

April 8, 2025

Mr. Bobby Wilkinson
Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78711

RE: TDHCA Applicant # 25090 – Trinity East Senior (“the **Project**”) – Appeal

Dear Mr. Wilkinson:

Our Firm represents The NHP Foundation (“**NHP**”) and Trinity East 9% Affordable Senior, LP (“**Project Owner**”), the applicant of the above Project, and we have been requested by Project Owner to appeal the Texas Department of Housing and Community Affairs’ (“**TDHCA**”) decision to terminate Project Owner’s 2025 tax credit application (the “**Application**”).

Please see attached Exhibit “A”, your letter of support dated December 27, 2023, noting TDHCA’s commitment and support for the revitalization efforts in the Third Ward Cuney Homes neighborhood through the strategic alignment of other TDHCA resources (the “**TDHCA Support Letter**”). It is important to note that if TDHCA denies this appeal, the resulting adverse consequences go beyond just this Project, but also to the revitalization efforts of the City of Houston, both through the Third Ward Complete Communities Action Plan and the Third Ward Choice Neighborhoods Implementation Plan. This letter sets forth Project Owner’s request for your continued commitment and support and grounds for this appeal in accordance with 10 TAC §11.902(c).

BACKGROUND

10 TAC §11.101(a)(3)(D)(ii) identifies certain Neighborhood Risk Factors that may render a proposed development site ineligible, including sites located in a census tract where the rate of Part I violent crime exceeds 18 per 1,000 persons annually, as reported on NeighborhoodScout.com. The Application’s Neighborhood Risk Factor Mitigation Package acknowledged that the site is in such a high-crime census tract.

To be considered eligible under the above section of the Qualified Allocation Plan (QAP), mitigation must demonstrate either (a) a **reasonable expectation** that crime rates will fall below the threshold within two years, supported by sufficient evidence and analysis, or (b) that the data reported by NeighborhoodScout does not accurately reflect crime in the area and that actual crime rates do not rise to a level that would cause concern to the Board.

Staff determined that the Application did not meet the requirements of 10 TAC §11.101(a)(3)(D)(ii). On behalf of Project Owner, we respectfully disagree with staff and

believe that the Application provided sufficient evidence and analysis to create a reasonable expectation that crime rates will fall below the threshold within two years. Furthermore, staff had the ability pursuant to the QAP to request supplemental information from the Project Owner under the administrative deficiency process which, if done, would have provided staff with further information (without changing the Application) supporting the reasonable expectation that crime rates will be reduced.

While it is acknowledged that violent crime is above the threshold, that is the very reason HUD approved the Third Ward Cuney Homes neighborhood as a recipient for the CNI Grant (defined below). The intent of the Neighborhood Risk Factor is to avoid building new housing for residents in areas with a high number of violent crimes. As noted in the Application, while the Project is not a traditional rehabilitation, it's providing replacement housing for existing Cuney residents so it should not be considered as a stand-alone new construction project. The Board has recognized this in the past, approving other projects that provide rehabilitation and/or improved conditions for existing residents in the area, recognizing that the alternative would be to risk conditions staying the same or likely to become worse. By way of example, at the May 12, 2022 TDHCA Board meeting, the Board approved Sunset Garden's Project (#22445) based on a very similar set of circumstances that also exist for this Project and the Cuney Homes / Third Ward residents.

CHOICE NEIGHBORHOODS PROGRAM / CUNEY HOMES REDEVELOPMENT

The Project is a 90-unit development for seniors 55 years and older in Houston's historic Third Ward. The project is identified in the Houston Housing Authority's ("**HH**A") Choice Neighborhoods Implementation Plan for the redevelopment of Third Ward/Cuney Homes as a site of replacement housing and will receive \$500,000 from the Houston Housing Authority, approved as a recipient by HUD to facilitate the redevelopment of public housing site Cuney Homes and the Third Ward neighborhood.

- Choice Neighborhoods Implementation Grant from HUD ("**CNI Grant**")

In FY2023/24, just seven (7) neighborhoods in the United States received a CNI Grant from HUD as detailed below:

- **Houston Housing Authority: \$50,000,000**
- Chattanooga Housing Authority: \$50,000,000
- Huntsville Housing Authority: \$50,000,000
- Southern Nevada Regional Housing Authority: \$50,000,000
- Miami-Dade County Public Housing and CDC: \$39,968,424
- Syracuse Housing Authority: \$50,000,000
- Trenton Housing Authority: \$15,626,191

As noted in the Application, several mitigation efforts are already underway, including, but not limited to, the ongoing strategies to reduce violent crime through the CNI plan that was

submitted to HUD in 2024 (excerpts of which were included in the Application, attached hereto at Exhibit “B”).

