

## **URBAN COUNTY PROGRAM DEPARTMENT**

The Urban County Program was created in 1988 by the County of Hidalgo and thirteen (13) participating cities. The purpose of the union was to enable the County to qualify as an “Urban County” by the U.S. Department of Housing and Urban Development. This designation allowed the County to receive an entitlement portion of HUD **Community Development Block Grant (CDBG)** funding based on a formula that measures population, poverty levels and quality of housing stock. This designation does not include existing entitlement communities such as McAllen, Mission, Edinburg and Pharr. These communities receive CDBG funding directly from the U. S. Department of Housing and Urban Development.

The Urban County Program designation was issued to the County of Hidalgo as the program grantee (Entitlement Community). The County created the Urban County Program Department to administer the Community Development Block Grant Program. In 1990, a second entitlement grant was awarded to Hidalgo County known as the **Emergency Solutions Grant (ESG)**. The ESG is a grant that provides funding to organizations assisting homeless individuals and families. Then in 1992, the County received another entitlement allocation known as the **HOME Investment Partnership Grant** for Housing Rehabilitation and Reconstruction.

UCP is currently within its 2018 program year which started on July 1, 2018 and will end on June 30, 2019. UCP’s 2018 allocation is as follows:

\$ 7,561,596	CDBG
\$ 2,108,495	HOME
\$ 643,979	ESG

Currently, UCPs jurisdiction covers **17 participating cities** (Alamo, Alton, Edcouch, Elsa, Granjeno, Hidalgo, La Joya, La Villa, Mercedes, Palmhurst, Palmview, Penitas, Progreso, Progreso Lakes, San Juan, Sullivan City, Weslaco) and the four (4) County Precincts.

### **CDBG PROGRAM**

The primary objectives of the Community Development Block Grant (CDBG) Program are the development of viable urban communities by providing decent housing, a suitable living environment and expanding economic opportunities principally for people of low and moderate incomes. CDBG funded activities will accomplish one of the following national objectives:

- Benefit low and moderate income people;
- Prevent or eliminate slums or blight;
- Meet other urgent community development needs

Through an agreement executed between the Cities and the County Precincts, the funds are disbursed almost equally between the participating cities and precincts (Precincts get approximately \$175K more, Weslaco and San Juan receive approximately \$27K more than the equal distribution). The following are the types of projects Hidalgo County funds through its CDBG Program:

- Water / Sewer Improvement
- Street Improvements
- Drainage Improvements
- Parks and Recreational Facilities
- Housing Rehabilitation
- Economic Development
- Public Services:
  - Boy's & Girl's Clubs
  - Senior Services
  - Services for Disabled
  - Homeless Population
  - Abused Spouses
  - Abused and Neglected Children
  - Plus a variety of other services that benefit low to moderate income individuals/families
  - Handicapped
  - Transportation
  - Health
  - Food Banks

## HOME PROGRAM

As the administrative entity for Hidalgo County's HOME entitlement allocation, the Urban County Program (UCP) is charged with the responsibility of providing safe, decent and affordable housing opportunities for persons of low and moderate-income means. This is accomplished through a combination of activities and programs that provide incentives to develop and support affordable rental housing, owner-occupied rehabilitation and homeownership affordability. These activities are achieved through land acquisition (including assistance to homebuyers), new construction, reconstruction or rehabilitation of non-luxury housing with suitable amenities. All such activities are guided by the requirements set forth in 24 CFR 92.205. HOME funds are provided in the form of a deferred loan, loan or a combination of both. The type of assistance provided depends on individual client characteristics and individual program guidelines.

Since the HOME Program's inception in 1992, the UCP has invested \$54,651,640 towards improving housing opportunities for our areas less fortunate. Through UCP's ***Owner-Occupied Rehabilitation Program, Community Housing Development Organization (CHDO) Program and the Homebuyer Program*** assistance has resulted in production of 2,782 total housing units that were acquired, rehabilitated or newly constructed. These projects on average contribute up to \$2,000 per year to the County/Cities tax rolls. Also, over the course of the 10 years, for every HOME dollar (\$1) spent, approximately \$1.33 was secured from outside leveraged resources.

