, provides a housing trust fund with a flow of resources that can aggregate and increase over time. A dedicated local revenue source will help the HTF increase housing production and can dictate the number of new projects the HTF should fund and the types of projects they can fund (larger multi-family rental deals or affordable single family owner-occupied units). Housing Trust Funds that do not have a dedicated or flexible revenue source have experienced challenges with year-to-year investment planning and have found it difficult to focus on housing deals exclusively, or to diversify their portfolio of projects.

Examples of the impact local HTFs have had in Texas within the past 3-5 years include: In 2019, San Antonio's HTF accomplished the following:[§] \$89 million multi-family tax-exempt bonds issued, 2,058 new multi-family units financially closed, and 784 multi-family units opened. In 2018,

Austin's HTF accomplished the following:[¶] 1,430 units developed.

Implementation Steps

Action 1. Mission, vision, and objectives of the HTF. If Harris County's goal is to produce 20,000 affordable units per year – 200,000 over 10 years – officials will need to define appropriate income levels the HTF should serve and identify targeted areas where this development needs to happen. The county can determine this by examining occupational and wage data for all industries in the county and comparing that to the county's income levels. This will help Harris County realize the industries/areas that are most cost-burdened and would benefit the most from a HTF. **

Action 2: Core HTF activities. Core activities of the Housing Trust Fund will help determine the fund's potential sources of capital, as well as its needs for administrative staffing. Potential activities include gap financing for new affordable housing production, acquisition of land for affordable housing, or preservation of existing affordable properties.

Action 3. Local partners and stakeholder identification, including developers, banks, foundations/philanthropic organizations, public agencies.

Action 4. Revenue source identification.

- a. Public: One initial potential revenue source for the Housing Trust Fund is the American Rescue Plan Act of 2021 (ARPA), which will allocate \$915 million in federal funds to Harris County.^{††} However, the County should also seek to identify a permanent, dedicated source of public dollars that can help to grow the trust fund over time.

* San Antonio Housing Trust Fund. 2021. About Us.

† Ibid.

‡ Ibid.

§ San Antonio Housing Trust Fund. 2019. FY 2019 Annual Report.

¶ City of Austin. 2021. List of Developments 2018.

** Center for Community Change. 1999. A Workbook for Creating a Housing Trust Fund.

†† Harris County Office of Management and Budget. 2021. American Rescue Plan

- b. Private: Eventually, the Housing Trust Fund may seek to partner with banks to leverage CRA (Community Reinvestment Act) investment dollars that benefit low- and moderate-income communities. While bank dollars can vastly increase the pool of funds available to an HTF, bank dollars can often come with more restrictive underwriting standards than pure public dollars, and banks often prefer to work with an established

fund with a long track record of financing successful deals. In Columbus, the established HTF dealt with this issue by spinning off a separate fund that incorporated bank dollars and used public dollars as a loan-loss reserve.

- c. Philanthropic: The sources and sizes of philanthropic funds can vary widely and will also require staff time to dedicate toward fundraising efforts. Philanthropic dollars may



Example

Affordable Housing Trust Fund - Columbus, Ohio

The Affordable Housing Trust for Columbus and Franklin County is an independent, non-profit lender that works with the private, non-profit and public sectors to develop affordable housing opportunities within the City of Columbus and Franklin County.* It facilitates and invests in developments designed to:†

- Create and preserve affordable homeownership and rental housing
- Strengthen and stabilize neighborhoods
- Support working households, seniors and special needs populations

The Columbus, Ohio HTF started with \$2 Million, and 30 years later, they have grown the fund to over \$100 Million by contributing funds every year. To give a sense of the annual impact that this fund is able to generate in Columbus and its surrounding county today, this HTF was able to invest \$33 million in 1,314 housing units during 2020 alone, according to their 2020 annual report.‡

* Affordable Housing Trust Fund for Columbus and Franklin County. 2021. Home.

† Ibid.

‡ Affordable Housing Trust Fund for Columbus and Franklin County. 2020. 2020 Annual Report.

Strategy 1B: Long-Term Affordability Preservation. Use various strategies, including direct purchase, to preserve affordability for subsidized homes when the original affordability restrictions end, as well as for naturally-occurring affordable homes.

Timeline:	Where Heard:	Plan Review:		Role:	Partners:
	 Research	 Rehabilitate Housing and Revitalize Neighborhoods	 Promote Infill and Redevelopment	Lead	Cities, Investors, Housing Authorities

Context

In 2019, the Greater Houston Flood Mitigation Consortium estimated that 335,000 multi-family homes currently affordable to families earning 80% MHI and below were at risk of losing their affordability over the next five years.* By 2020, the Kinder Institute documented an increasing affordability gap for renters seeking to buy homes, with over \$30,000 standing between the average median home price and the price that a median household could pay.† Affordability is becoming increasingly out of reach for both renters and would-be owners throughout the County, and part of this is due to the loss of naturally occurring and subsidized affordable housing units.

Subsidies for affordable housing, and the agreements that come with these subsidies to govern housing affordability, have an expiration date beyond which housing is able to be converted into market-rate units. This can happen either

through resale of the property, or through the original owner simply raising prices. The time limit depends on the type of subsidy and can generally be anywhere from five to 30 years. However, once this time limit expires, the homes that were originally subsidized can increase in price, removing them from the affordable inventory.

Housing that does not have a subsidy, but is nevertheless sold or rented at prices affordable to households at 80% MHI and below, is considered “naturally occurring affordable housing” or NOAH. NOAH can become unaffordable at any time, as there are no subsidy agreements governing its affordability. There are two main threats to naturally occurring affordable housing:

- Deterioration from lack of maintenance. Many NOAH homes are located in aging apartments that were once more expensive. If these homes do not receive proper maintenance over time, they can become unlivable. Sixty percent of Harris County’s multifamily rental housing stock is more than 30 years old, which often is the timeframe when multifamily developments need significant reinvestment.
- Loss of affordability when owners attempt to recoup the costs of reinvestment. When NOAH homes receive reinvestment, the owners of

* Community Design Resource Center, University of Houston; Kinder Institute for Urban Research, Rice University; and Local Initiatives Support Corporation Houston. 2019. Affordable Multi-Family Housing: Risks and Opportunities. Greater Houston Flood Mitigation Consortium. Online at <https://www.houstonconsortium.com/graphics/images/MFReport.3.19-19-FINAL-Spreads.pdf>.
† The Kinder Institute for Urban Research at Rice University. 2020. The 2020 State of Housing in Harris County and Houston. Online at <https://kinder.rice.edu/research/2020-state-housing-harris-county-and-houston>.

these multifamily homes often will raise rents to recoup their investment. This can cause rents to move out of reach for families who previously relied on the affordability of these apartment.

The National Housing Trust estimates that for every new affordable rental home brought into the affordable inventory nationwide, there are two that fall out of the affordable inventory.* At the same time, they also estimate that it costs far less to preserve an existing affordable housing unit than it does to build a new one – between one-half and one-third of the cost.†

Potential Impact

The impact and mechanisms to realize long-term affordability preservation are different for rental properties and homeownership properties. As noted in the “Why Housing Matters” section, the majority of renters earning less than 60% MHI (\$35,000 per year) already experience cost burden, meaning that they pay more than they can afford for their homes. This includes 95% of renters who earn less than \$20,000 per year, and 88% of renters who earn between \$20,000 and \$35,000 per year. Even renters earning 60-80% MHI (\$35,000 - \$50,000 per year) are deeply affected by cost burden. If over 300,000 homes fall out of the affordable multi-family inventory over the next five years, then these renters will have even fewer options, and cost burden will increase. Preserving affordable multifamily rental therefore will have a major potential impact on renters in the County.

Homeowners also suffer from cost burden to a lesser extent than renters. However, homeownership and is one of the primary ways that households build wealth in the United States. When homeowners are threatened with foreclosure, it represents an reduction in household wealth with an impact that

can span generations. A study from New America found that 28,850 households in Harris County lost their homes to foreclosure in the three-year period between 2017 and 2019.‡ Many of these households were concentrated in communities with majority populations of color like East Houston, Sunnyside, and Alief. Preventing foreclosures can help reduce these challenges that harm equity in the County.

Implementation Steps

Action 1. Countywide Housing Trust Fund or other entity that can act as a “strike fund” for housing preservation. Affordable housing preservation requires capital to be able to purchase properties from their existing owners; while some opportunities such as FHA mortgages are available to assist, generally preservation is an equity-intensive activity unless a mission-driven seller is involved. Strike funds do not have to be administered by the public sector: Affordable Central Texas is an example of an organization created in Austin with a mission to preserve affordable multifamily rental properties in the region. This organization has raised private funds from mission-driven investors to preserve properties across the region. However, in order for a private, mission-driven strike fund like this one to work long-term, it needs to operate at scale, with larger properties, and generally must focus on mixed-income rents in its acquired properties.

Action 2: Use of Public Facility Corporations (PFCs) in preservation deals, with a requirement that these deals offer substantial affordability for 60% MHI and below. PFCs offer opportunities to exempt preserved properties from property taxes. While some uses of PFCs have been questioned recently due to lack of affordability, creating a clear affordability requirement for the use of PFCs could help to facilitate maintenance of affordability in acquired properties.

* National Housing Trust. 2020. What is Preservation? Online at <https://www.nationalhousingtrust.org/what-preservation>.

† Ibid.

‡ New America. 2020. Displaced in the Sun Belt. Online at <https://www.newamerica.org/future-land-housing/reports/displaced-sun-belt/harris-county-texas/>.

Strategy 1C: Shared-Equity, Affordable Homeownership. Scale up shared-equity investments through the Harris County and City of Houston Community Land Trusts.

Timeline:	Where Heard:	Plan Review:	Role:	Partners:
	 Focus Group  HPAC	 Develop Affordable Housing	Lead	City of Houston, CLTs

Context

Shared-equity homeownership is a growing tool that allows residents to access affordable homeownership opportunities, and keeps those homes affordable to low-to-moderate-income residents over time. “Shared-equity” generally means that the ownership of a piece or property is shared. The land under a home is owned by a non-profit organization called a Community Land Trust (CLT). The homeowner owns the “improvements,” or the house itself. Homeowners and the CLT have a “ground lease” which allows the homeowner to remain on the land for the long term as well as allowing them to pass down the lease to their heirs. Harris County and the City of Houston have both established Community Land Trusts to assist in growing affordable homeownership.

In order to establish affordability and maintain it long-term, the CLT provides a substantial upfront subsidy to the first homebuyer that allows the home to be purchased at a specified household income level. The ground lease then defines a “resale formula” that specifies the level of appreciation that a CLT homeowner can realize over time. The goal of the resale formula is to ensure that homes can be resold to a family in the same household income bracket as the first homebuyer family. It therefore limits the appreciation that the first homebuyers can realize, while still allowing them to take some of their equity on to purchase their next home if they choose to move elsewhere.

Potential Impact

Analysis in the “Why Housing Matters” section shows that COVID-19 price spikes have decreased local families’ ability to purchase homes. Kinder Institute analysis from 2020 also shows an increasing affordability gap between the median household income and median home price in Harris County.* Shared-equity homeownership can help ensure that more families can take their first step into ownership and begin building wealth.

Implementation Steps

Action 1. Access to capital for CLTs. CLTs need equity to allow for upfront subsidies to homebuyers. They also need reliable sources of shared-equity mortgages for homebuyers. Partners should be engaged to ensure that CLTs have the capital they need to scale up.

Action 2. Education for potential homebuyers on the benefits of CLT ownership. The “shared equity” concept can be confusing. A concerted campaign of education and homebuyer counseling can help potential buyers understand why CLT ownership may be right for them.

* The Kinder Institute for Urban Research at Rice University. 2020. The 2020 State of Housing in Harris County and Houston. Online at <https://kinder.rice.edu/research/2020-state-housing-harris-county-and-houston>.

Strategy 1D: Innovations that Reduce Residential Construction Cost. Support innovative approaches such as high-quality, resilient manufactured and modular housing as well as other innovative technologies that help to reduce construction costs.

Timeline:	Where Heard:	Plan Review:	Role:
	  Focus Group Events	 Develop Affordable Housing	Convene
Partners:	Greater Houston Builders Association	Rice Architecture, Area Developers	UH College of Architecture and Design
			Urban Land Institute, Cities, AIA Houston, TIRZs, MUDs

Context

The Houston metro's growing population results in the need for more affordability and availability of housing in this region. Rising material costs, such as lumber, steel, and other construction commodities, would put most low-income renters on hold until a substantial number of affordable housing units are available in various neighborhoods. During the COVID-19 pandemic, with a number of rising construction materials and goods, especially skyrocketed lumber prices alone added an average of more than \$35,000 to the country's home price.* Housing developers should be able to have more options to build affordable units with low construction costs and provide such units at lower prices than now. In 2020, Houston metro's median size for residential listings is about 2,368 square feet and the median list price is \$322,238, which indicates that the median price per square foot is \$137.† As of 2021, for the construction of a house of

2,500 square feet, the overall cost ranges between \$325,000 and \$437,500, which is based on \$130 per square foot for "builder-grade materials" and \$175 per square foot for high quality builds.‡ This tells that the current building cost level may not allow people in the Houston area to have a new house somewhere around the county's median home value, \$175,700.§

Potential Impact

Finding innovative strategies to reduce construction costs is critical to have a more affordable housing supply in Harris County, where not much affordable housing is accessible. Practical and meaningful strategies could mitigate the difficulties that housing developers are facing in the county. With many factors that affect home prices, such as lots, home size, permitting, surveys, labor and finished, overall construction costs account for approximately 60% of the final house price.¶

* Surging lumber prices put buying a home out of reach for many Americans. Retrieved on September 14, 2021, from <https://www.cbsnews.com/news/lumber-prices-new-home-prices-wood-construction/>

† Cities with the Largest and Smallest Homes. Retrieved on September 14, 2021, from <https://filterbuy.com/resources/cities-with-largest-and-smallest-homes/>

‡ How much does it cost to build a custom home in Houston. Retrieved on September 14, 2021, from <https://legaleaglecontractors.com/how-much-does-it-cost-to-build-a-custom-home-in-houston/>

§ Median value of owner-occupied housing units, The U.S. Census Bureau, American Community Survey 5-year estimates, 2019.

¶ Ford, C. (2020, February 3). Cost of Constructing a Home.

Therefore, this strategy aims to recommend viable suggestions to reduce construction costs. Housing developers could have more opportunities to supply housing at more affordable prices in more communities in the county, and many low-income renters would be able to have an option to reside in affordable housing.

Implementation Steps

Action 1: New technologies and construction software. As rising construction costs and a shortage of construction labor force persist, the construction industry may need innovative construction skills using new technologies and software tailored to the residential development, which would enhance the construction quality and expedite construction processes. The innovation could reduce construction costs and increase developers' profit margins as well. Technologies are needed in many different construction steps. Simulation programs, automated measuring of buildings, and 3D visualization of projects sites and surrounding environments are some examples of new technologies that enable housing developers to have more control over construction and therefore reduce construction costs.* Fast and realistic simulation of physical changes in construction could offer an opportunity to have better idea exchanges and more accurate decision-making processes. Using construction drones to check the real-time development processes could allow rapid decision-making on the construction site directly. 3D printing techniques could reduce construction workers' injuries, cut down on material costs, help to speed up development processes and enhance the durability of structural elements.† In addition,

National Association of Home Builders (NAHB) Economics and Housing Policy Group. <https://www.nahbclassic.org/generic.aspx?genericContentID=271883&channelID=311>

* BigRentz, Inc. (2021, January 19). Top 10 Construction Industry Trends to Watch for in 2021. <https://www.bigrentz.com/blog/construction-trends#growing-need-for-laborers>

† Advantages of using a 3D printer in construction projects. Retrieved on September 15, 2021,

construction management software helps to have a quick turnaround from concept to pricing, reducing overall construction costs.

Action 2: Prefabricated homes. Premanufactured or prefabricated houses are “made beforehand” off-site and are shipped to the assembly on-site. This type of housing can achieve great efficiency in constructing new homes and reduce overall construction costs. Prefab homes use an increase in cost-cutting new technology. Homes are manufactured indoors, often in climate-controlled warehouses, which allows for quicker build times and reduced overall cost.‡ Prefab home production generates less waste by using modules in a manufacturing factory and needs a simple labor force and less time as the production process does not require multiple groups of subcontractors, unlike a traditional build that needs plumbers, electricians, painters and framers separately.§ The prefab housing techniques may create a new sector of job opportunities and require a new local labor force. Prefab homes would impact the local economy to produce more sustainable and affordable homes that are tailored to the local housing market. The supply of these homes would need more local employees that are apt to understand local conditions. In addition to good insulation and contemporary design, many prefab builders pay closer attention to making prefab homes more sustainable in the Houston area, where their homes should be able to withstand

from <https://constructionreviewonline.com/machinery-equipment/7-advantages-of-using-a-3d-printer-in-construction-projects/>

‡ Build times for manufacturing a house can be as short as 15 days for manufacturing a house. Prefab Houses. Retrieved on September 16, 2021, from <https://www.mobileprefabhomes.com/homes/prefab-houses/>. The overall cost for manufacturing a house in the Houston area can be as low as \$70 per square foot. Guide to Building Prefab and Modular Homes in Houston. Retrieved on September 16, 2021, from <https://www.prefabreview.com/blog/guide-to-building-prefab-and-modular-homes-in-houston>.

§ Williams L., (2015, February 26). Building a Prefab Home -Types, Cost, Pros, and Cons. <https://www.moneycrashers.com/building-prefab-home-types-cost/>.

local weather conditions, such as hot summers and strong winds.*

Action 3: Shorter permitting processes. It often takes a lengthy process for housing projects to go through local government permits offices, and lingering permitting steps easily drive up construction costs. Developers require revisions to the building codes or plans throughout any processes of the housing construction, which often stalls the construction process and increases unexpected construction costs in order to accommodate the revisions. Platting, or the process by which property is divided by mapping land parcels, also poses additional barriers to the permitting process. More staff with expertise and capabilities in the permitting offices could expedite the whole permit process, and therefore housing constructions costs could be reduced. Permitting offices would have to regularly review their building codes, keep them more practical and remove old criteria that would add more procedures. Local governments should also identify and reduce any lengthy and bureaucratic procedures that impact additional processes, which would significantly add more time to the existing construction process.

Action 4: By-right development and simpler requirements for other regulatory steps. By-right developments could expedite construction processes significantly. Rather than relying on discretionary judgment per housing development project, a rule-based approach can make many development projects more accessible.[†] Likewise, many required design and construction elements further add to construction costs, while affordable housing may need lower construction costs

to ultimately achieve the goal of maintaining affordability. As long as construction fulfills the general housing quality criteria, additional design and construction elements can be limited. Dated regulations with high requirements add time to current affordable housing production procedures. Thus, affordable housing construction needs a direct approach and expedited processes that avoid unnecessary regulations and heightened construction costs.

* Guide to Building Prefab and Modular Homes in Houston. Retrieved on September 16, 2021, from <https://www.prefabreview.com/blog/guide-to-building-prefab-and-modular-homes-in-houston>.

[†] Tool: By-Right Development, National Multifamily Housing Council. Retrieved on September 15, 2021, from https://housingtoolkit.nmhc.org/wp-content/uploads/2019/04/F2_NMHC_PDF-Sections_Tools_By-Right-Dev_PG-63-TO-73.pdf

Strategy 2A: Purchase of Land. Use strategic purchase of land by the County to support resilient and diverse housing choices (i.e. Imagination Zones).