Please also refer to Exhibit “C” which provides the project summary published by HUD, based on information included in HHA’s application for the CNI Grant, paying important attention to the excerpt below from that summary (*emphasis added*):

Transformation Plan Overview

*Through a Choice Neighborhoods Implementation Grant, HHA and the City seek to develop a **safe, inclusive, family-friendly mixed-income neighborhood** while also honoring the community’s deeply rooted culture and history. **With a team of neighborhood residents, local organizations, and community partners, HHA and the city plan to reimagine, uplift, and revitalize the Cuney Homes public housing development and the larger Third Ward neighborhood.***

*Key goals of the Neighborhood Plan include creating vibrant destinations, **improving neighborhood safety**, ensuring residents of all ages thrive, and honoring history and culture”*

As part of the CNI program, communities develop and submit to HUD implementation plans that outline their strategies for revitalization, including addressing neighborhood conditions. Based on information provided by HHA and the City of Houston, it was determined by HUD that the implementation plan for Cuney Homes and the Third Ward neighborhood provided sufficient evidence and analysis, including crime mitigation plans, to be awarded the CNI Grant in the amount of \$50,000,000.

As noted in the Application, the CNI Grant and the redevelopment of the neighborhood depends on replacement housing provided by three developments (i) Manson Family Place (awarded tax credits in 2022) (ii) the Project, Trinity East Senior and (iii) Emancipation West (housing to be developed and owned by HHA). All three projects must be completed to provide replacements housing for existing Cuney Homes residents.

As noted in the letter dated February 24, 2025 (provided in the Application) from the City of Houston “*Not only will Trinity East Senior provide much needed affordable housing to Houstonians, but the proposed development will also be contributing to the continued concerted revitalization efforts of the City of Houston, both through the Third Ward Complete Communities Action Plan and the Third Ward Choice Neighborhoods Implementation Plan*”. Please refer to Exhibit “D” for a letter in support of this appeal from Dr. Carolyn Evans-Shabazz, Houston City Council Member (District D), dated April 8, 2025.

In 2022, TDHCA approved the above referenced Manson Family Place (the “**Manson Project**”). That applicant offered similar mitigating factors as the Project Owner. It is also important to note (as stated in the Application) that while the proposed Project is not a traditional rehabilitation development, it is providing replacement housing to existing residents of Cuney

Homes and is identified as such in the HHA's Choice Neighborhoods Implementation Plan for the redevelopment of Third Ward/Cuney Homes.

In addition to approval of the Manson Project, it's clear that TDHCA has recognized the importance of prioritizing areas awarded CNI Grants by HUD. The TDHCA Support Letter referenced above was submitted to HUD for the CNI grant and is in line with Section 11.6(3)(C)(iv) of the 2025 QAP and TDHCA's preference for projects "*located in a neighborhood of a HUD Choice Neighborhood Planning or Implementation grant in the preceding five years from the date of the Application...*"

Please see HUD's 2025 report on the Choice Neighborhood Program, attached as Exhibit "E" (the "**Report**"). The Report discusses the CNI program's purposes and justification, noting that CNI grantees have developed public safety strategies. The Report also provides "*For grantees that have two or more years of crime data, 85 percent of target neighborhoods have witnessed a decrease in violent crime at more substantial rates relative to the surrounding city, and 60 percent have witnessed violent crime decrease at twice the rate of the city*". The Report also describes that most CNI grantees show an increase in employment and average household income, improved economic conditions for residents and that "*Positive results are being reported . . . and similar results would be expected from grants awarded in 2025*".

Based on these same assumptions and the data provided in the Report, it is more than reasonable to expect a similar reduction in crime in the Third Ward community as a result of the CNI Grant, private/public funding and broad-based community support for the area.