### **Owner-Occupied Rehabilitation Program**

The Hidalgo County Urban County (UCP) Program's Owner-Occupied Rehabilitation (Rehab.) Program purpose is to provide rehabilitation assistance to eligible low and moderate income Homeowners. The Program's objective is to implement a rehabilitation program to arrest the deterioration of substandard

homes by rehabilitating them to conform to Minimum Property Standards (MPS) in 24 CFR 200.925 or 200.926 and with other applicable State and Federal Laws, City Codes and Ordinances. This program allows the UCP to work in partnership with qualified Homeowners and Contractors to maintain the existing housing stock in decent, safe, sanitary and affordable conditions.

### **Community Housing Development Organization (CHDO) Program**

The UCP utilizes no less than fifteen percent (15%) of its HOME annual allocation for Community Housing Development Organizations (CHDO) activities that consists of construction of new single-family housing units. HOME funds are allocated annually on an application basis to entities proposing programs or projects that address the following HOME objectives:

1. To provide decent affordable housing to lower-income households.
2. To expand the capacity of non-profit housing providers.
3. To strengthen the ability of state and local governments to provide housing.
4. To leverage private sector participation.

### **Homebuyer Program**

*Due to reductions in annual funding, this program is currently frozen.*

The purpose of this program is to provide homeownership opportunities to eligible low and moderate - income residents. The Program's objective is to:

- 1) Provide a means of stabilizing property values and enhancing the overall quality of life within eligible communities.
- 2) Increase the number of affordable, single-family housing units within the jurisdiction.
- 3) Address the issue of housing overcrowding by providing an avenue for eligible families to obtain a home commensurate with family size.

The Urban County Program will provide from \$5,000 up to \$10,000.00 (maximum amount), depending on the family's income, for eligible expenses relative to the goals of the Homebuyer Assistance Program. This assistance shall be in the form of a deferred loan at a 0% interest rate. In consideration for such assistance, the Urban County Program shall assume a second lien position subordinate to the primary mortgage lender.

## **EMERGENCY SOLUTIONS GRANT (ESG) PROGRAM**

Through the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act), the U.S. Department of Housing and Urban Development (HUD) provides annual allocations to Hidalgo County Urban County Program. HUD provides national allocations of Emergency Solutions Grants (ESG) funds in amounts determined by a formula using six community-based factors. For more on the ESG formula, see 24 CFR 576.3.

The ESG program provides the following assistance: Rapid Re-housing and Homeless Prevention services that contribute to short and/or medium-term rental assistance as necessary to help individuals or families regain housing stability. Emergency Shelter Essential Services for individuals and families in emergency shelter. Component services generally consist of case management, child care, education services, employment assistance and job training, outpatient health services, life skills training, mental health services, substance abuse treatment services, and transportation. Shelter Operations, including maintenance, rent, security, fuel, equipment, insurance, utilities, and furnishings.

Other eligible ESG components are: HMIS (Data Collections) funds may be used for Homeless Management Information System (HMIS) and comparable database costs, as specified at 24 CFR 576.107. Administration Up to 7.5% of a recipient's fiscal year grant can be used for administrative activities, such as general management, oversight, coordination, and reporting on the program.

The ESG program provides funding to:

- Improve the number and quality of emergency shelters for homeless individuals and families;
- Help operate these shelters/transitional facilities;
- Provide essential services to shelter/transitional program participants;
- Rapidly re-house homeless individuals and families; and
- Prevent families and individuals from becoming homeless.