Timeline:	Where Heard:	Plan Review:	Role:
	 Focus Group  HPAC	 Develop Affordable Housing  Rehabilitate Housing and Revitalize Neighborhoods	Lead
Partners:			
Area developers		Harris County	

Context

Harris County is facing a variety of issues related to housing and transportation, including increased costs, increased commute distances, and flooding. During the engagement process for this project, stakeholders and citizens expressed the desire for more housing in areas that are closer to jobs, entertainment, and transportation. In response to these issues, Harris County should strategically purchase land to support the future development of diverse and resilient housing choices.

One of the most valuable assets to municipalities is the ownership of land within their jurisdiction. Owning land allows the municipality to control all aspects of this property, reap the benefits and leverage of increasing land values, and define the terms of the development or redevelopment of the property. Strategically purchasing land in conjunction with other policy advances, such as Imagination Zones, will allow Harris County to develop and model development standards and best practices that can be further implemented by the private market. These development standards could then be applied to privately-owned land to expedite approvals and development processes. If desired, the county could utilize public private

partnerships to become a co-developer as discussed in strategy 4A. The suitability analysis in this study provides Harris County a rich database on where to prioritize publicly-owned land for housing development with its partners.

Potential Impact

Land ownership by Harris County has a variety of positive impacts including control over the development process, the creation of established best practices and development standards, and by providing more needs as expressed by the community. Land ownership could allow the county to produce more housing choices, smaller and therefore more affordable market rate housing, manufactured housing, and alley-loaded housing. These development decisions could then be used and adopted by the private development community.

In the ETJ specifically, Imagination Zones are a proposed initiative by Harris County designed to allow mixed use development with a variety of housing types on land in the ETJ, with fewer obstacles to this type of design. In the engagement process for this project, stakeholders expressed the need for whole communities outside of the urban

core, where they could shop, entertain, and access daily needs. Furthering the development of these zones will support these needs.

Implementation Steps

In order to implement this strategy, Harris County should look for land available for purchase and develop standards for the purchase of this land, considering site conditions such as flooding, transit access, and access to existing services. The county should also develop a pre-approved group of development standards for these projects, and begin workshopping them with the development community to understand roadblocks, issues, and considerations in advance.



Example

Purchasing Land For Development - Osceola County, FL

Many counties across the United States are purchasing land for the development of housing and services, including in Harris County. Of special interest to this strategy are parcels available near planned and future transit lines. Osceola County, in central Florida, recently completed the purchase of 82 acres of land on the last stop of the SunRail commuter line in order to build high-density development. The tract was purchased by the county after a development deal to build single-family homes fell through, drastically increasing the utility of the transit line and giving the county authority over the type of development built.*

* <https://www.aroundosceola.com/news/county-buys-land-bring-affordable-housing-near-poinciana-sunrail-station>

Strategy 2B: Investment of Federal and Local Dollars. Increase federal and local dollars going toward housing development, redevelopment, or recovery.

Timeline:	Where Heard:	Plan Review:
	 Research  HPAC	 Develop Affordable Housing  Rehabilitate Housing and Revitalize Neighborhoods  Promote Infill and Redevelopment
Role:	Partners	
Lead	Harris County	Cities, TIRZs

Context

To close its housing gap, Harris County must subsidize, produce, and set aside 203,200 homes in the next ten years. These homes would be set aside for households earning less than \$75,000 per year. Estimates on total investment required to build this total number of homes range from \$41 to \$73 billion, with an intermediate estimate of \$47 billion.

If we project that 2020 investment from local and federal public sources will be similar to the investment allocated in each of the next 10 years, public investment could account for approximately \$4.2 billion of this total -- or approximately one-tenth of the total need. To come up with this number, the study team examined the use of local and federal funding sources for affordable housing, including:

- Community Development Block Grant Disaster Recovery Program (CDBG-DR) funds: Federal grants from HUD that can be used for disaster relief, long term recovery, housing, infrastructure restoration, and economic revitalization
- Federal entitlement funds: These include Community Development Block Grant (CDBG), Home Investment Partnerships Program

(HOME), and Emergency Solutions Grant (ESG) funds that are provided to Harris County, the City of Houston, the City of Baytown, and the City of Pasadena each year.

- Affordable Housing Bonds: Government-issued bonds that are sold to investors to help provide the necessary capital or financing to purchase land, develop, or redevelop affordable housing projects. The Uptown Redevelopment Authority has recently completed a bond issue that will support affordable housing.
- 9% Low-Income Housing Tax Credit (LIHTC) funds: Partially subsidize 70% of low-income housing costs (usually new construction and substantial rehabilitation), while providing a tax credit to investors for up to 10 years
- 4% Low-Income Housing Tax Credit (LIHTC) funds: Partially subsidize 30% of low-income housing costs (usually acquisition of existing buildings for rehabilitation and new construction), while providing a tax credit to investors for up to 10 years
- State and local bonds (LIHTC deals): Tax-exempt bonds issued by the State of Texas and the Harris County Housing Finance Authority which can provide gap financing for 4% and 9% LIHTC deals

- TIRZ funds: Localities uses tax increment revenue generated by increased value within the TIRZ to promote development and redevelopment in that zone.

Potential Impact

Allocating a greater percentage of funds that could potentially be used for housing for that purpose could help to fill the large \$37.9 million funding gap that will keep Harris County and partners from meeting projected housing needs by 2030. Using infrastructure-specific bonds can shift CDBG funds from infrastructure to the rehabilitation of residential structures and long-term affordability preservation. Greater use of TIRZ funds will facilitate the development and redevelopment of affordable housing.

Implementation Steps

Action 1. Increased percentage of federal entitlement funds going towards affordable housing. In 2021, over \$5 million in Harris County CDBG funds were used for infrastructure improvements not directly related to housing, which is over half of what was allocated to the County. Harris County has alternative potential sources of revenue that can support infrastructure investment such as bond revenues, which would leave CDBG dollars free to address allowable housing needs.

Action 2. Allocated ARPA funding. See Strategy 1A for more detail on the potential to allocate ARPA funding to establish a Countywide Housing Trust Fund. In total, Harris County is projected to receive over \$900 million dollars in ARPA funds, half of which are allocated in 2021 and half of which will be allocated in 2022. The City of Houston will receive over \$600 million in total, and other municipalities in the County will receive substantial funding as well. While there are many demands on ARPA funds, and some ARPA funds are already dedicated to housing uses like rental assistance, setting a

portion of these flexible funds aside for expenditure on housing production and preservation will pay substantial dividends in closing the funding gap for housing across the County.

Action 3. Increased expenditure of TIRZ resources that are allocated for affordable housing in TIRZ project plans. TIRZ project plans project investment over the period of the TIRZ, which is often approximately 30 years. “Petition TIRZs” which were founded by local petition rather than motivated by the City of Houston already allocate a set percentage of their funding to an affordable housing fund that the City controls. However, several other TIRZs also have affordable housing investments included in their project plans and have spent very little of the total allocated investment. The Montrose TIRZ, created in 2015, has \$39 million budgeted for affordable housing, but none has been spent. The same can be seen in Greenspoint, Gulfgate, and Hardy/NNS where large affordable housing budgets from project plans have largely not translated into active investment to date.

Strategy 3A: Incentives for Affordability Preservation. Provide funding or rehabilitation tax abatements to preserve and renovate naturally-occurring affordable housing and expiring subsidized properties, in exchange for affordability requirements that promote mixed-income communities.

Timeline:	Where Heard:	Plan Review:		Role:
	 Focus Group	 Develop Affordable Housing	 Promote Infill and Redevelopment	Lead
Partners:				
LISC Houston	Multifamily property owners	Community Development Corporations		

Context

The county should pursue an acquisition-rehab incentive strategy to preserve naturally occurring and subsidized affordable housing, primarily or entirely in areas outside of the floodplain. Acquisition-rehab for affordable housing refers to the process of identifying housing for preservation, along with stewards — interested landlords, nonprofit organizations, resident organizers, or the County itself — to acquire, rehabilitate, and maintain the housing at an affordable rate for low-income tenants. Stewardship can be encouraged by the County through incentives such as fee waivers, subsidies, favorable loan opportunities, and tax credits based on the continuation of affordability and encouragement of mixed-income communities.

Potential Impact

Establishing a successful strategy for affordable housing preservation is critical to maintaining and expanding upon current affordability levels. This is particularly critical as the County — especially the Northwest and Northeast areas of the County — continues to experience growth in low-and middle-

income jobs, suggesting an increasing demand for deeply affordable housing in the future.

Implementation Steps

Harris County CSD should begin by identifying affordable housing with expiring subsidies and naturally occurring properties within the county outside of flood-prone areas. The majority of naturally occurring affordable housing in the county is located toward the outer edges of the city, though opportunities for preservation exist within the city. To identify properties most suitable for rehabilitation, the County will need to thoroughly assess building conditions for affordable residential properties and maintain a regularly updated database to guide preservation efforts. Following the identification process, CSD should seek to establish partnerships with local nonprofit organizations and other interested parties, such as LISC Houston, to act as potential stewards for affordable properties in need of preservation. In particular, the County should consider approaching LISC Houston about collaboration at the county scale through their Great Opportunities (GO) Neighborhoods program, which currently supports

the revitalization of Houston communities by, in part, expanding investment in housing. As Houston's Complete Communities initiative has taken over the role that the GO Neighborhoods program once fulfilled in many Houston neighborhoods, extending this program into unincorporated Harris County may be a way to maintain its effectiveness as a community development strategy in underserved areas. In concert with a search for stewardship organizations, CSD should consider available financial options to incentivize stewards for the acquisition-rehab strategy. Financing options include:

- Encouraging limited equity cooperatives by incentivizing stewarding nonprofits to convert multi-family housing into cooperative housing. ROC USA is a potential partner for this strategy and has experience lending financial resources to cooperative associations for the purchase of properties for conversion into cooperative housing. Although ROC USA's work focuses on manufactured home resident owned communities, ROC USA affiliates have provided technical assistance to multifamily cooperatives

in the past.* ROC USA affiliate Community Housing Expansion of Austin created the La Reunion Cooperative Apartments in 2013.†

- Using TIRZ proceeds and other financial resources to create a preservation program providing low-cost loans to stewards committed to preserving existing affordable housing.
- Establishing or facilitating a housing accelerator fund to assist community organizations and nonprofit partners to preserve affordable housing. Such a program would seek to establish institutional partners within the county, including banks, foundations, and anchor institutions.
- Partnering with innovative financial institutions like the Low Income Investment Fund and the Lincoln Institute's Center for Community Investment to mobilize capital and community investment opportunities within the county.

* Rinde, Meir. "From Mobile Home Parks to Multifamily Housing Cooperatives." Shelterforce, August 2, 2021. <https://shelterforce.org/2021/08/02/from-mobile-home-parks-to-multifamily-housing-cooperatives/>.
 † "La Reunion." Community Housing Expansion of Austin, n.d. <https://www.chca.coop/la-reunion>.



Example

Affordable Housing Fund - Fairfax County, VA

In 2006 Fairfax County, Virginia established Fund 30300, also known as the Penny for Affordable Housing Fund, to generate funds for its affordable housing preservation fund. In FY 2019 the fund generated \$18 million, \$12.2 million of which came from a half-cent allotment from the real estate tax rate.*

* "Fund 30300: The Penny for Affordable Housing Fund." In FY 2019 Fairfax County Advertised Budget Plan (Vol. 2). Fairfax County, June 15, 2018. <https://www.fairfaxcounty.gov/budget/sites/budget/files/assets/documents/fy2019/advertised/volume2/30300.pdf>.

Strategy 3B: Aging-In-Place Assistance. Scale up rehab and renovation funds for elderly homeowners to support aging-in-place for the growing elderly population on fixed incomes.

Timeline:	Where Heard:	Plan Review:	Role:
	 Survey	 Promote Infill and Redevelopment	Lead
Partners:			
Harris County Area Agency on Aging	City of Houston Housing and Community Development Department	Rebuilding Together Houston, other relevant nonprofits	

Context

Aging in place refers to the ability for elderly residents to continue living in their homes as they age, rather than move to nursing homes or assisted living facilities. Aging in place can improve seniors’ quality of life and self-determination, can reduce the chance of illness, and can cost less than dedicated assisted living. Often, the ability for seniors to age in place is in part dependent on having the financial means to make the necessary improvements to their homes, so that they continue to be safe and well-maintained as the ability for the resident to personally maintain them diminishes. Home maintenance for seniors also has the secondary effect of maintaining the overall quality of housing stock in an area, which has wider community benefits. Currently, Harris County and Houston offer independent home repair programs providing financial assistance to rehabilitate housing for seniors. While these programs should continue, adequately supporting the growing elderly population on fixed incomes may require pooling renovation funds and other funds for senior residents under a coordinated plan to holistically support aging in place. Strategies to improve aging in place will be more effective when paired with other housing strategies in this report. For example,

strategies to create more mixed-use development and missing middle housing—providing greater opportunities for seniors to downsize and live in neighborhoods with walking and multimodal access to essential services — makes aging in place a considerably more attainable goal.

Potential Impact

Aging in place can have considerable benefits for elderly residents. From a financial perspective, aging in place allows seniors to tailor their healthcare, housing, and service provision to meet their needs and financial capabilities, rather than rely on preestablished service packages which may provide more care than necessary at too high a cost. For seniors who cannot afford high levels of prepackaged care, without the ability to age in place they may suffer the consequences of too little care, such as the physical and financial expense of catastrophic illness, or costs associated with a poorly maintained home. Furthermore, there are innumerable psychological benefits to aging in place—extensive research has shown that loss of independence in seniors is associated with shorter and less productive lives of decreased quality.*

* Ball, M. Scott. “Aging in Place: A Toolkit for Local

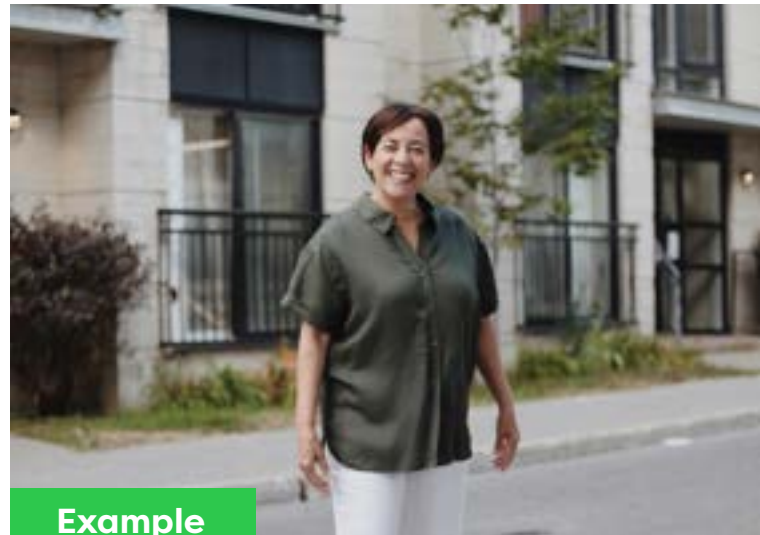
Implementation Steps

Strategies which can improve the physical environment for aging in place dovetail with many strategies proposed in this report to improve access to services, housing affordability, and housing stock diversity more broadly. For strategies to improve and extend services specific to aging in place, Harris County should coordinate with organizations within the county currently offering services and providing support to seniors, such as the Harris County Area Agency on Aging. Possible areas for service extension or improvement include:

- Build out the Harris County Home Repair Program to provide more financial assistance to modernize and improve homes, as well as fix repairs
- Increase property tax assistance and provide a property tax cap for elderly low-income households
- Increase the service frequency, reliability, and range of the Harris County ADA paratransit service, and coordinate with METRO to improve the METROLIFT paratransit service
- Facilitate or establish agency-assisted shared housing opportunities between homeowners seeking to rent out rooms and residents seeking housing.

Harris County should also consider facilitating the establishment of Naturally Occurring Retirement Communities (NORCs) in parts of the county with higher population rates of residents aged 65 and older. NORCs are community supportive service programs, typically initiated and governed by community service providers, to deliver senior-specific services within those communities such as health care coordination, social services, group activities, and more.

Governments.” AARP Public Policy Institute, September 2012. https://www.ca-ilg.org/sites/main/files/file-attachments/resources_aginginplace.pdf?1406088795, 23.



Example

Building an Age-Friendly Community - Howard County, MD

Howard County, MD has developed a twenty-year Master Plan to guide its short-and long-term investments in programs, services, and facilities for seniors within the county. The plan is focused on re-envisioning Howard County as “an age-friendly community where older adults comfortably age in place...” The primary overarching priorities identified in the plan include, among others, ensuring that diverse housing options are available for aging residents and providing affordable and effective mobility options for seniors. In addition to retrofitting the county’s existing housing stock to assist older homeowners, the plan calls for encouraging innovative design and technology to support aging in place, including the creation of new housing types which integrate support services such as assisted living.

* “Planning for the Growth of the Older Adult Population in Howard County.” Howard County Department of Citizen Services. 2015. <https://www.howardcountymd.gov/sites/default/files/media/2015-12/Creating%20an%20Age-Friendly%20Community%202015%20GenRptONLY.pdf>, 4.

Strategy 4A: County Co-Development of Affordable Homes.

The County may co-develop affordable homes by providing land, developing infrastructure, and/or acting as co-developer of affordable homeownership or rental properties.

Timeline:	Where Heard:	Plan Review:	Role:	Partners:
	 Focus Group  HPAC	 Develop Affordable Housing	Lead	Harris County, Private developers

Context

Harris County has two entities that can take an active role in joint development of property to produce affordable homes: the Harris County Redevelopment Authority (HCRDA) and the Harris County Housing Finance Corporation (HCHFC). The Harris County Redevelopment Authority (HCRDA) is a non-profit corporation authorized by Harris County Commissioners Court to “provide strategic support for housing and business development within the County.” In particular, HCRDA has two functions, which are quoted from its website below:

- To promote, develop, encourage and maintain employment, commerce, and community investment and revitalization programs on behalf of the County.
- To administer and implement Tax Increment Reinvestment Zones (TIRZs) within Harris County.[†]

The Harris County Housing Finance Corporation is a non-profit organization established per the Texas Housing Finance Corporations Act. HCHFC can issue bonds and use the resulting revenue to finance multifamily housing or provide mortgages

^{*} Harris County Redevelopment Authority. 2021. About Us. Online at <https://harriscountyrda24.org/about-us/>.
[†] Ibid.

for single-family homes. Currently, HCHFC has been used as a parent corporation for the Harris County Community Land Trust, which will produce permanently or long-term affordable homeownership opportunities for Harris County residents.

While HCDRA and HCHFC function in close alignment with Harris County’s government, their status as separate non-profit corporations allow them to take on more expansive roles within a joint venture or “co-development” arrangement than the County can take on by itself. For example, in return for providing land for a development, the HCRDA or HCHFC could retain an ownership interest in the development which would allow for long-term affordability preservation, or allow increased depth of affordability. The HCRDA could even serve in a primary developer role and assemble a project’s capital stack, with a joint venture partner taking on more construction management responsibilities.

Potential Impact

Joint ventures and co-development allows these not-for-profit entities to be very flexible in filling gaps that may prevent high-quality affordable projects from being completed. For example, if land availability is a barrier, the HCRDA or HCHFC

could focus on land acquisition and infrastructure development and seek partners who would finance and oversee construction of vertical development. The HCRDA's contribution to the project could be leveraged as a project subsidy that allows for long-term affordability.