The Report goes further to state "*While HUD is a key partner in both grant types, the program stresses the creation of local, city-wide, State, and Federal partnerships and supports extensive outreach to and meaningful participation from neighborhood residents*". Local support and the public/private partnership is already in place as evidenced below:

- HUD: 2024 approval of a \$50,000,000 CNI Grant
- City of Houston: in partnership with HHA, the City has leveraged \$583,500,000 in public and private sources to support the transformation plan submitted to HUD, including providing financing to the Project in the amount of \$4,000,500.
- HHA: HHA is providing \$500,000 to the Project, Project Based Vouchers for 81 units (90% of the property) and will act as the general partner in the Project Owner.
- Local resident involvement: as noted in Exhibit "B", HHA and the City are building upon a 2020 Choice Neighborhoods Planning Grant where **they engaged residents in an inclusive planning process** to address challenges in the Third Ward and to revitalize the outdated Cuney Homes public housing property.
- Local non-profit involvement: Trinity East Village CDC ("**TEVCDC**") is a grassroots nonprofit whose mission is to build affordable housing for Third Ward

residents. The Project is the culmination of TEVCDC and Trinity East United Methodist's vision to build affordable housing on land next to the church and to help keep low-income Third Ward residents from being displaced. The Project also has widespread support from numerous community groups and includes land from the Midtown Redevelopment Authority.

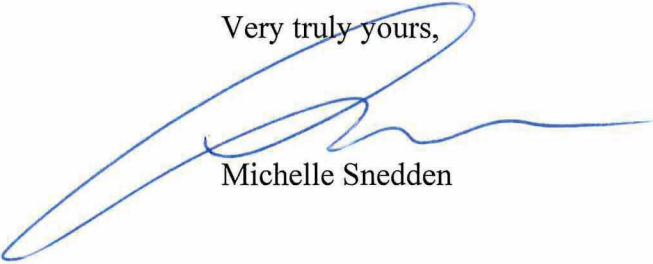
- NHP: NHP, a 35-year-old nonprofit with over 9,000 affordable units across 16 states. NHP will develop the Project in partnership with Victory Redevelopment Corp, an affiliate of HHA, and TEVCDC.
- TDHCA: approval of 9% low-income tax credits; Project Owner is asking for your continued commitment and support as provided in the TDHCA Support Letter referenced above. The Project and the intended new and replacement housing for the already existing Cuney residents and the Third Ward community cannot be completed without TDHCA's partnership.

Conclusion

TDHCA's approval of the Project is the lynchpin not just for the Project, but the broader Third Ward community, which is critical to preserve and improve housing for the **existing residents** and to fund the Cuney Homes redevelopment. The Project Owner is asking for TDHCA's help to make a transformative change in the Third Ward community and for the many residents that already live there. With the assistance of both public and private investment and HUD's substantial commitment to this community, it is reasonable to expect that the redevelopment and replacement housing being provided by the Project Owner will lead to reduced crime throughout the area. To deny the appeal would contradict Section 2306.002 of the Texas Government Code and TDHCA's policies to provide decent, safe and affordable housing.

I respectfully request that you grant this appeal and reinstate the Application. If you determine that the request does not merit you granting it, then Project Owner hereby requests that your decision be appealed to the Board and that this letter be made the basis for the appeal of your decision for consideration at the May Board meeting.

Very truly yours,



Michelle Snedden

cc: Cody Campbell
Joshua Goldberger
Lauren Avioli
Teresa Bowyer
John Hoffer

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EXHIBIT A



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.texas.gov

Greg Abbott
GOVERNOR

BOARD MEMBERS
Leo Vasquez, *Chair*
Kenny Marchant, *Vice Chair*
Anna Maria Farías, *Member*
Holland Harper, *Member*
Ajay Thomas, *Member*

December 27, 2023

Houston Housing Authority
2640 Fountain View Drive, Suite 3017,
Houston, Texas 77057

RE: Choice Neighborhood Initiative

I am writing in regard to the transformation of the Third Ward Neighborhood and the Cuney Homes Public Housing site, and the related Choice Neighborhoods Initiative (CNI) Implementation Grant application being submitted by the Houston Housing Authority.

As you know, the Texas Department of Housing and Community Affairs (TDHCA) Qualified Allocation Plan (QAP) for 2024 includes a preference for CNI related projects in the competitive 9% Housing Tax Credit application process, recognizing the transformative impact of developments like those envisioned for Third Ward and Cuney Homes.