Hidalgo County Urban County program has developed goals to guide the use of ESG funds in the County of Hidalgo. These priorities are based on HUD's programmatic framework, as outlined on HUD's Homelessness Resource Exchange website in the HEARTH Act and the ESG Interim Rule. Hidalgo County Urban County Program ESG goals are to:

1. Increase community wide planning and strategic use of resources to prevent and end homelessness.
2. To improve and enhance the quality of life for homeless individuals and their families
3. To assist at-risk and literally homeless individuals and their families reach housing stability.

Metropolitan city and urban county recipients must match grant funds with an equal amount of cash and/or noncash contributions, which may include donated buildings, materials and volunteer services. For the specific match requirements, see 24 CFR 576.201.

Eligible recipients apply through the Consolidated Planning process. Among other things, this process helps communities assess their homeless assistance and housing needs, examine available resources, set 3-5 year strategies, and develop an annual action plan to meet priority needs.

All grant funds must be expended within 24 months after HUD signs the grant agreement with the recipient. Further obligation and expenditure requirements are specified at 24 CFR 576.203.

## NON-HOUSING AND HOUSING PROGRAM

### **Texas General Land Office (GLO) Disaster Recovery Funds Community Development and Revitalization Program**

#### Round 3

The Texas General Land Office (GLO) is the lead state agency for managing the State's Community Development Block Grant – Disaster Recovery (CDBG-DR) grants through the U.S. Department of Housing and Urban Development (HUD). There were two Presidential Disaster Declarations in 2015 that affected Hidalgo County – FEMA Disasters 4223 and 4245 (Severe Storms, Tornados, Straight-Line Winds and Flooding). As a result, the Federal Register, Vol. 81, No. 117, was issued on Friday, June 17, 2016, allocating \$4,313,027 to Hidalgo County. These funds are broken down into non-housing and housing project categories. The GLO has provided a pre-requisite itemization for the entire allocation, stating that sixty-eight percent (68%) or \$2,932,858 is to be utilized for non-housing activities and thirty-two percent (32%) or \$1,380,169 is to be utilized for housing activities.

Hidalgo County has developed, published and will submit its revised method of distribution recommending allocations within each of the project categories for a more specified allocation and utilization of these federal funds. Soon thereafter, UCP anticipates receiving GLO approval to move forward with its non-housing and housing projects.

## NON-HOUSING PROGRAMS

### **Texas General Land Office (GLO) Disaster Recovery Funds**

#### Round 1 / Round 2.1 / Round 2.2

On September 30, 2008, funds were appropriated by the Consolidated Security, Disaster Assistance, and Continuing Appropriation Act (Public Law 110-329), to aid efforts in disaster recovery, restoration, economic revitalization, and to affirmatively further fair housing in the Presidentially-declared major disaster areas affected by Hurricane Dolly and Ike. As a result, Hidalgo County Urban County Program (UCP) entered into a Community Development Block Grant Disaster Recovery (CDBG-DR) grant agreement with the Texas General Land Office (GLO) totaling approximately \$31,589,939.00. These funds have allowed Hidalgo County to facilitate improvements to flood and drainage facilities and components throughout the County.

The activities performed under this grant were as follows:

#### DRS010068/Round 1

Precinct 2 Street Improvements  
Minnesota Drain (Pct 2)  
Catarina Drain (City of Progreso)

Delta Outfall Drain System (Pct 1)  
Trenton Drain (Pct 4)

DRS210068/Round 2.1

Penitas Drain (Pct 3)  
South Fork Drain (Pct 2)  
Delta Area Connector/East Lateral (Pct 1)

- Acre Tract/Chapa North/Chapa South
- Puesta del Sol/Mesquite Acres
- DAC/EL: Phase 1
- Bernal Heights 1 & 2 / Bar 3
- Olivarez 7, 9, and 18
- DAC/EL: Phase 2
- Olivarez 4 and 10/Sunrise Subdivision
- Tijerina Estates