If mortgage availability is a barrier, as is often the case with shared-equity or permanently affordable community land trust homes, HCHFC can provide mortgages that allow these projects to move forward and provide security for the private developers or homebuilders who advance the projects.

Currently, HCRDA is already issuing development agreements and financing infrastructure for affordable developments, and HCHFC has already issued over \$200M in bonds.

Implementation Steps

The County should consider the primary development objectives, including affordability levels, housing typologies, and locations that it wishes the HCRDA and HCHFC to focus on. The County should work with development partners to better understand how a joint venture strategy could best help to realize these development objectives.



Example

The Vireo Apartments - Harris County, TX

The Vireo Apartments, located in the Lake Houston area, is a 264-unit development with residences priced at 60% of Area Median Income (as defined by HUD). The Harris County Housing Finance Corporation assisted in financing development of the Vireo with a \$23 million bond issued in 2018.* Development of the apartment complex was completed in 2020, and units range from 700 square feet for a one-bedroom to nearly 1,200 square feet for a three-bedroom. The development includes a swimming pool, clubhouse, and playground.†

* Harris County Housing Finance Corporation. 2021. Tax Exempt Bond Programs. Online at <https://www.harriscountyhfc.org/bond-inducement-2/>

† The Vireo Apartments. 2021. Online at <https://apartmentsinhoustontexas.com/>.

Strategy 4B: Equity Framework for Infrastructure Investment.

Extend the County’s equity framework to all County-backed infrastructure bonds to acknowledge and expand their impact on housing and service provision.

Timeline:	Where Heard:	Plan Review:	Role:
	 Focus Group	 Develop and Support Sustainable Infrastructure	Lead
Partners:			
Harris County Flood Control District	Harris County Engineering	Harris County Department of Equity and Economic Opportunity	Harris County Toll Road Authority

Context

In August 2018, Harris County voters approved \$2.5 billion in bonds to finance flood reduction projects.* The Bond Order language that voters approved included a requirement that the County develop a process for the “equitable expenditure of funds.”† In August 2019, the Harris County Commissioners Court adopted a prioritization framework for 2018 bond projects that had not yet started. Under the framework, each project is given a score from 0 to 10 for a series of criterion. Each criterion is given a weight to calculate the final score. The criterion and their weight are as follows, in order from most impact to least:‡

- Flood Risk Reduction (25%): Calculated in terms of water surface elevation reductions, reductions in limits of the 1% floodplain (100-year floodplain), or the number of structures where flooding risks have been reduced. This factor also considers if a structure contains multifamily units that can benefit a greater number of people.
- Existing Conditions Drainage Level of Service (20%): Measures the capacity of District channels by looking at the level of service for different storm probabilities (100-year storm, 50-year storm, 25-year storm, etc.)
- Social Vulnerability Index (20%): A measure of the resilience of communities when confronted with disasters. The framework utilizes the CDC Social Vulnerability Index (SVI).
- Project Efficiency (10%): The total cost of the project divided by the number of structures within the 100-year floodplain
- Partnership Funding (10%): Amount of partnership funding (including FEMA funding) as a percent of project cost.

* “2018 Bond Program.” Harris County Flood Control District. Accessed September 12, 2021. <https://www.hcfc.org/2018-bond-program>
† “Prioritization Framework: Description.” Harris County Flood Control District. Accessed September 12, 2021. <https://www.hcfc.org/Activity/2018-Bond-Program/Prioritization-Framework>
‡ “Prioritization Framework for the Implementation of the Harris County Flood Control District 2018 Bond Projects.” Harris County Flood Control District, August 27, 2019. https://www.hcfc.org/Portals/62/Resilience/Bond-Program/Prioritization-Framework/final_prioritization-framework-report_20190827.pdf?ver=2019-09-19-092535-743

- Long Term Maintenance Costs(5%): Level of ongoing maintenance required from “regular, on-going” to “extensive or specialized” maintenance.
- Minimize Environmental Impacts (5%): Level of environmental impact from “minimal or no environmental impacts” to “significant environmental impacts requiring a Corps of Engineers Individual Permit and mitigation bank credits.”If a project is self-mitigating, there is no net impact.
- Potential for Multiple Benefits (5%): Allots points for additional recreational and environmental benefits (zero for neither, four for recreational, six for environmental).

The framework signals the switch to “worst first” prioritization by considering the number of structures as opposed to the value of structures impacted. This breaks with a tradition of depending on simple cost-benefit analysis to direct infrastructure investments that favors higher-value property and disadvantages lower-income, minority neighborhoods.* These lower-income neighborhoods are more likely to be in the floodplain,tend to receive fewer investments in flood mitigation infrastructure, and have worse outcomes following disasters.† Harris County adopted an equity framework to guide investments funded by the American Rescue Plan Act of 2021(ARPA)in April 2021.‡ The framework

* Flavelle, Christopher. “A Climate Plan in Texas Focuses on Minorities. Not Everyone Likes It.” New York Times, July 24, 2020. <https://www.nytimes.com/2020/07/24/climate/houston-flooding-race.html>

† Abbey Judd, Sidney Beaty, Jessica Jones, and Patrick Bauer. “Transparency and Accountability in the Use of Disaster Recovery Funds.” Mueller Housing Research Lab. University of Texas at Austin School of Architecture, June 3, 2021. <https://sites.utexas.edu/muellerhousinglab/2021/06/03/drowning-in-disinvestment-addressing-inequities-in-stormwater-infrastructure-in-houston-texas/>, 34.

‡ “Harris County Equity Framework for the Investments Funded by the American Rescue Plan Act (ARPA).” Harris County Budget Management Department, Department of Economic Equity and Opportunity, Community Services

outlines equity goals, strategies, and approaches to be used in guiding investments using ARPA funds. The Harris County Department of Equity and Economic Opportunity launched in March 2021.§ This department is focused on implementing economic policies and initiatives that further fair and equitable county contracting, workforce development, job placement, community benefit agreements, and workers’ rights.¶ These efforts further illustrate the switch towards equitable investments of public funds. A framework like the 2018 bond fund prioritization framework could be extended to all county-backed infrastructure bonds to further this commitment to equitable public infrastructure investment.

Potential Impact

Creating a permanent equity framework to guide County-backed infrastructure bonds builds on previous County actions to consider equity in funding decisions. Equity frameworks and goals help address inequitable outcomes in vulnerable communities that occur as a result of historical disinvestment. By guiding investment to these communities, the County can improve resiliency and reduce losses in vulnerable neighborhoods and the region as a whole. Infrastructure investments impact residents and developers alike. Developers in HPAC focus groups emphasized the importance of infrastructure in relation to residential development. The permanent equity framework could address this relationship by incentivizing infrastructure investment in exchange for the creation of affordable housing in areas that lack housing for extremely and very low-income

Department, and Commissioners Court’s Analyst’s Office, April 22, 2021. https://budget.harriscountytexas.gov/doc/ARPA/ARPA_Equity_Framework_4_22_21_ADOPTED.pdf

¶ “Economic Equity.” Harris County Precinct One. Accessed September 13, 2021. <https://www.hcp1.net/EconomicEquity>

households. The framework could help incentivize MUDs to absorb their fair share of affordable housing in exchange for infrastructure upgrades in areas with strong standing in the four community-identified priorities used in the Opportunity Analysis (environmental suitability, access to services, access to quality schools, and safe neighborhoods).

Implementation Steps

The County should partner with the Harris County Engineering, Harris County Flood Control District, Harris County Toll Road Authority, and the Harris County Department of Equity and Economic Opportunity to develop an equity framework to apply to all County-backed infrastructure bonds. The applicable county departments should start by developing a community-driven equity definition for Harris County. Then, the Harris County Flood Control District's prioritization framework can be adapted with this definition in mind to create a more generally applicable, permanent, equity-focused framework. In addition to developing a permanent framework for infrastructure bonds, the County can pursue additional actions to support equity in public management:^{*}

- Develop an equity atlas to help identify areas of Harris County that are most in need and most vulnerable to future disasters. This could be built into the equity framework to guide investment and facilitate project scoring
- Create a permanent equity champion within CSD. One or two staff dedicated to equity can make a significant impact and help create a long-term commitment to equity.
- Establish a county equity review committee to review and rank public investment.

^{*} Judd, Beaty, Jones, and Bauer. "Transparency and Accountability in the Use of Disaster Recovery Funds." 44-45.



Example

Equity Framework For Development - Minneapolis/St. Paul, MN

The prioritization framework developed to guide 2018 bond investments is a good example of an equity framework used to guide infrastructure investment and could be applied to other public spending.^{*} A model for more general equitable public management and investment is the Community Development Division of the Metropolitan Council in Minnesota. The Department created a Racial Equity Action Plan and an equity steering committee, holds staff trainings on racial equity, and conducts an annual racial equity survey to integrate equity into workplace culture.[†] A racial equity impact toolkit helps guide the evaluation of project impact on racial equity and challenges projects to alleviate potential impacts. The Department built equity into grant applications and funding decisions and created map and database tools to help local municipalities identify areas of need.[‡]

^{*} Middleton, Zoe. "Harris County steps into a future of equitable recovery by passing the #HarrisThrives Resolution." Texas Housers, August 29, 2019. <https://texashousers.org/2019/08/29/harris-thrives-resolution-passes-county-flood-bond/>
[†] Judd, Beaty, Jones, and Bauer. "Transparency and Accountability in the Use of Disaster Recovery Funds." 39-40.
[‡] "Place-Based Equity Research." Metropolitan Council, 2021. <https://metrocouncil.org/Data-and-Maps/Research-and-Data/Place-based-Equity-Research.aspx>

Strategy 4C: Multifamily Opportunities. Ensure special-purpose districts allow multifamily uses in exchange for public investments in aging or constrained infrastructure.

Timeline:	Where Heard:	Plan Review:	Role:	Partners:
	 Focus Group  HPAC	 Develop Affordable Housing	Lead	State of Texas; MUDs, Utility Districts

Context

Although special districts are not unique, the large-scale use of Municipal Utility Districts (MUDs) are unique to Texas. Harris, Fort Bend and Montgomery counties have 70% of the MUDs in the state.* Although reports by the Kinder institute found that most MUDs are financially sound, The City of Houston, surrounding Counties, and MUDs are facing revenue issues in the future. The sprawling growth pattern and limitations in revenue collection contribute to difficulty in the County to services. In addition, Houston residents pay taxes to the county, but the county does not invest equitably in infrastructure and services in the City. A Significant amount of Harris County is unincorporated, and these residents are receiving “second-tier” services.

† Although initially intended to be temporary, MUDs have become permanent, hyper-local fragmented governments. Although service delivery and infrastructure are regional in nature, Harris County is functioning within a fractured jurisdictional system.

Through My Home is Here focus groups, we heard

that there is concern about the fiscal sustainability of MUDs, as well as equity issues in the distribution of other infrastructure such as housing. There is history of neighborhood groups in Harris County putting pressure on a MUD to not include multifamily housing in order to continue development.‡

Change needs to occur with both the political management structure and revenue generation in Harris County to ensure that MUDs will not become a hindrance to new housing. There are a number of avenues that could be taken at various scales to work to address these known issues.

Context

Addressing the current and future shortcomings of MUDs through targeted changes made in the state legislature regarding their power and scope, and work at the City and County level to ensure that Houston and Harris County are able to grow sustainably and equitably from an economic, environmental, and social standpoint.

- Identifying housing as a critical investment for Harris county, that needs to be planned and regulated from a regional standpoint. Regulating the political reach of MUDs will be

* Kinder Institute, Rice University. “Governing A Growing Region: Addressing Challenges of Service Provision and Development in Houston.” 2018.
 † Ibid.

‡ Dowall, David E. The Suburban Squeeze: Land Conversion and Regulation in the San Francisco Bay Area. University of California Press. 1984.

fundamental in managing a sprawling County and its future housing needs.

Implementation Steps

Harris County can take a two-pronged approach to address both the political and revenue issues at hand surrounding regional development and service delivery in a politically fractured region. Both the equity issues of service delivery within unincorporated Harris County in the future and the multiple jurisdictions created by MUDs can be addressed through the following:

- Legislative work to provide provisions to require new developments built in a MUD to include a minimum amount of affordable and multifamily housing.
- Regional reforms and consolidation at the City and County level to allow for both regional planning and revenue sharing



Example

Fiscal Disparities Program - Minneapolis / St. Paul Region, MN

40 years ago the Twin Cities Metropolitan Council developed a revenue sharing program in response to disparities in funding. A result of the advocacy of the Citizens League, the fund united the 7 counties and multiple tax districts. All communities in the seven-county area contribute 40 percent of the growth in their commercial-industrial tax base to a regional pool. The funds are redistributed between communities that have more commercial development and those that do not. The program has two main goals: supporting well planned regional development and an equitable distribution of fiscal resources. More communities gain from the shared tax base (99 net recipients) than lose tax base (80 net contributors). Over the years the dynamic has changed of funds being given or received, showing the flexible nature of the arrangement to adjust to changing economic conditions.*

* <https://metro council.org/Communities/Planning/Local-Planning-Assistance/Fiscal-Disparities.aspx>

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CORE VALUE:

**Collaborate with partners
to foster a comprehensive,
affordable housing system.**

Goal 5: Create mixed income housing communities and mixed income housing developments where there is access to jobs, transportation, services, and amenities.

Goal 6: Attract investment that enhances economic opportunity

Goal 7: Diversify housing types and expand transportation choices

Strategy 5A: County Investment Strategy. Partner with area jurisdictions on a coordinated investment strategy to address the ten-year housing gap in Harris County.

Timeline:	Where Heard:	Plan Review:	Role:	Partners:
	 Research	 Develop Affordable Housing	Convene	All Local Entities, Partners, and Affiliates

Context

Reducing Harris County’s housing gap requires coordinated efforts from all local players. In order to create lasting affordability, County jurisdictions must develop strategies for systematic housing investment that addresses the needs of the region’s most vulnerable residents. Tackling the \$47 billion expenditure required to meet this need, as outlined in the What We Found section of this report, further necessitates coordination among Harris County entities.

Solving the social problem of housing insecurity, affecting hundreds of thousands of households in Harris County today requires innovative solutions. The need for construction of over 20,000 homes per year, primarily for households earning less than \$35,000 per year (60% MHI), in tandem with additional considerations for hazard reduction, service provision, and enhanced transportation options, will inevitably require a large mobilization of resources. Today, all jurisdictions in Harris County including the County, City of Houston, City of Pasadena, and City of Baytown spend around \$96 million per year in federal allocated dollars on affordable housing; this does not account for additional TIRZ dollars that the City of Houston also allocates to supporting affordability. To meet the \$47 billion figure required to meet the ten-year gap in Harris County, annual affordable housing expenditure would need to be 48 times what all

these jurisdictions are currently spending. While there are ways to reduce this figure, implementing action to create new solutions to address Harris County’s housing gap will require collaboration all local entities, partners, and affiliates.

Potential Impact

Coordinating efforts among county jurisdictions may yield a number of positive impacts related to funding, land use, and development strategies. Harris County should consider strategies to reduce the \$47 billion figure without reducing ambitions to end housing insecurity. Creating a process for utilizing publicly-owned land, owned by the County, its cities, school districts, the State of Texas, and other municipal entities can reduce costs associated with land acquisition or development, and can lessen the overall figure associated with closing the ten-year gap. Other strategies like reinforcing partnerships with regional entities can also help distribute housing responsibilities from the county to other jurisdictions. Engaging land banks, community land trusts, corporate anchors, nonprofit organizations and other partners in affordable housing development efforts can assist in diminishing overhead costs and administrative efforts shouldered by the County itself. There may also be opportunity for specific Low Income Housing Tax Credits (LIHTC) to be used more if supplemented with more local funds.

Implementation Steps

Developing a coordinated strategy for investment begins with recognition from all Harris County partners that taking uncoordinated action will likely fail to address the major challenge at hand. This in turn can facilitate the development of pre-approved plans and processes for coordinating efforts based on local and national best practices. The County should also determine a strategic allocation of public funding and coordinating resources using tools including the suitability analysis, opportunity analysis, and market analysis in the report. Resources to coordinate include:

- Publicly-owned land - owned by the County itself, by its cities, by school districts, by utilities, by the State of Texas
- Public subsidy dollars for new production
- Partnerships for acquiring, developing and maintaining affordable developments (including work to live programs, building atop public land or publicly-owned buildings and other related strategies)
- Public service provision to reduce cost burden using means other than new housing production (e.g. infrastructure installation/repair, home repair, local resilience efforts, weatherization, etc)
- Site-specific planning tools such as LINK Houston's transportation access scorecard and continually update suitability analysis to make site decisions.
- Additional CRAs or revision of old CRA plans, in combination with other efforts to meet HTC community revitalization requirements
- Pursue subarea plans for designated community revitalization and high-growth areas where targeted investments in mixed-income housing can support the County's long-term affordability goals.



Example

Investment and Planning Coordination - Denver, CO

Housing Inclusive Denver is a regional plan to coordinate regional efforts in support of affordable housing across the city of Denver, Colorado and surrounding counties. The county-wide plan includes strategies for linking resources and investments to develop lasting solutions to address cost burden in the area. Actions include “expand[ing] accessible and affordable housing investments...through partnerships and cross-disciplinary involvement” through expanding below market-rate transit oriented development funding options, developing an Annual Housing Summit, and creating public-private partnerships to acquire and develop on public land. Housing Inclusive Denver also accounts for coordinated investment, data collection, and outcome metrics for City investments across housing and affordability programs, and plans for reducing cost burden through coordinated service integration.

* Housing an Inclusive Denver 2018-2023. https://www.denvergov.org/content/dam/denvergov/Portals/690/Housing/HousingInclusiveDenver_FINAL_020918.pdf

Strategy 5B: Transit Oriented Development Strategy. Pursue Joint Development opportunities with area jurisdictions to bring mixed-income, mixed-use development near frequent transit.

Timeline:	Where Heard:	Plan Review:	Role:
	 Focus Group	 Develop Affordable Housing	Convene
Partners:			
Harris County Transit	H-GAC, County Precincts, METRO	LINK Houston, Municipalities	Special-Purpose Districts

Context

Transit-oriented development, or TOD, is an approach to create more housing opportunities near high-frequent transit services or stations. By placing more housing near transit, communities are able to offer households the opportunity to reduce their transportation costs--which make up the 2nd largest household expenditure--and live lower-carbon lifestyles than those predominantly around the car. TOD can be a catalyst for neighborhood revitalization and can encourage placemaking through a mixing of land uses that bring more services, jobs, and amenities close to adjacent neighborhoods. Moreover, TOD is an urban infill opportunity that adds more housing in areas such as underutilized park and ride lots or existing transit facilities.

Joint development, a subset of TOD, focuses on development in transit-owned land where public-private partnerships can be leveraged to attract housing development. Through real estate approaches such as a ground lease, the transit entity can secure long-term revenue streams and use that to support other investments in added transit service, infrastructure improvements, or housing subsidies within the TOD.

Potential Impact

METRO, the region’s largest transit provider, manages various transit centers and commuter park and ride lots throughout Harris County. Opportunities abound in these sites to create transit oriented communities through METRO’s Joint Development process.

Figures 65 and 66 illustrate TOD opportunities in Harris County.