I understand that your team is proposing to use 4% LIHTCs in tandem with volume capped tax-exempt bond authority for several phases of the development that will be developed in several mixed-finance, and mixed-income phases. This letter confirms that TDHCA awards 4% LIHTC allocations and tax-exempt bonds non-competitively, when program requirements are met.

Finally, TDHCA is very much committed to supporting impactful and comprehensive revitalization efforts such as those proposed for the Third Ward Cuney Homes neighborhood through the strategic alignment of other TDHCA resources.



Please feel free to contact me with any further questions at 512-475-3296.

Sincerely,

A handwritten signature in blue ink, reading "R D Wil II". The signature is fluid and cursive, with a double underline at the end.

Bobby Wilkinson
Executive Director

EXHIBIT B

Excerpts from HUD-Approved Choice
Neighborhoods Implementation Grant

Choice Neighborhoods Implementation Grant - Third Ward Cuney Homes
Exhibit F - Neighborhood Strategy

Community Safety	
Impact Statement and Expected Outcomes/Metrics	Third Ward residents feel safer in their homes and outside in the revitalized community, youth are engaged and have opportunities previously not available, and crime rates are reduced. - Reduce Violent Part I crimes by 20% - Increase employment rate by 5% - Increase Columbia Tap Trail usage by 25% due to safety enhancements
Challenges/Needs	- Poverty rate of nearly 39% (51% of the individuals living in poverty are under 18 years of age) - Violent crime rate that is over 31 incidents per 1,000 people - Vacancy rate of 18% and distressed public housing site that has \$61.5M in critical capital needs
Strategy	Partner with HPD, USI, Civic Heart, HISD, HHA, and Southeast Management District to comprehensively work with Cuney Homes and Third Ward youth and their families currently in the justice system or at risk of entering the justice system
Implementation Partners	Lead: City Partners: Houston Police Department, USI, Civic Heart, Houston Independent School District (HISD), HHA, Southeast Management District

Community Confidence PRH, the CNI neighborhood team, residents, and stakeholders are designing gateway art, landscaping, and signage that convey a sense of place at the neighborhood entryway points. Outdoor art installations woven throughout the neighborhood will provide a sense of place for residents and visitors of all ages and will establish gathering places for the entire community. This critical part of the Third Ward “eyes on the street philosophy” and Crime Prevention Through Environmental Design (CPTED) strategy is designed to combat criminal activity, stimulate investment, and increase community pride. **Placemaking** Building on the Third Ward’s 2020 TX designation as an Arts and Culture District and Emancipation Ave’s 2020 designation as a TX Main St, PRH is leading the planning for placemaking, gateway and art installation plan. The focused sequencing to have the greatest impact on the Third Ward commercial districts includes Emancipation Ave. as the primary in addition to Scott, Elgin, and Alabama Sts. In 2024, the city will invest \$28.8M to reconstruct Emancipation Ave. as a “Complete Street,” with wider sidewalks, bike lanes, enhanced lighting, and crosswalks. Trees for Houston’s \$4M endowment will fund shade trees particularly in the Third Ward, including Emancipation Ave., that have been identified as a heat island. Additionally, SMD is planning a \$300K banner installation project to reflect the spirit of the local culture, history and art, in coordination with EEDC, PRH, and the S.H.A.P.E Center. The S.H.A.P.E. Center, opened in the Third Ward in 1969, was recognized by the Black, Indigenous, People of Color Arts and Network Fund (BANF) as a Houston Cultural Treasure with a recent award of grant funds. PRH will lead the community-driven collaborative work, coordinating with the city, S.H.A.P.E. Center, EEDC, SMD, and Trees for Houston. In addition to the reconstruction of Emancipation Ave, the city has committed an additional \$86M from 2024-2028 to fund (a) Emancipation Park Community Center improvements and (b) reconstruction of Live Oak, Gray, Webster, Hadley, McGowen, Nagle and Holman Sts. as Complete Streets, working in collaboration with CNI Partners PRH, EEDC, and Trees for Houston. SEMD received a \$320K

Community Safety - One Safe Houston – Houston, similar to all major cities, experienced an increase in violent crime during COVID-19. In 2021, the Houston Police Dept. (HPD) launched a Violent Crime Initiative that resulted in the reduction of crime in identified hot spots, including the Third Ward. By the end of the initiative, all violent crime categories were reduced except homicide. To further the reduction and address homicides, HPD launched One Safe Houston, which focuses on four key areas: violence reduction/crime prevention; crisis intervention; response/recovery; and youth outreach opportunities/key community partnerships through mentorship, gang prevention, and an academy for teens interested in law enforcement. This program is a work in progress; HPD is working with the Third Ward to measure impacts and adjust its approach.