DRS220068/Round 2.2

Delta Area Connector/East Lateral: Phase 3 (Pct 1)  
Alberta Drain (Pct 4)

**Texas Department of Agriculture**

TDA 713005/The Alamo Project

In 2013, the Hidalgo County Urban County Program (UCP) applied for and was awarded a \$497,775.00 Texas Community Development Block Grant Program, Colonia Economically Distressed Areas Program (CEDAP) grant by the Texas Department of Agriculture to assist in providing first-time sewer connections to the residents of Val Bar Estates, Rancho Escondido, Campo Alto Subdivision and Colonia Guadalupe I, II and III colonias in Alamo, Texas. With the support and additional funding from Hidalgo County Precinct 4, the City of McAllen Public Utility Board and the Hidalgo County Drainage District No. 1, 199 households received sanitary sewer improvements and service connections.

TDA 713045/The Hoehn Drive Project

Also in 2013, UCP applied for and was awarded a \$500,000.00 Texas Community Development Block Grant Program, Colonia Fund: Construction (CFC) grant by the Texas Department of Agriculture to assist in providing first-time sewer connections to the residents of the Hoehn Drive Subdivision in Edinburg, Texas. With the support and additional funding from Hidalgo County Precinct 4, the City of McAllen Public Utility Board and the Hidalgo County Drainage District No. 1, 150 households received sanitary sewer improvements and service connections.

2017 CEDAP Application

In 2016, UCP applied for a \$1,000,000.00 Texas Community Development Block Grant Program, Colonia Economically Distressed Areas Program (CEDAP) grant from the Texas Department of Agriculture to assist in providing first-time sewer connections to the residents of Isaacs Subdivision, Tower Road Estates, Muniz Subdivision, Alberta Acres, El Charro #2 Subdivision and L.J. #1 Subdivision colonias in

Edinburg and Alamo, Texas. On March 27<sup>th</sup>, UCP received confirmation of the grant award. In association with the North Alamo Water Supply Company, we estimates beginning mobilization of the project in the summer of 2017. In completing this project, UCP anticipates providing sanitary sewer improvements and service connections to approximately 400 households.

## OTHER HOUSING PROGRAMS

### Neighborhood Stabilization Program (NSP)

The NSP funding was utilized by Hidalgo County to stabilize neighborhoods and stem the decline of house values of neighboring homes by providing or improving permanent residential structures to be occupied by a household whose income is at or below 120% of area median income (AMI). The program funds were utilized for addressing foreclosure issues within Hidalgo County with activities that include:

- a. establishment of financing mechanisms for the purchase and redevelopment of foreclosed homes and residential properties;
- b. purchase and rehabilitation of homes and residential properties abandoned or foreclosed;
- c. demolition of blighted structures;
- d. redevelopment of demolished or vacant properties; and
- e. administration and planning costs

UCP entered into agreements with existing Community-Based Development Organizations (CBDO's) to accomplish the activities identified.

### NSP1

The Neighborhood Stabilization Program (Round 1) was a grant received for the purpose of stabilizing communities that suffered from foreclosures and abandonment within Hidalgo County. This grant was awarded by the U.S. Department of Housing and Urban Development (HUD), in January 2009 in the amount of \$2,867,057, with a completion date of 3/08/2013. The Urban County Program (UCP) proposed a total of 30-35 units to be acquired with these funds through partnership with Affordable Homes of South Texas, Inc. (AHSTI) and Proyecto Azteca (PA).

By the contract obligation deadline, AHSTI had successfully purchased and repaired a total of 13 single family homes that had previously been foreclosed, with the intention of selling these units to qualified families. AHSTI had also acquired a total of 70 lots at the Tierra Encantada Subdivision in Alamo TX and created a land bank for future development of new single family homes. In all, AHSTI's NSP funds were utilized to assist a total of **eighty-four (84) units**. Additionally, PA had purchased foreclosed lots and developed a total of **fourteen (14) units** for re-sale to qualified families.