Implementation Steps

Harris County can work with METRO to identify suitable locations based on further market evaluation, transit service goals, and housing policy priorities.

Furthermore, both entities can also find ways to enhance TOD planning and analysis efforts, including creating analytical tools that the development community and mission-driven housing developers would find helpful when evaluating TOD investments.

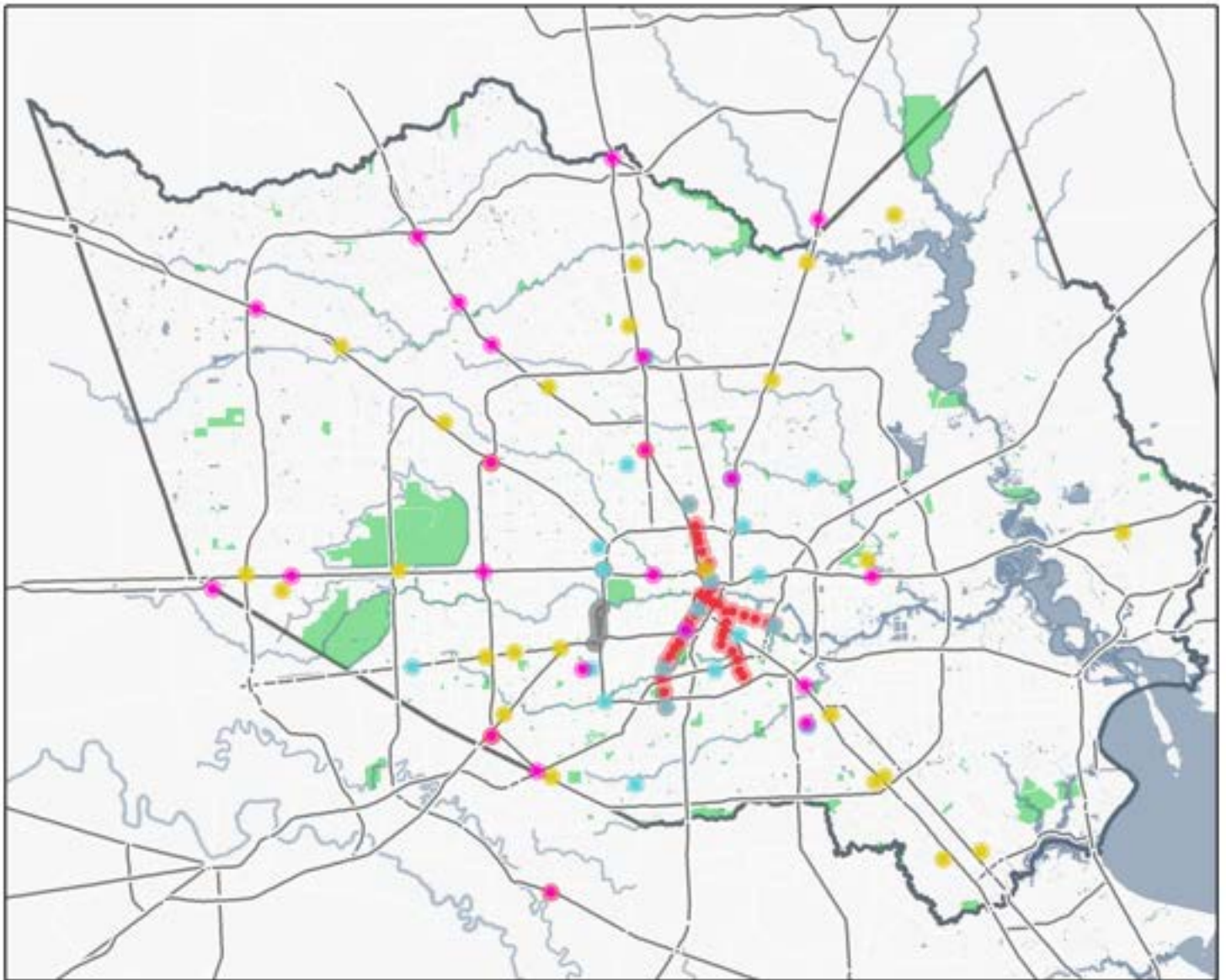


Figure 65: Transit Oriented Development Areas

Data Source: METRO

Legend:

- METRONext TOD Area
- Park & Ride TOD Area
- Transit Center TOD Area
- Light Rail TOD Area
- METRORapid TOD Area



Figure 66: Eastex Park & Ride: TOD Sites

Data Source: Kinder Institute

Legend:

TOD Half-Mile Catchment Area

Parcel Sizes within a half-mile of Transit:

1. METRO Lot - 371,000 square feet
2. Privately Owned - 1,500,000 square feet
3. Privately Owned - 43,000 square feet
4. Privately Owned - 1,000,000 square feet
5. Pine Village PUD - 378,000 square feet
6. Privately Owned - 179,000 square feet
7. Privately Owned - 83,000 square feet



Strategy 6A: Anchor Institution-Led Place-Based Investment. Approach anchor institutions to increase investments in employer- or university-supported mixed-use housing opportunities. Partner with school districts, churches, TIRZs, community colleges, universities, and area health systems.

Timeline:	Where Heard:		Plan Review:		Role:

Context

Harris County is home to various large employers and regional industries in aerospace, healthcare, education, and energy, among others. Projections by the county show that large parts of Northwest Harris County and concentrated areas along the northern rim of Beltway 8 will likely experience considerable job growth in coming years. Without action, this could widen the mismatch between job and housing opportunities for low- and mid-income workers in those areas, who will in turn face higher transportation costs and worsen the region’s air quality.

Harris County employers both large and small have multiple incentives to contribute to the health of their shared home. Locating in a region with a high quality of place—abundant cultural amenities, transit, and affordability—is imperative to attracting and retaining a young, educated, and diverse talent pool.* Additionally, the wellbeing

of most locally-oriented private and public organizations is largely dependent on the financial health of the communities they serve.

Employer and anchor institution-led place-based investing can add new affordable housing, services, and mobility options to their surrounding areas, while at the same time growing assets to improve the sustainability of organizations’ and companies’ core operations.[†] Taking advantage of this potential win-win scenario can be a powerful strategy for Harris County to inform and partner with private and public sector leaders to improve livability in the county.

* Florida, Richard. “What Cities Really Need to Attract Entrepreneurs, According to Entrepreneurs.” Bloomberg

CityLab, 2014. <https://www.bloomberg.com/news/articles/2014-02-11/what-cities-really-need-to-attract-entrepreneurs-according-to-entrepreneurs>
[†] “Place-Based Investing.” Hospitals Aligned for Healthy Communities. The Democracy Collaborative, August 15, 2017. <https://hospitaltoolkits.org/investment/place-based-investing/>

Potential Impact

Place-based investing has the potential to significantly increase underserved communities' access to capital for goals like improving affordable and supportive housing, job creation, transit access, and more. Impact investing can be particularly beneficial to areas which have long faced disinvestment. As such, it may be especially appealing to partnering organizations located near or within those areas of Harris County. By surveying local needs, being inclusive and thorough in gathering feedback, and accurately mapping community needs, place-based investing can amplify underrepresented voices and address service and affordability gaps with a new perspective and source of funding.

Implementation Steps

Regional anchors with campuses throughout the county make for suitable partners in the pursuit of place-based investment programs. These include numerous health systems, community colleges, law enforcement agencies, school districts, and airports—particularly those located near areas with chronic disinvestment as identified in the Opportunity Analysis (page 99).

Harris County's primary role in developing a place-based impact investing network should be educating or facilitating funds to a nonprofit for educating potential investors about the many benefits of this strategy. Key to an education-focused strategy is underlining to employers that place-based investment has the twofold benefit of allowing institutions to improve the health of the community they reside in—therefore improving their competitive advantage for attracting employees and the community's capacity to receive their services—while simultaneously earning a healthy rate of return.

Asset classes prime for capital investment include:*

* "Place-Based Impact Investing." Urban Institute,

- Depositing cash and cash equivalents in local community banks and credit unions to expand underserved communities' access to capital;
- Providing geographically targeted private and public debt investments to financial intermediaries, intended for responsible investment in local communities;
- Making equity investments in local private enterprises to seed, scale, and retain local businesses;
- Investing in local infrastructure, real estate, and commercial properties for a more equitable local economy.

Part of the education process may also involve suggesting ways to assess opportunities and measure success — not only from a financial perspective, but from a social benefits perspective as well. There are a number of current and emerging resources on place-based impact investing, including toolkits to assist employers in measuring success. While the specifics of measurement will be dependent on individual investors' needs and goals, general resources include publications by the Urban Institute such as their 2018 research reports *Investing Together: Emerging Approaches in Collaborate Place-Based Impact Investing*[†] and *Measuring Community Needs, Capital Flows, and Capital Gaps*[‡], as well as the *Healthcare Anchor Network's Place-based Investing Toolkit*.[§]

May 15, 2018. https://www.urban.org/sites/default/files/2018/05/15/pfsi_onepager.pdf.

† Ibid.

‡ Brett Theodos, Eric Hangen, Carl Hedman, and Brady Meixell, "Measuring Community Needs, Capital Flows, and Capital Gaps." Urban Institute, November 14, 2018. https://www.urban.org/research/publication/measuring-community-needs-capital-flows-and-capital-gaps/view/full_report

§ "Place-Based Investing."

Strategy 6B: Mixed-Use Development. Support community and economic development in neighborhoods with chronic disinvestment that brings community services, fresh food options, and childcare.

Timeline:	Where Heard:	Plan Review:	Role:
	  Focus Group HPAC	 Promote Use of Target Area Economic Incentives	Lead
Partners:			
City of Houston, LISC Houston	TIRZs, MMDs	Opportunity Zones	Other municipalities

Context

In areas within Harris County which have experienced a persistent lack of market investment, relatively low property values, levels of employment, and service provision have created an entrenched condition of chronic disinvestment. In addition to the lack of critical community services and opportunities for residents, disinvested areas provide financial challenges to local tax revenues, as depressed property values constrain financial resources for revitalization.

Promoting mixed-use development can be an effective revitalization strategy in such cases. Mixed-use development refers to development which includes a combination of uses within close proximity—from office and retail to residential, childcare, and civic uses like libraries, health clinics, and schools. Promoting mixed-use development in disinvested areas can open up new possibilities for revitalization by reactivating underutilized spaces, attracting diverse populations through the development of a more diverse housing stock, and encouraging placemaking opportunities and social connections through the creative use of space.

However, mixed-use development revitalization strategies must ensure that they benefit existing area residents rather than displace them. In areas under threat of gentrification and displacement, precautions must be taken to retain and enhance area affordability while encouraging reinvestment. Furthermore, any localized mixed-use development revitalization plans in disinvested areas must work closely with residents and community organizations within those areas to ensure that proposed plans have their support.

Potential Impact

Mixed use development can provide benefits for both residents and organizations by creating opportunities for small-scale service provision in close proximity to residents. By allowing for more intense and diverse land uses, small businesses like grocery stores or childcare facilities can more easily afford to locate within mixed-use developments incorporating a range of commercial and residential uses, especially when they have a built-in customer base due to residential proximity. Additionally, mixed-use development can be attractive to developers because of the ability to generate shared revenue streams between retail, residential,

and office units, which can lower investment risk. Furthermore, combining uses within close proximity can have a considerable positive impact on area walkability and bikeability, decreasing traffic congestion and parking requirements while creating conditions to improve residential health and community interaction.

Implementation Steps

First, Harris County should identify neighborhoods of the Opportunity Analysis map—titled “Attract investment that enhances economic opportunity”—which would particularly benefit from promoting mixed-use development. Many of these communities are suitable candidates for the Houston-Galveston Area Council’s (H-GAC) Livable Centers program which is a competitive planning grant to plan for more walkable, mixed use development. In conjunction with this step, the county can assess gentrification vulnerability. Preference should be given to areas not at risk of gentrification, with the understanding that safeguards to prevent displacement are essential for areas with demonstrable displacement risk.

To incentivize mixed-use developments in areas chosen for revitalization, Harris County can rely on tools such as the Smart Growth Criteria Matrix, a project-specific assessment tool used by localities to score projects based on the degree to which they meet mixed-use development goals and justify development incentives. Examples of incentives include waivers or reductions to processing fees, tax abatements, and streamlining the development’s approval process.* Other incentives to develop in disinvested areas may include tax foreclosure property programs or property lien dismissals, as well as using Tax Increment Reinvestment Zones to provide incentives through tax-increment financing or 380 agreements.†

* “Promoting Mixed-Use Development.” Plan Hillsborough, 2014. http://www.planhillsborough.org/wp-content/uploads/2014/04/HillsboroughCaseStudyMemoOnMixedUse_May15-2014.pdf.
† Fulton, William. “Opportunity Zones: Gentrification

Creating mixed-use development opportunities within disinvested communities requires careful consideration of safeguards to mitigate potential displacement. In areas with some risk of gentrifying, the above-mentioned financial incentives should include the provision of affordable housing targeted to area residents as a necessary component of any mixed-use projects seeking to take advantage of financial incentives. In particular, any TIRZ districts established for such locations should have a substantial portion of property tax revenue proceeds directed toward creating affordable housing within the district.

Example

Mixed Use Development - Orange County, FL

Orange County, Florida, has developed a county plan, entitled Destination 2030, containing policies to implement mixed-use development through incentives. The county has revised its development standards to remove constraints for projects which are found to meet a set of mixed-use development goals—for example, promoting neighborhood connectivity, multimodal transit opportunities, and providing a mixture of retail, office, multifamily, civic, and public uses, etc. Additional incentives for vertical mixed-use development include reduced and shared parking standards, minimum and/or incentivized FARs, expedited review, and alternative urban infill code compliance standards.*

* “Orange County Florida: Comprehensive Plan 2010-2030 Goals, Objectives & Policies.” Orange County Planning Division, May 19, 2009. <https://www.orangecountyfl.net/Portals/0/resource%20library/planning%20-%20development/Goals%20Objectives%20and%20Element%20Update%202020.pdf>, FLU-20.

on Steroids?” Rice Kinder Institute for Urban Research. Rice University, February 20, 2019. <https://kinder.rice.edu/urbanedge/2019/02/20/opportunity-zones-gentrification-steroids>.

Strategy 6C: Neighborhood-based Economic Inclusion. Institute a Community Benefits approach to publicly-subsidized projects based on neighborhood input.

Timeline:	Where Heard:	Plan Review:	Role:
	 Focus Group	 Promote Use of Target Area Economic Incentives	Convene
Partners:			
City of Houston	Neighborhood associations and community organizations	Houston Coalition for Equitable Development without Displacement (HCEDD)	

Context

Harris County should establish a Community Benefits Agreement (CBA) policy for development projects within the county. CBAs are agreements between community groups and developers which require that specified community benefits be attached to projects, such as affordable housing, local hiring, or the provision of a living wage, often in exchange for community approval and/or qualification for public subsidies.* CBAs began in the early 2000s, when coalitions of community members—often residing in disinvested, low-income communities—began to pressure development to include localized community benefits or else face opposition.†

While CBA contracts are made between community groups and developers, some cities have begun to require that developers agree to CBAs with relevant community groups before being approved for public subsidies. The City of Houston began

attaching CBAs to public subsidies in 2018, as part of a general push to raise standards for publicly subsidized developments.‡ The city established eight overarching CBA areas, and applicants for tax abatements are required to fulfill an agreed-upon community benefit within one or more of those areas in order to receive public subsidies. These eight CBA areas are: job training residents in qualifying census tracts; first source hiring for those residents; on-site retail space and pop-up opportunities for businesses in qualifying census tracts; affordable housing; workforce housing; job training for entry or mid-skill level jobs; participation in job reentry programs; and paid internships for low-income students.§

Potential Impact

Because CBAs are made between developers and community coalitions—ideally representing a broad range of community members—, they are likely to address real and present needs within the

* “Community Benefits 101.” Partnership for Working Families. 2015. <https://www.forworkingfamilies.org/page/community-benefits-101>
 † De Barbieri, Edward W. “Do Community Benefits Agreements Benefit Communities?” Federal Reserve Bank of Boston, April 13, 2017. <https://www.bostonfed.org/publications/communities-and-banking/2017/spring/do-community-benefits-agreements-benefit-communities.aspx>

‡ Brey, Jared. “Houston Attaches Community Benefit Strings to Public Subsidies.” Next City, May 24, 2018. <https://nextcity.org/daily/entry/houston-attaches-community-benefit-strings-to-public-subsidies>
 § City of Houston Code of Ordinances, §44-120. https://library.municode.com/tx/houston/codes/code_of_ordinances?nodeId=COOR_CH44TA_ARTIVTAAB_S44-120PRENPOPRRE

community. Development projects often do not deliver clear benefits to existing local residents, including projects which receive subsidies from local government. With CBAs in place, however, all parties can benefit and have an incentive to participate; community groups are given direct negotiating powers to fulfill a local need, developers can ensure a smoother entitlement process and generate public support, and local government can ensure there are clear connections between subsidies given to development projects and community benefits received from said projects.*

Implementation Steps

Because CBAs function as a contractual agreement between community coalition and developer, Harris County's only direct steps should be around creating and maintaining a policy that development projects which receive public subsidies must have CBAs in place. Beyond this policy, Harris County should partner with neighborhood/community groups to explain the policy and provide resources to support CBA negotiations. One common approach is for developers to work with a representative coalition of different community or neighborhood groups, acting as the intermediary between neighborhoods and developers. Furthermore, CBAs are often negotiated with aid from a national or regional advocacy group knowledgeable about the development process.† Once the CBA contract is agreed upon, it should be incorporated into development regulatory agreements to ensure enforceability.‡

Once the CBA has been established and subsidies given, monitoring for compliance should be done regularly – in accordance with the CBA contract—either by the relevant community group or coalition of groups, the local government, or another third-party.

* "Community Benefits 101."

† Thomas A. Musil, "The Sleeping Giant: Community Benefit Agreements and Urban Development," Urban Lawyer 44, no. 4 (Fall 2012): 827-852

‡ Ibid.

In addition, areas susceptible to gentrification are ideal candidates to promote "right-to-return" policies, which prioritize affordable units for long-term residents in communities facing rapid displacement. These policies can be enshrined through publicly subsidized housing projects on a case-by-case basis.

Example

Economic Inclusion - Milwaukee County, WI

In Milwaukee County, WI, the Good Jobs and Livable Neighborhoods Coalition, made up of 27 community-based organizations, created a CBA for a 64-acre redevelopment of The Park East Corridor on land owned in part by the City of Milwaukee and in part by Milwaukee County. The CBA, titled the Park East Redevelopment Compact (PERC), required that county-owned land be sold to developers whose proposals would most assist the area in terms of jobs, tax base, and community image, in addition to proposed price. PERC also stipulated increases to affordable housing, transit options, and green building requirements for the project's construction. Further, PERC required that at least 25 percent of construction jobs be from businesses designated as Disadvantaged Business Enterprises/Minority Business Enterprises, and that at least 5 percent be from Women's Business Enterprises.*

* "Community Benefits Agreement Guides Development in Milwaukee's Park East Corridor." PD&R Edge. US Department of Housing and Urban Development. Accessed August 31, 2021. https://www.huduser.gov/portal/pdredge/pdr_edge_inpractice_072012.html.

Strategy 7A: Transit Expansion. Identify areas of Harris County suitable for fixed route transit service expansion and first and last mile connections to transit by maximizing federal/state grants and METRO’s Moving Forward Plan.