Youth Justice Reinvestment Fund Civic Heart, based in the Third Ward, administers over 25 programs and provides services to 65K individuals. As part of their work, Civic Heart is the intermediary for \$575K from the County's Youth Justice Reinvestment Fund through the Office of Justice Program. Additionally, grass roots organizations focus on wrap-around services for at-risk youth. Metrics are tracked to understand the impact and dynamically adjust service delivery. Programs include: (1) **Young People in Action** Level-up Mentoring Program is a 10-week continuous intervention mentoring program for 40 youth ages 10-18 and their families. The program focuses on the Triple P-Pillars of parent engagement, pastors and churches for mentors, and principals for school engagement. The program uses The Council of Boys and Girls Circle Curriculum and focuses on leadership/character development, enrichment/recreational activities, field trips/learning retreats, social activities, and other wraparound services. (2) **Youth Advisory Board** This program empowers young people to share their thoughts on juvenile justice and develop valuable community engagement, advocacy, and leadership skills. The program also collaborates with the county and Civic Heart leadership to provide feedback. Members of this board receive a \$15/hr stipend.

(3) **The Forgotten Third (Relationships, Education, Skills Building, Employment/Entrepreneurship and Training (R.E.S.E.T.))** is a 40-week intervention program that serves 45 pre/post-adjudicated males ages 10-18 and their families. R.E.S.E.T. aims to empower and equip young adults through a comprehensive public health approach to support youth development. Components are screening/assessment, wraparound case management, education/vocational certifications, job/entrepreneurship training, credible messenger mentorship, and restorative justice, (3) **Legends-Legacies Program** is a 40-week case management support program for 30 youth ages 10-18 and their families. Key areas include intensive case management, weekly individual and group sessions where youth can share through role playing and art exercises, mentoring, community support activities, and monthly field trips and family events. The program aims to enhance access to basic needs and education. (4) **Workshop Houston Near Peer Youth Leadership and Employment Project** is a 49-week continuous hands-on daily educational program for youth ages 11-16. Hosted at a specialized art studio in Third Ward, youth learn leadership and employment skills, access tools, materials, and instructions; they are also empowered to participate in rewarding projects in the Beat Shop, Style Shop, Media Shop, or the Dance Shop, (5) **Talent Yield Coalition** Youth Justice and Family Development-Newspaper Program is a 40-week continuous hands-on daily life skills intervention program for 50 males and females ages 10-17 and their families. Youth participate in a life skills that focuses on communication, critical thinking, time management, decision making, and negotiation skills, (6) **My Chapel The Champion and Victory Mentoring Program** is a continuous mentoring and wrap-around case management support program for 30 youth ages 10-18 and their families. Key areas include intake assessment, coordination with the county, exposure to arts and music, pro-Dad curriculum, and mentor matching. The program aims to support youth and their families to enhance access to basic needs and education.

coordination with HHA, will continue engaging the Cuney Homes public housing residents and other Third Ward stakeholders over the CNI grant period and beyond to assess progress and re-evaluate the dynamic approach to ensure it is meeting the community's needs. The interconnected CCI components total over \$230M; the summary budget is presented below.

Neighborhood Strategy CCI Preliminary Budget	CNI	City CDBG	Public/Private Leverage	TOTAL
Housing quality and variety Owner occupied rehab, affordable for sale and mixed-income rental	\$2.5M	\$2.5M	\$38.7M	\$43.7M
Economic opportunity Job training/business development	\$2.5M		\$9.5M	\$12M
Community assets/amenities Transit/health/early learning/rec- reation/social centers	\$1M		\$54M	\$55M
Community confidence Gateways/art installations/ infrastructure/multi-modal trails	\$1M		\$145.5M	\$146.5M
Public safety Youth programs/CPTED			\$825K	\$825K
TOTAL	\$7M	\$2.5M	\$221.3M	\$258M

Homeownership The city has worked closely with the certified CHDO, Change Happens CDC (CHCDC) for 20 years, constructing both rental/homeownership projects across Houston.