Currently, AHSTI has sold fifty-five (59) of the eighty-four (84) NSP1 homes to qualified buyers and continues to identify waitlist applicants to assist for the redevelop lots from its land bank. The redevelopment of these land bank lots has been made possible by additional funding sources such as the UCP's award of NSP3 and HOME CHDO funds as well as other private sources. PA has successfully sold all 14 redeveloped NSP1 properties to qualified buyers.

### NSP3

The UCP entered into contract with HUD for NSP3 funding in the amount of \$1,716,924 in March 2011, with a completion date of 3/7/2014. As previously stated, AHSTI planned to utilize these funds to construct new single family homes in its land bank. As a result, AHSTI utilized all of its NSP3 funds to redevelop **fourteen (14) single-family housing units**. AHSTI continues to take applications from families interested in living at Tierra Encantada Subdivision with a long term goal of final completion for the remaining lots, within the next seven (7) years. Currently, AHSTI has redeveloped a total of forty-one (41) lots at Tierra Encantada by constructing new homes for qualified buyers. AHSTI intends to redevelop the remaining twenty-nine (29) lots within the next five years.

With the influx of NSP3, PA began a project within the Lynchburgh Estates Subdivision in Edcouch TX. As such, PA utilized all its NSP3 funds within Lynchburgh to assist **twenty-one (21) units** for lot acquisition and new construction. To date, PA has constructed and sold all 21 homes in this subdivision.

PA's Lynchburg units were developed and constructed utilizing cutting-edge energy efficiency technology such as insulated concrete forms (ICF), advanced framing techniques, metal roofing, a WaterSense (low flow toilet system), and other "Green" concepts to better assist these families, as well as the community. UCP is pleased to report that the Lynchburg Estates subdivision, upon completion will be the first Leadership in Energy and Environmental Design (LEED) certified subdivisions in the Rio Grande Valley.

#### **Disaster Recovery Program**

The Hidalgo County Urban County Program (UCP) entered into contract with the Texas Department of Housing and Community Affairs (TDHCA) on September 11, 2009, in the amount of \$2,000,000. The Urban County Program utilized Disaster Recovery Funds to undertake Owner Occupied Rehabilitation and Reconstruction activities for properties within Hidalgo County, affected by Hurricane Dolly. The Program allowed for the utilization of CDBG Disaster Recovery Funds for homeowner repair, rehabilitation, reconstruction and new construction activities within the jurisdiction of the UCP. Assistance under this program was delivered through the Unsecured Deferred Forgivable Note Program that provides assistance to homeowners for the rehabilitation/reconstruction or new construction of their property. By the end of the contract period, September 11, 2011, the UCP expended 100% of the funds and assisted thirty-four (34) single-family housing units in the process.

#### **Colonia Self-Help Center (SHC) Program**

In 1995, the 74th Legislature passed Senate Bill 1509, a legislative directive to establish colonia self-help centers in Cameron/Willacy, Hidalgo, Starr, Webb and El Paso counties as well as in any other county designated as an economically distressed area. Five colonias within each county are identified to receive concentrated attention from its respective self-help center.

The law also requires the establishment of a Colonia Resident Advisory Committee (C-RAC) to advise TDHCA on colonia residents' needs and provide guidance on programming and activities in the selected colonias. Each county selects two representatives residing in colonias served by self-help centers as primary and secondary C-RAC members. The C-RAC has been instrumental in voicing the concerns of the

targeted populations and has helped both the Department and the colonia SHCs develop useful tools and programs.

During the planning phase of a needs assessment, UCP identified following five (5) colonias to assist within its current 2016 SHC Agreement:

Whitewing Subdivision

Roadrunner #2

Linda Vista Estates

Muniz

Carlos Acres

The activities that will be undertaken are as follows:

Technology Access

Tool Lending Library

Solid Waste Removal

Housing Reconstruction