Timeline:	Where Heard:	Plan Review:	Role:
	 Focus Group	 Develop and Support Sustainable Infrastructure	Convene
Partners:			
Harris County Transit	METRO, H-GAC, County Precincts, LINK Houston	Municipalities, Harris County Toll Road Authority (HCTRA)	

Context

Expansive urbanization in Harris County has led to the growth of housing beyond the reach of existing transit service. Much of this housing is located in far reaches of the county and deceptively affordable, as households spend more on transportation given that choices are limited mainly to commuter bus service. It is estimated that the median county household pays 47% of their household budget on housing and transportation, one of the highest combined in the nation and above the 45% cost burden threshold when both are factored together.* In 2019, Harris County Community Services Department worked with county commissioners to expand fixed route bus service in eastern reaches of the county with the introduction of five new routes connecting to other regional transit services.† However, there remains a need for fixed route service in northern

and northwestern Harris County where there are limited options and large quantities of privately-held affordable housing, also known as naturally occurring affordable housing or NOAH.‡ Moreover, job and household projections suggest these areas are likely to continue growing with more cost-burdened households.

Potential Impact

By expanding fixed route transit service, policymakers are able to make more housing choices viable for people in search of an affordable home today and to accommodate future county residents. Households can reduce transportation costs by delaying or putting off the need to buy a second or third vehicle, and find housing with greater access to work, school, childcare, shopping or other amenities that support daily household activities. For households wholly dependent on transit, it means more choices become available in the pursuit of an affordable home across more neighborhoods of Harris County. Figure 65 illustrates the areas of Harris County where

* Villegas, Carlos. Many in Harris County find themselves living farther and farther from jobs. August, 2020. Urban Edge Blog. <https://kinder.rice.edu/urbanedge/2020/08/11/affordable-housing-far-from-jobs-low-wage-workers>
† Houston Public Media. New Bus Routes Will Serve Harris County Residents Still Recovering From Hurricane Harvey. September , 2019. <https://www.houstonpublicmedia.org/articles/news/transportation/2019/09/30/347451/new-bus-routes-will-serve-harris-county-residents-still-recovering-from-hurricane-harvey/>

‡ LINK Houston and Rice University: Kinder Institute for Urban Research (2020). Where Affordable Housing and Transportation Meet in Houston. Rice University. <https://linkhouston.org/wp-content/uploads/2020/05/Where-Affordable-Housing-and-Transportation-Meet-in-Houston.pdf>

affordable housing is located and investments in fixed route bus service would make the biggest impact.

Implementation Steps

Action 1: Measurable Objectives and Analysis of Transit Need with Partners. First, Harris County should define measurable outcomes for transit service expansion with partners at H-GAC, METRO, and Harris County Transit. Examples include setting benchmarks on the share of residents who live within a half-mile of high-frequent transit, changes to household housing and transportation costs along key corridors or neighborhoods, or ridership goals of new or piloted service. Existing tools are available to analyze transit needs, such as the Opportunity Analysis in this study that identifies areas where there are desirable housing options but lack transportation choices (i.e. Diversify housing types and expand transportation choices). LINK Houston's Quality Affordable Transportation Index (QATi) also illustrates where equitable access to transit, biking, and walking are available in the county and the index can be combined with the location of affordable housing stock to highlight prime areas where transportation investments can make the biggest impact to cost-burdened households.

Action 2: Preservation and Stabilization of Housing to Prevent Displacement Prior to Transit Expansion. Improving transit service and infrastructure has been linked to gentrification and displacement in cities throughout the U.S.* A comprehensive approach to housing affordability through transit expansion entails an examination of the unintended consequences to existing communities, particularly those identified as being susceptible to gentrification.†

* Casey Dawkins & Rolf Moeckel (2016) Transit-Induced Gentrification: Who Will Stay, and Who Will Go?, *Housing Policy Debate*, 26:4-5, 801-818, DOI: 10.1080/10511482.2016.1138986

† Kinder Institute for Urban Research (2020). *Neighborhood Gentrification Across Harris County: 1990 - 2016*. Rice University. <https://linkhouston.org/>

Action 3: Leverage METRONext for Fixed Route Bus Service in NW Harris County. An analysis of QATi and location of NOAH for this study suggests there are several corridors in northwest Harris County with ample stock of affordable housing that are not adequately served by fixed route bus service despite being within the METRO service area (see Map x). To that end, an analysis with these factors could form the basis of coordination with METRO on implementation of the voter-backed bond referendum for transit expansion (i.e. METRONext's Moving Forward Plan). The plan has called for \$414 million in System Enhancements, among them systemwide route improvements, microtransit options, and first and last mile investments, all relevant considerations for expanding transportation choices and fixed route bus service in areas with affordable housing, such as those identified in the map in northwest Harris County.

Action 4: Identify Dedicated Sources of Revenue for Transit Expansion in SE Harris County. Areas of southeast Harris County also demonstrate patterns lacking transportation choices combined with high volume of affordable housing stock. However, these areas are beyond the METRO service area and require additional investment through Harris County Transit and area municipalities, both of whom lack a dedicated source of revenue for transit expansion. This necessitates the pursuit of competitive grants and coordinated investments between jurisdictions and transit providers which can be challenging to sustain given surrounding municipalities are capped at the state's sales tax ceiling. One untapped funding solution is to consider toll revenue from the Harris County Toll Road Authority (HCTRA) as a source of dedicated revenue to expand service and bring capital improvements that can provide transit access.

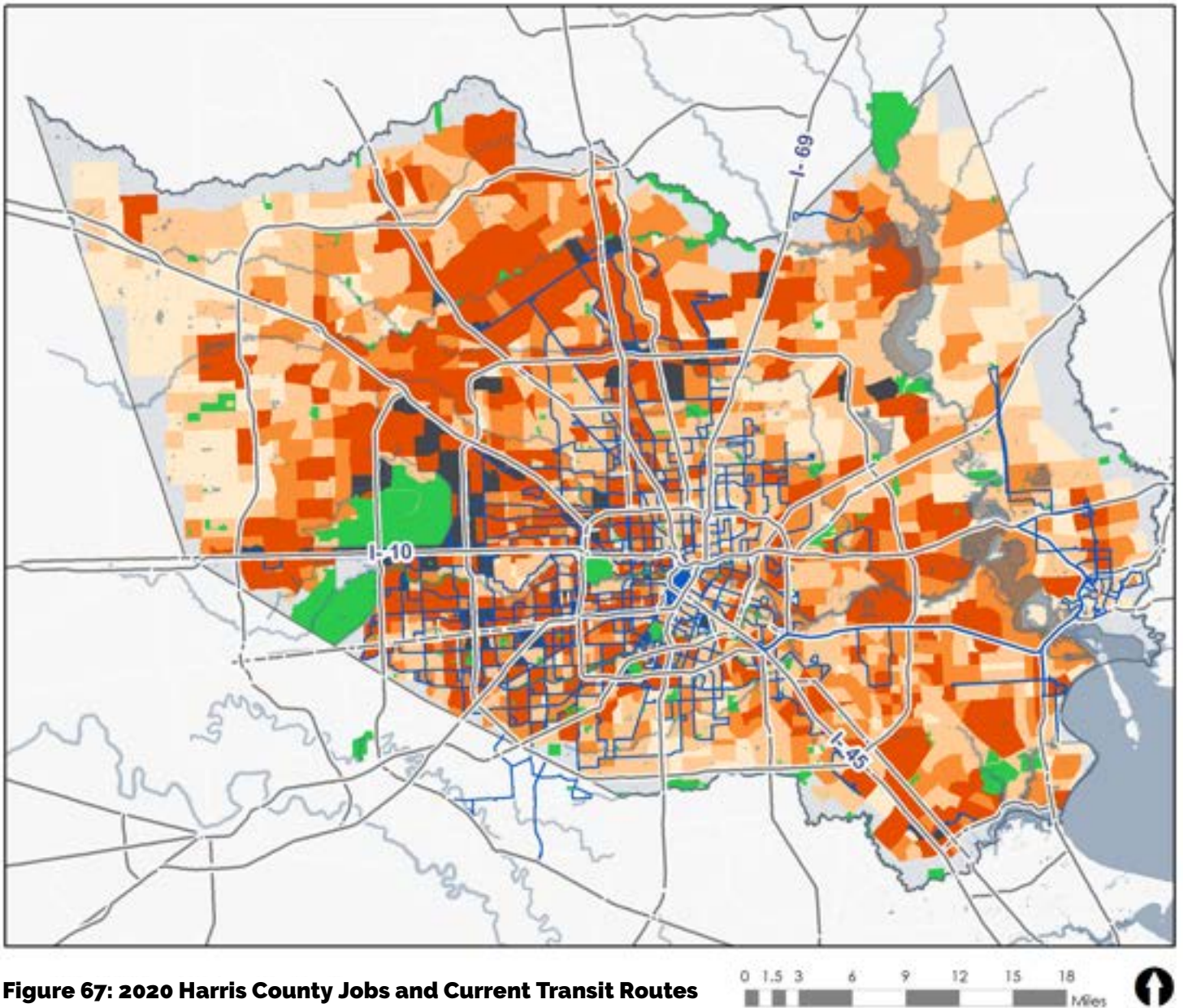


Figure 67: 2020 Harris County Jobs and Current Transit Routes

Data Source: Houston-Galveston Area Council
(H-GAC) 2018 Regional Forecast
METRO and Harris County Transit

Legend:

Highways	2030 Jobs in All Categories:
Rivers	0-100
Water	101-500
County Parks	501-1,000
Bus Routes	1,001-5,000

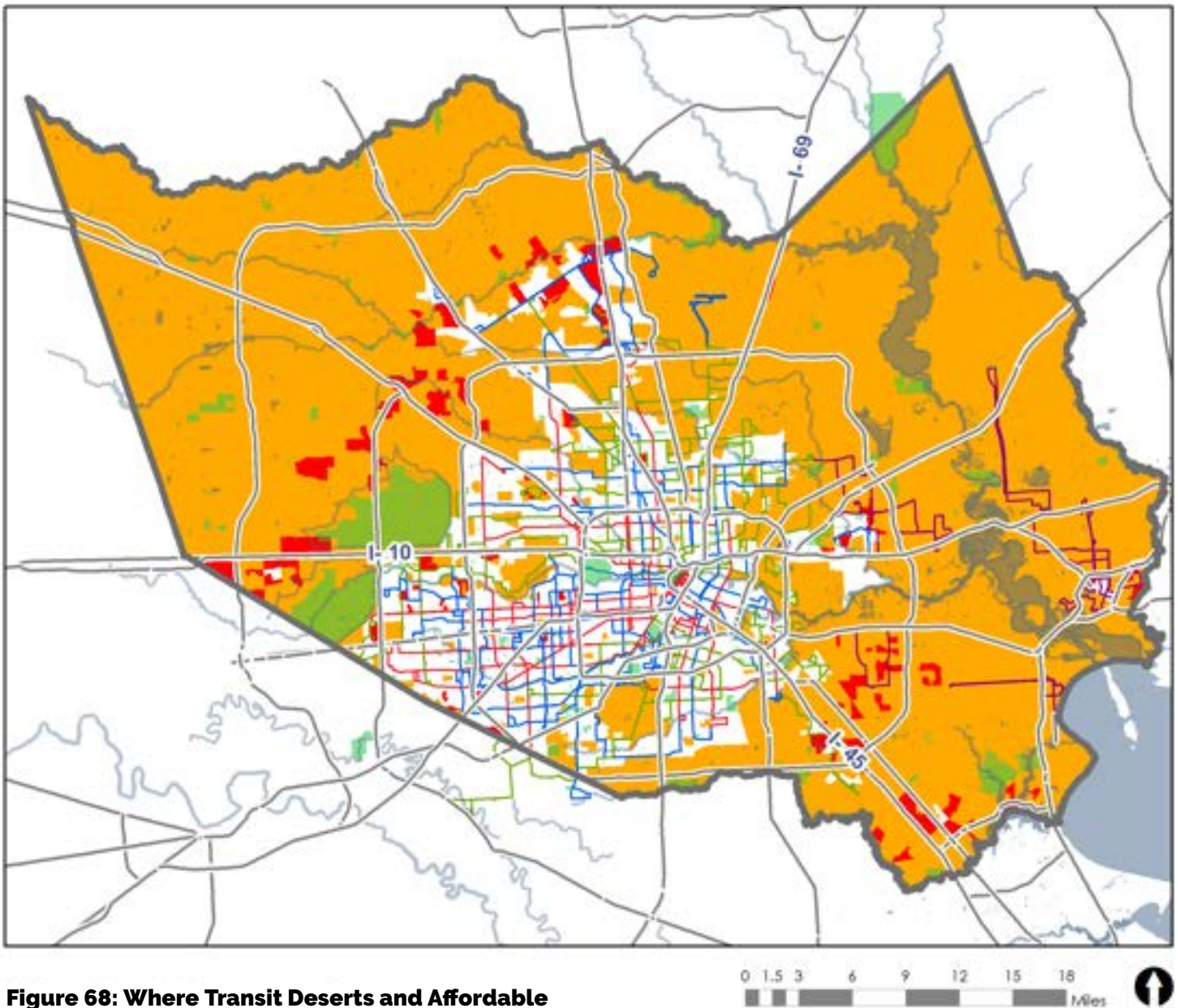


Figure 68: Where Transit Deserts and Affordable Housing Overlap

Data Source: Kinder QATi Tabulation and LISC Houston, 2021

Legend

- | | |
|---|----------------------------------|
| — Highways | Bus Routes: |
| — Rivers | — 15 min or less |
| — Water | — 30 min |
| — County Parks | — 60 min |
| | — 80 min (Harris County Transit) |
| Below Median QATi and Above Mean NOAH | |
| Below Median QATi and Below Mean NOAH | |

Data Notes:

- Low transportation access represents the bottom half of all census block groups in the Quality Affordable Transportation Index (QATi).
- Naturally occurring affordable housing (NOAH) is computed percentiles of NOAH density as above or below the mean for all Census block groups.

Strategy 7B: Housing Diversity in Cities and their ETJs. Work with county cities to enable more diverse housing options through their land use policies.

Timeline:	Where Heard:	Plan Review:
	Focus Group HPAC	Develop Affordable Housing Rehabilitate Housing and Revitalize Neighborhoods Promote Infill and Redevelopment
Role:	Partners:	
Support	34 Harris County municipalities, City of Houston's Livable Places Action Committee Walkable Places Committee, and Complete Communities	

Context

Since 2005, Houston has experienced a notable increase in land-efficient, compact housing development in the city’s urban core. According to a study produced by the Kinder Institute, this dense housing growth has occurred predominantly in high-demand areas with relatively low risk of gentrification, likely due to Houston’s reduced minimum-lot-size requirements and lack of use-based zoning.* However, so far compact development within Houston has largely meant construction of detached townhomes, which are associated with attainable costs for families earning close to 160% of area median income. This means that townhomes, while generally more attainable than larger single-family homes, remain out of reach for middle- and low-income residents, and redeveloping areas by building townhomes can threaten displacement for lower-income people.

To create a more equitable strategy for housing redevelopment, Harris County should convene with

municipalities like the City of Houston to create a larger diversity of missing middle housing. In this context, missing middle housing refers to not just townhomes but also multiplexes, accessory dwelling units (ADUs), cottage courts, and more. Building more diverse housing types throughout Harris County’s incorporated areas will create a larger range of price points for home ownership, opening the possibility up to lower income households.

Potential Impact

Creating a diversity of missing middle housing types can make homeownership a realistic option for lower income residents and can further diversify rental options throughout the county. Missing middle housing directly addresses fundamental drivers of housing costs and minimizes those costs by reducing the per-unit land costs and simultaneously keeping per-unit construction costs low relative to single-family housing.† Making

* Guajardo, Luis. “In Houston and everywhere else, (lot) size matters.” Rice Kinder Institute for Urban Research. Rice University, April 8, 2021. <https://kinder.rice.edu/urbanedge/2021/04/08/houston-housing-affordability-townhomes-lot-size-matters-gentrification>.

† Kevin Howard and Nicole Joslin. “Missing Middle Housing in Austin, Texas.” Austin Community Design and Development Center. UT Austin Center for Sustainable Development, May 2016. https://ulidigitalmarketing.blob.core.windows.net/ulidcnc/2016/10/Transition-Zones_MISSING-MIDDLE-HOUSING_white-paper.

homeownership possible for lower income residents can also alleviate displacement pressure due to gentrification by providing existing residents with the opportunity to remain in their neighborhoods at stabler rates than rental costs inflated by gentrification can provide.

Furthermore, missing middle housing can provide a level of density that more readily allows for walkable neighborhoods and multimodal transit relative to single family housing. As a result, missing middle housing can make it easier for seniors to downsize and age in place. Missing middle housing can also provide a smooth transition from single-family neighborhoods to high-density apartments and mixed-use districts. In this way, missing middle housing can even act as a “buffer” between single-family neighborhoods and denser development.

Implementation Steps

Harris County should convene with the Houston Planning Commission’s Livable Places Action Committee, the Walkable Places Committee, and Complete Communities to determine what role the county can play in promoting the development of missing middle housing. Potential strategies to encourage missing middle housing within incorporated areas include:

- Reducing parking requirements, allowing for more developable area per lot and maintaining the financial feasibility of small-scale residential infill;
- Changing how impact fees are assessed, so that the fee is based on square footage rather than number of units, which disincentivizes developers from building smaller-scale residential units. For example, as of 2021 City of Houston impact fees for water and wastewater are calculated on a per service unit basis,

defined as “an equivalent dwelling unit (EDU),” and the fee is “based on the amount of water consumed and wastewater generated by a typical single-family residence;”*

- Reducing development-code restraints—for example, reducing setback or minimum lot size requirements—for missing middle housing proposals.

Example

Promoting Housing Diversity - Montgomery County, MD

Montgomery County, MD has become a strong advocate for and initiator of missing middle housing in recent years. In particular, the county has incorporated missing middle housing into its formal planning goals. For example, the county’s general plan, Thrive Montgomery 2050, includes numerous references to the importance of creating missing middle housing, as well as policy strategies to encourage it throughout the county. Additionally, the county’s planning department has begun an initiative called Attainable Housing Strategies, focused on evaluating and refining proposals to spur the development of missing middle housing. Also of note is the county’s Silver Spring Downtown and Adjacent Communities Plan, which reevaluates downtown Silver Springs and the primarily single-family homes surrounding it to determine how to allow missing middle housing not currently permitted in the area.*

* “Missing Middle Housing in Montgomery County.” Montgomery Planning. Accessed August 31, 2021. <https://montgomeryplanning.org/planning/housing/attainable-housing-strategies-initiative/missing-middle-housing/>.

* “Written comments from the Planning Commission regarding amendments to the water and wastewater impact fees.” Houston Public Works. Accessed August 31, 2021. <http://houstontx.gov/citysec/HPW/writtencomments.pdf>, 31.

pdf#:~:text=While%20single%2Dfamily%20housing%20is,household's%20share%20of%20land%20costs, 2.

Strategy 7C: Development Incentives with Builders and Lenders for more Diverse Housing Types. Pursue development partnerships through the Countywide Trust Fund near amenity-rich communities to facilitate a diverse construction of the future housing stock.

Timeline:	Where Heard:	Plan Review:	
	Focus Group HPAC	Develop Affordable Housing Promote Use of Target Area Economic Incentives	Promote Infill and Redevelopment
Role:	Partners:		
Lead	LISC Houston, CHDOs Community Development Corporations Real estate developers, Builders, Lenders, Residents		

Context

Communities need a variety of housing types to serve diverse resident needs. Some housing types encourage walkability, others prioritize personal space, and some are more accessible or affordable than others. Large lot single family homes use up more land per housing than other housing types. Redeveloping single family lots with more compact housing types can improve affordability and reduce per-unit costs while opening communities to new households.* Development incentives are often used to offset the barriers faced when trying to develop diverse housing types such as multiplexes, ADUs, and small lot single family homes. Incentives can also target benefits to low-income residents to ensure deeper affordability. Effective partnerships between local governments, developers, and lenders strengthen and support these incentives. Harris County could use the Countywide Trust Fund and work with partners to incentivize the

* Schuetz, Jenny. “To improve housing affordability, we need better alignment of zoning, taxes, and subsidies.” Policy 2020. Brookings Institution, January 7, 2020. <https://www.brookings.edu/policy2020/bigideas/to-improve-housing-affordability-we-need-better-alignment-of-zoning-taxes-and-subsidies/>.

development of a variety of affordable housing types in areas that are safe from hazards with access to transportation and resources.

Potential Impact

Incentivizing development will help the county keep pace with household growth. Encouraging a diversity of housing types ensures that current residents can afford to remain while addressing the projected need for deeply affordable housing for a variety of household types. The County can establish partnerships with developers to attract additional investment and direct affordable housing to areas with access to transit and community resources.

Implementation Steps

First, Harris County should identify areas to target for development. These areas should have good accessibility to transportation, services, and amenities. To ensure that housing is developed in hazard resilient areas, the Environmental Constraints Map in this report (Figure 13) can be used to make siting decisions. The Market Analysis contained in this report can help tailor the affordability level and type of incentive to local

market conditions.

Harris County should then identify which housing types would most benefit these areas in the near and long term by engaging with current residents and determining the needs of growing household types. While a variety of housing types can increase the availability of housing affordable to very low-income renters, it can also create a greater quantity of units that are not affordable.* The County should create goals for specific housing types and density targets to ensure affordability for current and future residents.

Finally, the County should develop incentive programs in partnership with developers, lenders, and other community partners that can help fund, support, and develop new construction of affordable rental and owner-occupied housing. Incentives can be funded through the Countywide Trust Fund. Potential incentives include:

- Short term loans for predevelopment, acquisition, or construction
- Long-term loans or grants
- Tax abatements or exemptions
- Streamlined permitting, approvals, or review
- Reduced fees
- Reduced parking requirements

Incentives can be tied to specific housing types to address community needs and identified goals. For example, the County could develop a program to grant construction loans or grants to homeowners to build ADUs on their property. A program with streamlined permitting and short-term acquisition and construction loans could be

* Aurand, Andrew. "Density, Housing Types and Mixed Land Use: Smart Tools for Affordable Housing?" *Urban Studies* 47, no. 5 (May 2010): 1015–36. <https://doi.org/10.1177/0042098009353076>.

targeted at cottage court housing development to deal with noted barriers to this housing type.† Incentives should be tied to the development of units affordable to extremely and very low-income

† "Cottage Court Ordinances" in *Diversifying Housing Options with Smaller Lots and Smaller Homes*, 52–56. National Association of Home Builders, June 2019. <https://www.nahb.org/-/media/NAHB/advocacy/docs/top-priorities/housing-affordability/ordinances-and-built-examples-of-cottage-courts.pdf>



Example

Development Incentives - Santa Clara County, CA

Housing Trust Silicon Valley (HTSV) is led by the County of Santa Clara in partnership with Silicon Valley Leadership Group, affordable housing activists, local businesses, and foundations.* HTSV administers a variety of affordable housing programs with a mix of public and private funds including activities for first time homebuyers and homeowners, renters, and developers. In addition to several different multifamily loan programs, HTSV offers educational workshops and construction loans to homeowners wishing to build income-restricted Accessory Dwelling Units (ADUs).

* "Small Houses, Big Impact." Housing Trust Silicon Valley. Accessed August 31, 2021. <https://housingtrustsv.org/programs/homeowner-programs/accessory-dwelling-unit-program/>

CORE VALUE:

**Advance equity and resilience
in all county housing efforts.**

Goal 8: Aim for inclusion and promote
fair housing to undo the legacy of
racial and economic segregation

Goal 9: Adapt to hazards and support
sustainable neighborhood development

Strategy 8A: End to Chronic and Episodic Homelessness. Provide affordable housing and permanent supportive housing options, and conduct outreach in partnership with the The Way Home Continuum of Care, to end chronic and episodic homelessness in Harris County.

Timeline:	Where Heard:	Plan Review:	Role:
	 Focus Group  HPAC	 Develop Affordable Housing	Support
Partners:			
The Way Home Continuum of Care	Social service providers	Supportive housing providers	

Context

Homelessness persists in the Houston region despite a 54% decrease in overall homelessness between 2011 and 2020.* In 2020, more than 30,000 people in Harris, Fort Bend, and Montgomery Counties accessed some type of homeless service.† According to the 2021 Annual Count, over 3,000 people are experiencing homelessness in Harris, Fort Bend, and Montgomery counties on a given night. The 2021 Annual Count‡ showed a fairly even split between sheltered and unsheltered homeless individuals, although the share of unsheltered individuals has grown since 2017, mirroring national trends.§

* <https://www.homelesshouston.org/houston-facts-info>

† Ibid.

‡ <https://irp-cdn.multiscreensite.com/2d521d2c/files/uploaded/2021%20Homeless%20Count%20Fact%20Sheet.pdf>. The Point-in-Time (PIT) count, the Annual Homeless Count & Survey is a count of sheltered (residing in emergency shelter or transitional housing) or unsheltered (residing in a place not meant for human habitation) people experiencing homelessness on a single night in January. Counts for 2021 not directly comparable to previous years due to methodology changes

§ <https://irp-cdn.multiscreensite.com/2d521d2c/files/uploaded/FINAL%20TWH%20Community%20Plan.pdf>

The causes of homelessness can be complex; however, In the Houston region, 50% of homelessness is caused by an economic crisis such as a job loss or bills becoming higher than earnings. Locally, substance abuse accounts for less than 10% of homelessness.¶ Additionally, in the 2021 Annual Count, one in seven individuals cited COVID as a main cause of their homelessness. Despite promising trends in recent years, it is possible that the COVID-19 pandemic has resulted in an uptick in homelessness, although this has not been confirmed.

Potential Impact

The Way Home, which is the Houston Region's Continuum of Care collaborative, uses a Housing First approach when addressing homelessness, which involves providing housing along with wrap-around services to address residents' additional needs. The Way Home has been successful in transitioning nearly 24,000 people into permanent housing programs since 2012. Nearly 90% of those individuals and families remain stably housed,

¶ <https://www.homelesshouston.org/houston-facts-info>

indicating the success of this model.

There is an estimated gap of 1,900 permanent supportive housing units for single adults and youth in the region.* Filling this gap, while preserving and maintaining existing affordable and supportive housing as well as providing services that keep people out of homelessness, has the potential to contribute to a further decrease in homelessness in the Houston region.

Implementation Steps

Action 1: Continue the Community COVID Housing Program (CCHP)†. Coalition for the Homeless, which is the lead agency of The Way Home, has a goal to assist at least 5,000 people experiencing homelessness, who are at increased risk from COVID, by October 2022 to limit spread of COVID. Goals of the CCHP include:

- Permanent supportive housing (PSH): Provide a bridge to PSH to 1,000 individuals. 814 individuals have been housed so far
- Rapid re-housing (RRH): Provide short-term rental assistance and light case management to 1,700 individuals. Coalition for the Homeless has exceeded this goal by housing 2,354 individuals.
- Diversion: Provide assistance to maintain or regain housing to 2,000 people. 1,950 clients have been served so far.

Action 2: Continue and expand the construction and preservation of permanent supportive and affordable housing. More permanent supportive housing needs to be constructed to fill the estimated gap of 1,900 units for single adults and youth in the Houston region. Additionally, existing permanent supportive housing must be preserved and maintained to ensure quality in aging housing

and to avoid loss of these units to market-rate development. Rehab can also keep NOAH housing affordable, preventing homelessness due to rent increases.

Several funding sources are available that can be used to finance such construction and preservation, including:

- Multifamily Direct Loan Program (MDLP): The MDLP is administered through the Texas Department of Housing and Community Affairs (TDHCA) and is funded through the National Housing Trust Fund. These funds can be used for rehabilitation in addition to construction of affordable housing. TDHCA aims for the program to be used to support rental units affordable to 30% area median income, but projects with units at higher affordability levels can also apply, including NOAH, Section 8, or LIHTC property owners. MDLP-funded projects must comply with long-term rent and income restrictions and may be layered with additional funding sources. Other criteria used to rank applications include use of other subsidies, affordable units, and whether the project is in an opportunity area.
- HUD Annual Continuum of Care (CoC) Grant: Annual funding is available from HUD, awarded directly to CoCs through a competitive process. As the lead agency for The Way Home Continuum of Care, Coalition for the Homeless prepares this annual funding application. The Way Home holds a local to solicit grant applications from coalition member organizations to include in the annual application to HUD.
- State Emergency Solutions Grant (ESG): This grant is awarded from HUD through TDHCA to local jurisdictions who must coordinate with CoC on fund allocation. ESG funds can be used for rapid re-housing.
- Community Development Block Grants (CDBG):

* <https://irp-cdn.multiscreensite.com/2d521d2c/files/uploaded/FINAL%20TWH%20Community%20Plan.pdf>

† <https://www.homelesshouston.org/CCHP>

awarded by HUD to local jurisdictions for community development activities including affordable housing

- Coronavirus Aid, Relief, and Economic Security (CARES) Act: Federal act providing additional funding to HUD programs CDBG, HOPWA (see below) and Homeless Assistance Grants
- Housing Opportunities for Persons With AIDS (HOPWA): Federal grants to local jurisdictions and organizations that benefit low-income people living with HIV/AIDS including housing.



Example

Homelessness Prevention - Houston, TX

The Way Home is an extensive partnership between over 100 social service providers in Harris, Montgomery, and Fort Bend Counties. The partnership is our region's Continuum of Care provider, seeking to end homelessness through a coordinated approach that connects housing services, counseling services, substance abuse prevention services, and other relevant agencies to clients experiencing homelessness. Since 2012, this inter-agency coordination has allowed people experiencing homelessness to receive appropriate services suited to their own unique needs. The Way Home does this through an approach that prioritizes housing security. The Way Home operates under a Housing First model, which focuses on getting people four walls and a roof first, before connecting those people with their needed services. Results are positive: since The Way Home's founding in 2012, homelessness in Houston has fallen over 50%, and people who find housing can take subsequent steps to gain a firm footing in life.*

* <https://www.thehousingcorp.org/copy-of-san-jacinto-apartments?lightbox=dataitem-jbduclsv>

Strategy 8B: Racial Disparities in Homeownership. Curb historic inequities in access to homeownership.

Timeline:	Where Heard:	Plan Review:	Role:	Partners:
	 Events  HPAC	 Develop Affordable Housing	Support	Cities, Local Housing Authorities, Developers, Financial Institutions

Context

The homeownership gap between the white population and other minority groups has been wide for several decades. As of 2019, in Harris County, where 53% were homeowners, homeownership rates varied by race and ethnicity. About 68% of non-Hispanic whites were homeowners, whereas only 34% of non-Hispanic Blacks owned homes. The homeownership rate of non-Hispanic Asians (61%) was lower than that of non-Hispanic whites, which was followed by Hispanics (49%).*

Low homeownership rates for people of color may be attributed to many reasons. Some financial barriers prevent many minority groups from entering homeownership opportunities, and other factors put some specific racial groups at a higher risk of losing the existing homeownership. For example, non-Hispanic Black residents in the county had the highest loan denial ratio, and both Hispanic and non-Hispanic Black residents received higher mortgage interest rates with less loan amount than non-Hispanic white and non-Hispanic Asian counterparts.†

Different homeownership rates among various racial and ethnic groups in Harris County are significant challenges. Since the Home Owners’

Loan Corporation (HOLC), originally created to prevent homeowners from losing their homes in 1933, and the Federal Housing Administration (FHA), established to offer federally backed insurance for mortgage loans in 1934, there have been different levels of financial assistance practices and a significant gap between white households and non-white households. This historical gap still has a negative impact on the current housing market and the wealth and poverty gap among different races and ethnicities.‡

Potential Impact

The homeownership gap has led to other disparities among different racial and ethnic groups. The homeownership gap is crucial to the county and the county’s residents because the gap is related to the difference in the capacity to build wealth for individual families, and homeownership leads to higher education quality for children.§ Homeownership is the largest investment for most families and the most critical item in the wealth portfolio. With homeownership, people of color may be able to increase an opportunity to overcome high levels of poverty, low earnings,

* Herman, S. A., Park, J., Guajardo, L., Shelton, K., Lessans, J., Mokrushina, K., & Fulton, W. (2021). The 2021 State of Housing in Harris County and Houston.
† Ibid.
‡ Exploring the Legacy of Redlining in Houston, Retrieved from <https://www.understandinghouston.org/blog/legacy-of-redlining-in-houston>
§ A Black-White Housing Gap Persists, But One D.C. Woman Persevered And Won, Retrieved from <https://www.houstonpublicmedia.org/npr/2021/06/25/1009630841/a-black-white-housing-gap-persists-but-one-d-c-woman-persevered-and-won/>

health conditions, and a significant wealth gap.

Implementation Steps

Action 1: Financial services and down payment assistance. Government-backed mortgages may have to lower the tenants' burdens more actively. With the current private financial sector, many low-income minority residents may not be able to find an ideal home in their budget range. It is also that other loan debts, including student loans, are more burdensome for minority populations, especially Black and Hispanic populations.* Historically, one of the biggest challenges for existing renters of color to enter the homeownership is low wealth.† To qualify for a mortgage, households have to secure a sufficient amount of down payment and other fees to pay, such as closing costs, insurance, taxes, and loan fees. Some assistance for downpayment and other fees would help low-income families of color increase their homeownership rates.

Action 2: Enforcement of existing laws. It is still true that there is discrimination against racial and ethnic minorities in the rental market. However, discrimination against people of color in the sales market appears higher than that in the rental market.‡ The Fair Housing Act can directly reduce the homeownership gap and potentially racial wealth gap. Fair housing goals must be included in all housing policies and programs to be effectively implemented in real estate practices. Local housing authorities and community development

non-profit organizations may have to reinforce the items and goals of the Fair Housing Act to provide equal opportunities to all homebuyers.§

Action 3: Education and counseling for renters.

People of color often lack information about accessing mortgage financing and understanding home buying processes, limiting homeownership pursuit. By not fully comprehending mortgage loan qualification processes, some groups of color may significantly limit homeownership or simply increase mortgage loan rejection rates. Often, minority populations have low credits scores, and their credit history is not well-maintained, which also collectively increases the decline rates of mortgage loans and limits the total loan amount. Education and counseling for renters of color could curb the disproportional lack of opportunity that minority renters currently have and increase the opportunity to set the optimal housing price they can afford.

* Perry, A. M., Steinbaum, M., & Romer, C. (2021). Student loans, the racial wealth divide, and why we need full student debt cancellation. Brookings Institute. <https://www.brookings.edu/research/student-loans-the-racial-wealth-divide-and-why-we-need-full-student-debt-cancellation/>

† Herbert, C. E., Haurin, D. R., Rosenthal, S. S., & Duda, M. (2005). Homeownership gaps among low-income and minority borrowers and neighborhoods. US Department of Housing and Urban Development.

‡ Turner, M. A., Santos, R., Levy, D. K., Wissoker, D., Aranda, C., & Pitingolo, R. (2013). Housing discrimination against racial and ethnic minorities 2012: Executive summary. US Department of Housing. Urban Development, Policy Development, and Research.

§ McCargo, A., Choi, J. H., & Golding, E. (2019). Building Black homeownership bridges: A five-point framework for reducing the racial homeownership gap. Washington, DC: Urban Institute.

Strategy 8C: The Appraisal Workforce of the Future. Diversify and prepare the appraiser workforce through recruitment scholarships and enhance equity, diversity, and inclusion training for certified appraisers in Harris County.

Timeline:	Where Heard:	Plan Review:	Role:	Partners:
	 Research	 Rehabilitate Housing and Revitalize Neighborhoods	Convene, Fund	Texas Appraiser Licensing & Certification Board; Appraisal Institute

Context

Black and Latinx homeowners have their homes undervalued by appraisers, reducing opportunities to build generational wealth.* Addressing the lack of diversity in the appraisal profession can provide one element to address the growing gap in home values between White homeowners and those who are Black and Latinx. White males dominate the appraisal profession, and many are nearing retirement age. The Urban Institute found through 2019 American Community Survey data, that 89 percent of all property appraisers and assessors are White with 5 percent Latinx and only 2 percent are Black.† The Appraisal Institute, with new leadership, is working toward rectifying the homogeneous make up of their profession. One development is a new program through the Appraisal Institute to address the lack of equity, diversity and inclusion in the profession through scholarships and changes in licensing requirements is seen as key to bringing equity to the home valuation process for millions of Black and Latinx homeowners.

* Perry, Andre M., Jonathan Rothwell, and David Harshbarger. 2018. The devaluation of assets in Black neighborhoods: The case of residential property. Brookings Institution. Online at <https://www.brookings.edu/research/devaluation-of-assets-in-black-neighborhoods/>.
† Neal, Micheal. “Increasing Diversity in the Appraisal Profession Combined with Short-Term Solutions Can Help Address Valuation Bias for Homeowners of Color.” Urban Institute. July 1, 2021.

Potential Impact

Removing existing barriers to entering the appraisal profession will support the growth of the industry to be more reflective to the population of Harris County, and address issues of racism and bias in the home valuation industry. The support provided through this program, coupled with the work occurring at the federal level can potentially transform the industry to reflect the demographics and values of a Nation that continues to reckon with a history of institutional racism in the housing industry.

Implementation Steps

The County can assist in convening partners and potentially providing funding for scholarships for people of color seeking to become certified appraisers. Potential partners include the Texas Appraiser Licensing and Certification Board; the local chapter of the Appraisers Institute of Texas; and the Urban League. Immediate aims should be to promote the certification to targeted populations in Houston through community events that introduce the profession to underrepresented groups, and to eliminate financial barriers as well as barriers that emerge from lack of established networks and connections. The Appraisers Institute of Texas can monitor the program over time to evaluate changes to the field in regard to increasing diversity, equity and inclusion.

Strategy 8D: Evictions. Work with cities of Harris County to put an automatic eviction moratorium in place during declared disasters, including a rent relief program to support tenants and landlords with back-rent.

Timeline:	Where Heard:	Plan Review:	Role:	Partners:
	 Focus Group	 Rehabilitate Housing and Revitalize Neighborhoods	Lead, Convene	City of Houston, municipalities, BakerRipley, Catholic Charities

Context

Disaster exacerbates Harris County’s already tenuous housing security. Recent 2016 Eviction Lab and January Advisors data showed that Harris County likely has the most evictions of any county in the United States. New York City has slightly more evictions than Harris County (36,343 compared to 35,335), but New York City is also composed of five counties and has a much higher share of renter households. Evictions have an uneven local geography, as many poorer communities in east and north Harris County have disproportionately high eviction rates, with some places having one in ten rental households being evicted in 2019.

So many local residents are on the precipice, and disasters can push them over the edge. Hurricanes force people to miss work, often because work is closed or the employee’s only car is flooded. Both extreme flood, heat, and cold events can damage property and stress people’s finances. In the countywide survey for this study, 35% of respondents cited that their homes have not been repaired from recent floods. Oftentimes the poorest residents must choose between repairs or paying the rent/mortgage, and “rent eats first.”

“Rent” eats first, and not mortgage, because Harris County is soon to be a majority renter county. Late rent payments, by even a few days, can render

residents homeless. Disasters may hurt a person’s paycheck and thus make them more vulnerable. After the COVID-19 pandemic began, a Houston-Harris County Emergency Rental Assistance Program started with \$159 million in funding. However, that program is currently running and is not disaster-specific, and will likely find an even higher demand when the next disaster comes.

Recent Kinder Institute research on the impact of Winter Storm Uri in 2021, which is immediately forthcoming, identified certain areas of Harris County that have high “compounding damages.” These places were amongst the hardest hit by COVID-19’s economic downturn, Hurricane Harvey, and the 2021 freeze.

Potential Impact

Preventing evictions can help prevent these damages from compounding; households without the fear of homelessness would be able to invest in improving transportation, medical costs, and other life necessities. Kinder research for the Uri impact found the most common household unmet need after a disaster was not repairs, it was food.

Implementation Steps

Evictions can be prevented by a local moratorium after disasters, while special funds can help tenants

pay back rent. Direct tenant rental assistance does not only help renters, they also help landlords secure their cash flows and avoid the stress of needing to find new tenants during a disaster recovery and pandemic period.

Step 1: Perform legal and logistical support for eviction moratorium during disaster “off-season”

During disaster “off season”, the Harris County Judge’s Office, Harris County Office of Homeland Security and Emergency Management, Harris County Office of Public Health Preparedness and Response (OPHPR), and other relevant offices, should set clear guidelines for how the moratorium will be implemented, under what criteria (e.g., being an official FEMA disaster), and the logistics for making sure residents know how to secure the right to be protected from eviction. The relevant forms to be filed by tenants or landlords should be drafted, and assured of legal compliance, before the active hurricane season. Additionally, communication staff should draft clear plans for disseminating information about the moratorium during the relatively chaotic immediate post-disaster period. Lastly, specific staff people should be designated to run the fund and the moratorium when they need to be implemented.

Step 2: Funding for emergency rental assistance

County and city officials should use philanthropic, state, and federal funding for supporting the rental assistance fund. BakerRipley and Catholic Charities manage the current Harris County-Houston rental assistance program; local policymakers should consult these groups’ expertise when implementing the future disaster relief rental assistance fund.

Step 3: Right to counsel

City and county officials should ensure tenants within eviction court proceedings have right to legal counsel. Funds from rental assistance program, or similar fund, can support legal representation.

Step 4: Right to cure

City and county officials, along with the local not-for-profit sector, should work with state government to ensure right to cure for tenants receiving eviction notices during disaster periods. Tenants should have right to pay back rent before eviction proceedings continue.

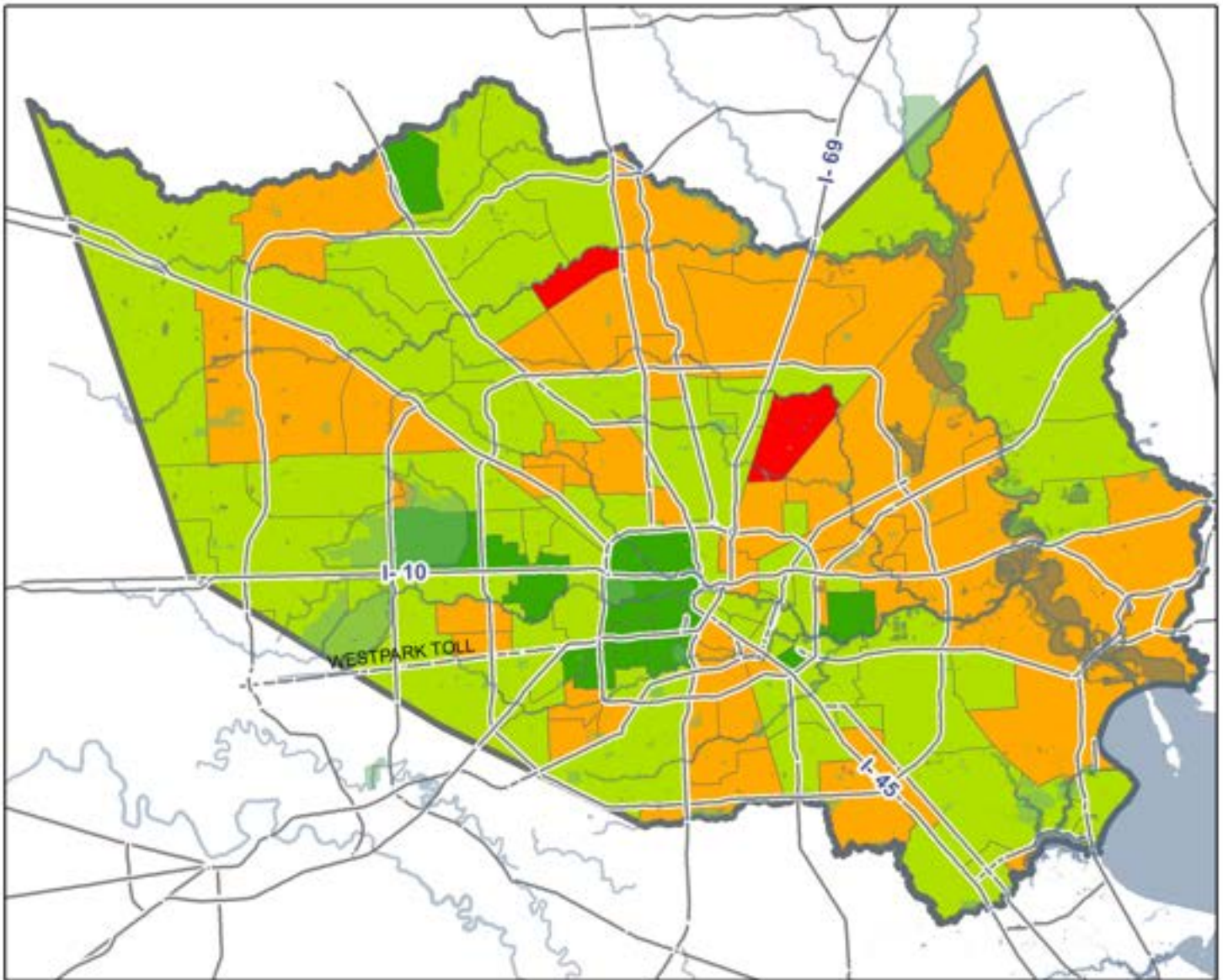


Figure 69: 2019 Eviction Rate, by Community Tabulation Area

Data Source:
 CTA boundary: Kinder Institute for Urban Research, 2020
 Eviction data: Harris County, January Advisors, 2019
 Households: 2019 American Community Survey 5-year Survey

Rate = total 2019 evictions / total 2019 renter households

Legend:

— Rivers	
— Water	
— Highways	
— County Parks	
— Harris County line	
	2019 Eviction Rate
	Less than 0.02
	0.02 - 0.05
	0.05 - 0.10
	More than 0.10

Strategy 9A: Data-Driven Approaches to Elevate Existing Homes. Get a full picture of the hard and soft costs for elevating homes. Factor in the fiscal impact to public entities for expenditures on relocation costs, public/emergency services, social vulnerability, tax base and property valuation, among other factors for data-driven policymaking.

Timeline:	Where Heard:	Plan Review:	Role:
	 Survey	 Develop and Support Sustainable Infrastructure	Inform
Partners:			
Harris County Engineering	Harris County Office of Homeland Security & Emergency Management	Harris County Flood Control District	Harris County Appraisal District External research partner

Context

There is an immediate need for information on the full costs of elevation. In 2018, the National Weather Service completed a historical rainfall study for Texas called Atlas 14. The study showed that larger amounts of rainfall are more likely than previously thought; rainfall totals for a 100-year event over a 24-hour period increased from 13 inches to 18 inches in the greater Houston area.* In response to this data, the City of Houston adopted new floodplain guidelines in 2018 that require an elevation of 24 inches above the 500-year floodplain for new structures or significant improvements to structures in the 100- or 500-year floodplain.†

* “Harris County Adopts New Development Regulations Based on Atlas 14 Data.” Greater Houston Builders Association, July 16, 2019. <https://www.ghba.org/harris-county-adopts-new-development-regulations-based-on-atlas-14-data/>
† “Chapter 19 Floodplain Guidelines.” Houston Public Works. City of Houston, June 13, 2018. https://houstonrecovers.org/wp-content/uploads/2018/06/Chapter-19-Guidelines_Aug2018.pdf.

These new floodplain guidelines (Chapter 19 of the Houston Code of Ordinances) could create an added cost for Harris County homeowners looking to repair their homes. Elevation costs, or even the cost of temporary relocation during construction, could be prohibitively expensive for some residents. If the county were to create a program to assist residents with the cost of elevation, construction could be made more cost effective. But further research is needed to understand how to improve cost effectiveness. The county needs to better understand this new policy, how to go about helping residents comply, and the potential effects of both elevating and failing to elevate. The County could perform this research on their own in partnership with relevant county offices or could partner with an external research partner to investigate these issues.

Potential Impact

Cost data could be used to push for new policies and programs to complement the new floodplain guidelines, such as a grant or forgivable loan

program to raise homes located in the floodplain and support homeowners during construction. Data on hard and soft costs of elevation should help inform the development of new programs to increase cost effectiveness and maximize program impact.

Inaction could lead to increasing vulnerability of Harris County residents due to population loss and reduction of the tax base. This in turn could strain public services for residents.

Implementation Steps

The various county entities that could be impacted by elevation efforts need to be involved in this process early on. These offices should identify which aspects of their work will be affected, to what degree, and any costs or benefits associated with elevation. A full accounting of the fiscal impact to public entities must include soft costs, not just hard costs like materials and labor. Soft costs can include surveys, homeowner relocation or temporary housing, architectural and engineering services, inspections, testing, consultations, permitting, and other administrative costs and fees. The costs of failing to elevate should also be examined for a more comprehensive cost-benefit analysis. Population loss due to failing to act could reduce the local tax base, create strain on public services, and increase the vulnerability of the remaining residents. Whether partnering with other county offices or working with an external research partner, increasing the overall cost effectiveness of elevation needs to be the first research priority.

Strategy 9B: Resilient Housing and Building Materials. Give preference through incentives for the use of resilient building materials in affordable housing development.

Timeline:	Where Heard:	Plan Review:	Role:
	 Survey  HPAC		Lead
Partners:			
City of Houston	ReadyHarris	Harris County Real Property Division	Local developers/builders, Harris County Engineering

Context

Disaster losses cost an average of \$100 billion annually and are growing at a rate 10 times faster than the population.* Mitigation measures and more resilient building can help reduce future losses and benefit a wide variety of stakeholders, but they can be prohibitively expensive. While developers and homeowners typically pay the costs associated with creating more resilient housing, tenants, insurers, lenders, communities, and local governments all benefit from housing that is less vulnerable to disaster. Co-benefits include greater safety, lower default risk, lower insurance claims, and more stable business and tax revenues.† Incentives can help transfer benefits back to those who pay the initial cost of resilience and reduce the total cost of ownership. Currently, incentives largely come in the form of federal grants, insurance premium discounts, and community political will. A mix of public and private sector incentives including loan/mortgage discounts and preferences, insurance premium

discounts, tax incentives, and grants are a more effective system of incentives to induce resilient development. Strategy 1D addresses this topic as well.

Potential Impact

Incentives can more fairly distribute the costs and benefits of resilient building materials and techniques, thus reducing the cost of developing or owning resilient housing. More resilient housing reduces hazard risk for individual households, neighborhoods and communities, and ultimately local government. Resilient housing stock can help reduce future disaster losses and ensure that Harris County grows safely.

Implementation Steps

Action 1: Support innovation competitions/pilots that help create model projects or homes tailored to particular needs (i.e. flood resilient homes.)

Similar to Atlanta’s Housing Innovation Lab. Atlanta’s 2019 One Atlanta Housing Affordability Action Plan included a recommendation to establish a Housing Innovation Lab to “explore, test, and implement cutting-edge approaches to

* “A Roadmap to Resilience Incentivization.” Multi-Hazard Mitigation Council. National Institute of Building Sciences, August 2020. https://www.nibs.org/files/pdfs/NIBS_MMC_RoadmapResilience_082020.pdf.
 † Ibid.

housing affordability.”^{*} The lab serves as a resource to developers and non-profit organizations while seeking out partnerships to target specific sites for development. A similar framework could be used to document, demonstrate, and improve resilience incentives and building materials/techniques. A county-led pilot study would gauge interest in and inform the development of a permanent county resilience assistance program. The National Institute of Building Sciences identifies the following as possible documented outcomes from such a pilot study:

- Best engineering practices in enough detail for practitioners to use broadly without substantially greater expertise
- Estimated costs and benefits in enough detail that owners can judge the financial implications of their resilience options
- Financial incentives, e.g., insurance premium reductions, mortgage rebates, leveraged financing, and tax and other public-sector incentives
- The interest and capacity of finance and insurance industries to implement incentivization
- The interest of owners to use the incentives to upgrade existing and new buildings
- A plan to initiate public assistance programs
- A detailed plan to institutionalize the incentivization program developed in the pilot study[†]

Action 2: Buy-in Buy-out program

The City of Houston released their resilience strategy, Resilient Houston, in 2020. Action 25.4 of

^{*} “One Atlanta Housing Affordability Action Plan.” City of Atlanta, June 2019. <https://www.atlantaga.gov/home/showdocument?id=42220>.

[†] “A Roadmap to Resilience Incentivization.”

the Resilient Houston framework recommends that the City of Houston create a community buy in/buy out property swap program that provides resources for expedited buyouts and relocation.[‡] Under the proposed program, participant households are relocated to homes with lower flood risk within the same community. The relocation is a key component of this Action that allows residents to “buy in” to their community; not only by relocating within the neighborhood, but also by increasing neighborhood resilience through the buyout. Participating residents benefit at the neighborhood level from the increased neighborhood resilience caused by the buyout.

The County can partner with HFCFD and the Harris County Real Property Division to expand existing buyout programs by providing flexibility beyond current sources of federal funding and including “buy-in” elements. New buyout activity could target areas identified as buyout areas of interest by HFCFD that are not eligible for CDBG funding.[§] As described in Resilient Houston, the program should target low- or moderate-income households that experience severe or repetitive flooding, are located within the floodplain, and are ineligible for federal funding assistance. Acquired lots can become public amenities that further neighborhood resilience. Actions taken under Strategy 4A could be used to identify and develop properties for relocation.

Action 3: Work with HCAD and other taxing jurisdictions to develop potential tax abatement programs for resilience upgrades - Resilience Rebates.

The County could partner with HCAD to institute a tax refund or abatement for homeowners

[‡] “Resilient Houston.” City of Houston, February 12, 2020. <https://www.houstontx.gov/mayor/Resilient-Houston-20200518-single-page.pdf>.

[§] “HCFCD Active Buyout Projects.” Harris County Flood Control District, August 2021. <https://www.hcfd.org/Portals/62/Home-Buyout-Program/HCFCD%20Active%20Buyout%20Projects.pdf?ver=M09toWa6eW2ArfQSh5bkQg%3d%3d>.

that pursue resilience upgrades for their owner-occupied, single-family home. The program should target low-income households in coastal areas or in the floodplain. For the purposes of Houston's Chapter 19 floodplain ordinance, existing homes would not need to be elevated if resilience upgrades are not substantial (do not equal or exceed 50% of the market value of the structure before the start of construction).^{*} For more information on the Chapter 19 floodplain ordinance, see Strategy 9A.

Action 4: Taxpayer and utility customer funded efficiency program to enhance climate resilience of participating properties

The County could set aside a certain dollar amount or percentage of tax revenue or utility payments to fund an efficiency program. Like Action 3, this program would fund upgrades to existing housing. While Action 3 focuses on resilience upgrades that reduce hazard risk, this action focuses on energy efficiency and weatherization. As opposed to tax refunds or abatements, this efficiency program could give smaller-scale grants to homeowners for basic retrofit. The program should target single-family housing affordable to extremely and very low-income households, both renter- and owner-occupied. Homes and neighborhoods that experienced the most harm during Winter Storm Uri could be good candidates for weatherization and increased energy efficiency.

^{*} City of Houston Code of Ordinances §19-1.
https://library.municode.com/tx/houston/codes/code_of_ordinances?nodeId=COOR_CH19FL.



Example

Hazard Resilience - South Carolina and Berkeley, CA

The South Carolina Safe Home Program provides income-restricted matching or nonmatching grants for the retrofit of owner-occupied, single-family properties to increase resistance to hurricane and high-wind damage.* The program is funded through 1% of annual insurance premium taxes. From 2007 to 2015, the program awarded over 3,900 grants totaling more than \$17.7 million.†

Berkeley, California's Seismic Retrofit Refund Program refunds up to one third of the City's 1.5% real property transfer tax for voluntary seismic upgrades to residential property within one year of purchase.‡ The City of Berkeley estimates that about 40% of single-family homes made seismic improvements under this program.§ Between 2003 and 2014, the program provided an average of 128 refunds a year for a total of 1,400 refunds.¶

* "SC Safe Home Mitigation Grant Program." South Carolina Department of Insurance, n.d. <https://doi.sc.gov/605/SC-Safe-Home>.

† "Status of the South Carolina Coastal Property Insurance Market." South Carolina Department of Insurance, January 30, 2015. <https://www.scstatehouse.gov/reports/DeptOfInsurance/2014CoastalReportFINAL.pdf>, 26.

‡ "Seismic Retrofit Refund Program." City of Berkeley, n.d. https://www.cityofberkeley.info/Finance/Home/Real_Property__Transfer_Tax_Seismic_Refunds.aspx.

§ "Homeowner Seismic Retrofit Incentive Program." Earthquake Engineering Research Institute, n.d. http://www.eerinc.org/?page_id=232.

¶ Daniel, Christine. "Replace the Residential and Commercial Energy Conservation Ordinances (RECO and CECO) with the Building Energy Saving Ordinance." Memo to Mayor of Berkeley and City Council. <https://www.berkeleyside.org/wp-content/uploads/2015/02/2015-02-24-Item-25-Replace-the-Residential.pdf>, 3.

Strategy 9C: Recovery Aid. Improve outreach to residents impacted by Hurricane Harvey, COVID or Uri who qualify for housing-related recovery aid. Codify this work through the My Home is Here brand in coordination with networks such as ReadyHarris and the Connective Survey so that outreach is easier in future disasters.

Timeline:	Where Heard:	Plan Review:	Role:
	  Focus GroupHPAC	 Rehabilitate Housing and Revitalize Neighborhoods	Lead
Partners:			
My Home is Here, County & city offices that administer housing and recovery assistance	ReadyHarris, County Precincts, Connective, Texas Gulf Coast Regional Voluntary Organizations Active in Disaster (VOAD)	Community leaders, Baker Ripley, United Way of Greater Houston, City of Houston Emergency Information Center,	Coalition for the Homeless Houston, West Street Recovery, Greater Houston Community Foundation

Context

There is not a consistent communication strategy across the various small cities and MUDs in Harris County regarding housing-related programs and emergency or recovery services. Currently, cities and districts rely on a variety of means of communication including mailing lists, district websites, social media, mailers and flyers, public meetings, and outreach to religious leaders. The variety of methods and sources makes it difficult to ensure that county residents are all receiving the same information and have equal access to county resources. This complicates an already patchwork recovery process.

Residents with homeowners’ insurance must go through the process of filing a claim, sometimes only to find that they have difficulty paying their deductible or costs not covered by insurance. A 2020 YouGov survey found that about three quarters of policyholders worry that they won’t be able to afford the costs of filing a claim and just over a third indicated that they wouldn’t be able

to cover a claim using their savings.* Uninsured households and renters rely on personal resources, community networks, and public and private assistance. Lower income households often have a harder time accessing assistance. Just under half of homeowners with less than \$15,000 a year in income were found ineligible for FEMA assistance following Hurricane Harvey compared to 10% of those with more than \$70,000 a year in income. † An improved internal communications and external outreach strategy can help residents navigate barriers to accessing resources, particularly those administered by the County.

* Goff, Kacie. “Can You Pay Your Deductible? Survey Says 78% Can’t Afford to File an Insurance Claim.” Bankrate.com, October 7, 2020. <https://www.bankrate.com/insurance/homeowners-insurance/policyholders-cant-afford-claims/>.
† Adams, Amelia. “Low-income households disproportionately denied by FEMA is a sign of a system that is failing the most vulnerable.” Texas Housers, November 30, 2018. <https://texashousers.org/2018/11/30/low-income-households-disproportionately-denied-by-fema-is-a-sign-of-a-system-that-is-failing-the-most-vulnerable/>.

Potential Impact

The County can improve outreach by providing a central location for resident queries and information distribution post-disaster. Providing this space can also support and endorse local partnerships with organizations and agencies that administer assistance according to specific needs of the community they serve. Consistent messaging from all sources will help ensure that residents have equal access to resources and are aware of what assistance is available to them. A permanent framework under My Home is Here can help speed up the launch of outreach campaigns and make them more reliable and effective in the long run. Improving communications infrastructure and streamlining a method for distribution across assistance providers can help identify gaps and priorities for future policies and programs.

Implementation Steps

Action 1: Create a single “disaster recovery” team and site with partners.

Consider using the MHIH brand to ensure residents have access to information and sources of support. Harris County should communicate with a mix of groups, organizations, and agencies that currently administer or conduct outreach regarding housing-related recovery aid. These groups are most aware of the current faults and needs in outreach efforts. In partnership with these groups, Harris County can develop a consolidated and formalized outreach effort under the My Home is Here umbrella. This partnership can work to establish a set means of and timeline for communication between program administrators and beneficiaries, including the development of advisory teams. Establishing a permanent framework allows the County to collect post-disaster community data that can be used to inform decisions about community needs following disasters. Data driven decision making should be a priority for this consolidated disaster recovery outreach strategy. By creating a more direct connection between public administrators and

community leaders and maintaining community needs data, this partnership can better ensure programs are fully subscribed and resources are being used effectively.

Action 2: Enshrine an insurance deductible payoff program to ensure folks can pay during disaster.

The County can create a permanent program to help homeowners pay insurance deductibles in the wake of a disaster and reduce delays to rebuilding. The program should target low-income homeowners to complement existing disaster recovery housing assistance that often favors middle-class homeowners.^{*}The County should work with partners identified under this strategy to develop the program in a way that can best help low-income homeowners rebuild more quickly.

Example

Redevelopment Task Force For Recovery Hillsborough County, FL

Hillsborough County, Florida has established a Redevelopment Task Force to oversee reconstruction and advise the Board of County Commissioners on recovery and redevelopment. The task force meets annually before the hurricane season to review past work and make process improvements. The task force’s responsibilities include reviewing and updating redevelopment plans, assigning roles and responsibilities to technical advisory committees and county/city departments, and assigning coordinators to make sure that plans are run efficiently. The task force conducts outreach in multiple languages and through a variety of media (e.g., billboards, social media, public broadcasting, public meetings, newsletters).

^{*} Ross, Tracey. “A Disaster in the Making.” Center for American Progress, August 2013. <https://www.americanprogress.org/wp-content/uploads/2013/08/LowIncomeResilience-2.pdf>.

CORE VALUE:

Advocate for housing policy reform at all levels of government

Goal 10: Identify federal and state level reforms

Goal 11: Identify local reforms with municipalities and special-purpose districts to support the development and preservation of affordable housing.

Strategy 10A: County Authority. Advocate for ordinance-making powers for Harris County to confront the challenges of rapid urbanization.

Timeline:	Where Heard:	Plan Review:	Role:	Partners:
	 Events  HPAC	 Develop and Support Sustainable Infrastructure	Convene	Urban & suburban counties, State legislative delegation

Context

Rapid urbanization brought about a number of challenges in the housing realm. An increase in the impervious surface results in more frequent and severe flooding events in and nearby the county. A substantially large amount of land that sprawls in the region without concern about the current capacity of the existing infrastructure, such as public transportation, sidewalks, and bikeways, is closely related to the expansion of the urban areas in this region. Like Winter Storm Uri, a recent human-made disaster is another example of an unprecedented catastrophe that disproportionately affects the county’s residents, primarily low-income households. As it is difficult to control environmental hazards that hit hard in this region, it is essential to enhance the local authority that makes ordinances to assist those who need decent housing units in the county by overcoming challenges caused by rapid urbanization.

Potential Impact

The county can enhance the residents’ quality of life by complementing the existing ordinances that effectively help the county’s residents and making new ordinances that directly affect the county’s housing needs. This strategy will increase the amount of affordable housing available to the residents in the long term and support the infrastructure that complements the county’s

current housing and infrastructure plans for sustainable development.

Implementation Steps

The county should facilitate the infill development and utilize vacant lots where existing infrastructure is sufficient to support new housing development or rehabilitation of the current housing units that help low-income residents. This strategy includes several ordinances like:

- Help build affordable housing near existing infrastructure to optimize its current capacity
- Are more favorable to allow accessory dwelling units where possible*
- Allow publicly assisted housing units in more densely populated and decent areas that utilize the existing infrastructure, rather than in neighborhoods that require additional infrastructure

The county should take a look at the existing ordinances and work on outdated regulations to help residents secure more affordable housing effectively. This includes steps like:

* States Reduce Regulatory Barriers for Affordable Housing, Retrieved from <https://www.huduser.gov/portal/periodicals/em/spring18/highlight3.html>

- Update the minimum lot size requirements, setback rules, minimum square footage requirements, and unnecessary parking requirements that possibly curb housing supply in communities where housing is needed.
- Help expedite affordable housing permits. Many factors that delay the process of affordable housing development can negatively impact the financial burdens of housing projects in many desirable neighborhoods where Harris County needs affordable housing.
- Offer reduced fees, such as water and sewer and other impact fees, to developers who are supporting the county's affordable housing missions in areas where the existing infrastructure is sufficient to support the new development.
- Assist in reducing financial burdens on affordable housing developers by using surplus land to provide adequate sites for future housing or utilizing general revenue to subsidize financial assistance to affordable housing development in the county's preferred areas.

In the long term, the county should engage more residents to respond to the needs of the residents directly. This solution includes:

- Work with local residents by having more opportunities for the county's residents to openly request their housing needs to reduce damages from natural and human-made disasters and understand what the general public really wants.
- Get publicly assisted housing units tailored to local needs. One strategy is to prioritize expiring publicly assisted housing units situated in neighborhoods where existing infrastructure is sufficient, accessible to local individuals or non-profit organizations rooted in this region who may know more about the local needs and can support low-income residents with affordable housing.

Strategy 10B: Vouchers and Housing Choice for Voucher Holders. Advocate with the federal government for program reform to streamline program processes to incentivize greater participation by a broader number of property owners in the program and to increase the number of Housing Choice Vouchers available to Harris County to meet the large housing gap for households at 0-30% of Harris County’s median income. Increase opportunities for successful use of vouchers through change in state source of income discrimination law, landlord incentives, and opportunities for additional vouchers.

Timeline:	Where Heard:	Plan Review:	Role:
	 Focus Group	 Rehabilitate Housing and Revitalize Neighborhoods	Lead
Partners:			
City of Houston, other Texas HCV Program	Administrators, Private landlords, State legislators	Harris County Housing Authority, Houston Housing Authority	City of Pasadena Housing Department, Baytown Housing Authority

Context

The Housing Choice Voucher (HCV) program helps very low-income families, the elderly, and persons with disabilities secure deeply affordable housing. Families with vouchers find their own housing on the private market and assistance is provided on their behalf directly to their landlord. Local Public Housing Authorities (PHAs) receive federal funding from HUD to administer voucher programs. The US Congress has the power to appropriate funding for new or current voucher programs.

Vouchers theoretically give families the flexibility to find private housing in any neighborhood, but often tenants have trouble finding units in the neighborhoods of their choice. HCV recipients often reside in distressed and racially segregated

neighborhoods.* In many places, landlords can refuse to accept a voucher as a form of payment for rent. This is known as source of income discrimination and is frequently based on misperceptions and stereotypes about voucher holders.† Studies have shown that voucher holders were more likely to succeed in using their voucher to lease a unit in areas with non-discrimination protections.‡ While

* Teater, Barbra. “A Place to Call ‘Home’: Exploring the Experiences of Section 8 Housing Choice Voucher Program Recipients in Their Efforts to Find Housing.” *Families in Society* 90, no. 3 (2009): 271–278.

† Tighe, J. Rosie, Megan E. Hatch, and Joseph Mead. “Source of Income Discrimination and Fair Housing Policy.” *Journal of Planning Literature* 32, no. 1 (February 2017): 3–15. <https://doi.org/10.1177/0885412216670603>.

‡ Alison Bell, Barbara Sard, and Becky Koepnick. “Prohibiting Discrimination Against Renters Using Housing Choice Vouchers Improves Results.” *Center on Budget and Policy Priorities*, December 20, 2018. <https://www.cbpp.org/>

many states, counties, and cities ban source of income discrimination, it is allowable under federal law. Municipalities and counties in the State of Texas are currently not allowed to pass anti-source of income discrimination laws. Properties that are subsidized by federal funding, such as those funded through the Low Income Housing Tax Credit (LIHTC) program, must accept vouchers.

Legislative change at the state level is necessary to allow local governments to ban source of income discrimination and open more housing to voucher holders. There are other ways that local governments can try to increase landlord participation in the HCV program. Incentives can help landlords navigate programmatic issues, provide a direct benefit to landlords, reduce risks faced by participating landlords, or remove barriers that might prevent a landlord from participating in the HCV program.

Potential Impact

Advocating for additional funding for voucher programs at the federal level could help the county secure additional vouchers and provide deeply affordable housing to residents. Housing vouchers and other rental assistance can help reduce homelessness, housing instability, and overcrowding. Advocating for source of income discrimination laws at the state level can help expand the reach of voucher programs and increase choice for voucher holders. Landlord incentives like increased support in the form of a hotline or reduced risk in the form of covered security deposits can also help expand the reach of the program and increase choice in the nearer term.

Implementation Steps

In the mid-term, the county should engage landlords directly to better understand local

barriers to participation in voucher programs. The county can partner with the Houston and Harris County Housing Authorities to support programs that address the identified problems. Possible policy solutions include:

Help landlords navigate programmatic issues: create a landlord hotline to address concerns, run landlord education programs, fast-track inspections, or help landlords find tenants

- Provide a direct benefit to landlords: tax incentives or signing bonuses
- Reduce risk: cover security deposits, damage costs, or one month's rent if the tenant vacates
- Remove barriers to participation: provide interest-free rehabilitation loans or waive permit fees for repairs or improvements

To further support the use of the HCV program, the county should advocate for policy changes that would increase the number of residents served. To achieve this, the county should:

- Support federal legislation that proposes increasing the number of households with vouchers;
- Advocate for state-level legislative action to allow local anti-source of income discrimination policies;
- Advocate for state-level administrative changes to extend the prioritized affordability period for LIHTC properties that are required to accept HCVs;
- Support HCHA in applying for new vouchers as they are made available by HUD; and
- Communicate with the public about the need for deeply affordable units and the benefit of additional vouchers in addressing that need.

research/housing/prohibiting-discrimination-against-renters-using-housing-vouchers-improves-results.



Example

Strategic Voucher Programs - Boston, MA

The City of Boston recently used \$1 million of their CARES Act funds to provide one month of contract rent to landlords willing to lease to a homeless voucher-holding household.* The program targeted families experiencing homelessness. They did a significant amount of outreach to existing HCV participating landlords as well as city agencies, shelters, real estate boards, and management companies prior to launching the program. The program complemented a recent award of new Mainstream HCVs that Boston secured to target families experiencing homelessness.† The landlord incentives and Mainstream vouchers are part of a larger priority to target homeless families enrolled in Boston Public Schools.‡ The incentive program reportedly brought in more than 300 new leases.§

* “HCV Landlord Engagement Strategies and Incentives During COVID-19.” US Department of Housing and Urban Development, n.d. <https://files.hudexchange.info/course-content/pha-best-practices-during-covid-19-webinar-series-continuing-to-engage-with-landlords/PHA-Best-Practices-During-COVID-19-Continuing-to-Engage-with-Landlords-Slides.pdf>

† “Boston receives 139 housing vouchers for residents with disabilities, homeless individuals and families.” City of Boston. Boston Housing Authority, December 7, 2019. <https://www.boston.gov/news/boston-receives-139-housing-vouchers-residents-disabilities-homeless-individuals-and-families>

‡ “BHA offers private landlords one month’s rent to house voucher families during COVID-19.” Boston Housing Authority, May 26, 2020. <https://www.bostonhousing.org/en/News/BHA-offers-private-landlords-one-month%E2%80%99s-rent-to-h.aspx>

§ “HCV Landlord Engagement Strategies and Incentives During COVID-19.”

Strategy 10C: Racial Disparities in Appraisals. Work with the Texas Appraiser Licensing & Certification Board to eliminate racial disparities in the appraisal process through equity, diversity, and inclusion guidelines for all certified appraisers.

Timeline:	Where Heard:	Plan Review:	Role:	Partners:
	 Research	 Rehabilitate Housing and Revitalize Neighborhoods	Convene	Texas Appraiser Licensing & Certification Board; Appraisal Institute

Context

The devolution of homes by Black and Latinx communities is well documented, but with recent media attention, the issue has been brought to the forefront in conversation and public policy. The Brookings Institute defines devaluation as the percent discount in median home values between neighborhoods with 50% Black population and neighborhoods with no Black residents, after accounting for structural characteristics of homes and neighborhood amenities.* This devaluation is exacerbating the ability to Black and Latinx communities to build generational wealth through homeownership. Research has found that homes in average White neighborhoods were worth \$246,000 more than comparable homes in socioeconomically comparable communities of color.†

The Appraisal Institute, a National organization, only recently acknowledged there are issues in the profession regarding racial bias. The Institute is working internally and with partners to address the issues of diversity, equity and inclusion in the profession. Recent change has been proposed at

the Federal level to address the disparity in home appraisal values through the proposed Real Estate Valuation Fairness and Improvement Act, HR 2553. The act looks to establish an interagency task force to analyze federal collateral underwriting standards and develop best practices for policies and procedures for agencies and entities that regulate residential and commercial real estate. Led by the Secretary of Housing and Urban Development, Marcia Fudge, the Interagency Initiative on Appraisals will also investigate racial disparities within the lending and valuation industry, as well as barriers to entry for Black or Latinx people into the profession. The hope is to establish a program to distribute grants to state agencies and nonprofit organizations.

Potential Impact

Through a Federally led Act and task force to improve policies, new rules and regulations will guide the agencies that manage the profession, leading to improvements at the state level on real estate valuation and diversity in the profession. Internal work through the Appraisal Institute will lead to needed restructuring in the organization.

* Perry, Andrew, “The Devaluation of Assets in Black Neighborhoods.” Brookings Institute. November 27, 2018
 † Howell, J. , Krover-Glenn, E.” The Increasing Effect of Neighborhood Racial Composition on Housing Values, 1980–2015.” Oxford University Press. 2020.

Implementation Steps

- The Appraisal Institute and the Texas Appraiser Licensing & Certification Board need to lobby representatives and other elected officials to continue to show support for the bill in order for it to pass the house.
- Applying data findings to actionable changes in the training and credentialing requirements for appraisers.



Example

Addressing Racial Bias in the Appraisal Profession

The Appraisal Foundation has proposed to add “valuation bias, fair housing, and/or equal opportunity” as components of both the standard principles of appraisal course required for all new appraisers, as well as a continuing education option for existing appraisers. The Foundation is also reviewing its existing guidance to appraisers on fair housing laws, and is seeking to diversify its governing board.* As all of these elements move from theory into practice, Harris County should be at the forefront of testing potential new solutions, monitoring progress, and ensuring that local appraisers are taking the continuing education options that are made available.

*The Appraisal Foundation. 2021. Promoting Diversity in the Appraisal Profession. Online at <https://appraisalfoundation.sharefile.com/share/view/sdbf2f955cd57402fb647785f93ca8e7a>.

Strategy 11A: Municipal Powers. Coordinate with City of Houston and other municipalities to use their ordinance powers to reach more resilient outcomes and coordinated investments.

Timeline:	Where Heard:	Plan Review:	Role:	Partners:
	 Focus Group  HPAC		Inform	34 municipalities

Context

Harris County cannot take on the task alone of solving the area’s housing affordability needs. In order to accomplish this vision, the full force of the 34 city governments in Harris County, who have ordinance-making powers and land use authority, will be enlisted.

Harris County’s Imagination Zones initiative is a recent example of this type of collaboration, whereby, the City of Houston is amending its development standards beyond the city limits but in the ETJ. The state’s local government code allows county and city governments to work in tandem to establish development regulations in the ETJ, so long as those standards are codified via the city’s development code, approved by its legislative body. *

Potential Impact

The historic effects of restrictive land-use policies and single-family zoning are well documented in perpetuating a “chain of exclusion” for BIPOC populations.† The regulatory tools available to

cities can be quite impactful when working in concert and can scale land development for a more inclusive regulatory environment for housing. This would include cities updating their land use and zoning policies to facilitate the development of a wider array of housing types for the evolving needs of Harris County residents.

Implementation Steps

A foundational step is identifying what the housing challenges are throughout the county, precisely the work of this study. Knowing what segments of the housing market are overwhelmed can be an important resource in supporting county administrators and policymakers inform public-sector agencies, cities, and districts on the magnitude of the housing challenge. Harris County’s Community Services Department and Commissioner’s offices should play the role of informing and convening interested city leaders from across the county’s 34 cities into a task force focused on identifying regulatory barriers to the production and preservation of affordable housing. Undertaking such a process would generate a more robust understanding by all participating cities. It should avoid prescribing reforms at this stage, but rather uncover counterproductive practices across the county’s cities. This type of analysis can then be used by mayors and city planners from participating cities to inform their respective legislative bodies and collaborate on possible reforms.

* Texas Local Government Code, Section 242.001. <https://statutes.capitol.texas.gov/Docs/LG/htm/LG.242.htm#242.002>
 † Rolf Pendall (2000) Local Land Use Regulation and the Chain of Exclusion, Journal of the American Planning Association, 66:2, 125-142, DOI: 10.1080/01944360008976094. <https://www.tandfonline.com/doi/abs/10.1080/01944360008976094>

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