Third Ward-Cuney Homes CNI Program Milestones
Attachment 41

Hire onsite USI team, Lead and Family Support Coordinators	8/5/24	12/31/24
Conduct updated household-level assets and needs assessments with at minimum 65% of households prior to the development of the People Plan so that strategies are informed by updated results	9/15/24	11/29/24
Meet with local partners/People Task Force (quarterly)	9/26/24	9/30/32
Issue resident newsletter (generally monthly)	10/15/24	10/1/32
Submit detailed people plan (9 months from grant award)	12/2/24	1/26/25
Offer Cuney Homes residents income and employment/workforce development services working with partners	1/8/25	9/30/32
Offer Cuney Homes Health and Wellness/Proactive Services working with partners	1/8/25	9/30/32
Offer Cuney Homes Residents Education/Cradle to Career and Beyond Services working with partners	1/8/25	9/30/32

Neighborhood (period of time from grant award)	Start	Finish
Meet with Third Ward residents (quarterly)	6/3/24	9/30/24
Meet with local partners/Neighborhood Task Force (quarterly)	7/1/24	9/30/24
Public Safety Initiatives	7/1/24	9/30/32
Draft/Submit Critical Community Improvements Plan (12 months)	2/3/25	4/26/25

EXHIBIT C

FY2023/24 CHOICE NEIGHBORHOODS IMPLEMENTATION GRANT HOUSTON, TEXAS

*Houston Housing Authority and City of Houston
Third Ward*

Award Summary

The **Houston Housing Authority (HHA)** and the **City of Houston** were awarded a **\$50,000,000** Choice Neighborhoods Implementation Grant for the **Cuney Homes** public housing property and the surrounding **Third Ward** neighborhood.

Neighborhood + Plan Context

The Cuney Homes public housing property was built in 1939. The property contains a total of 553 two-story residential units that sit on a series of superblocks with no through streets, leaving the residents disconnected from the larger Third Ward neighborhood. The Third Ward was established shortly after Houston's founding in 1836 and from the beginning was a stronghold for the Black community, including many residents who were newly emancipated from enslavement. The Third Ward is the location of many historic landmarks, most notably, Emancipation Park, which was purchased in 1872 and was the first ever park for Black Houstonians and is now home to an annual Juneteenth Celebration commemorating African Americans' liberation from slavery.

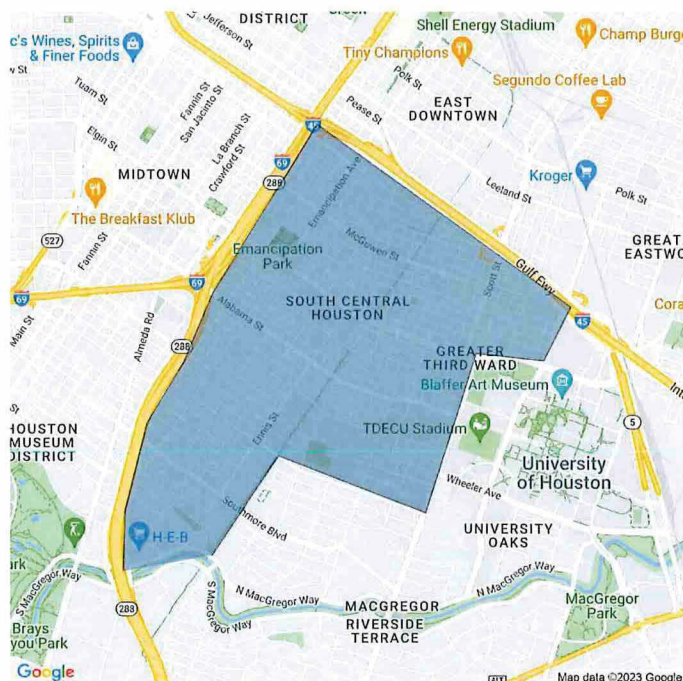
HHA and the City are building upon a 2020 Choice Neighborhoods Planning Grant where they engaged residents in an inclusive planning process to address challenges in the Third Ward and to revitalize the outdated Cuney Homes public housing property.

Home to colleges, historic churches, hospitals, and businesses, the Third Ward has benefited from recent growth and development but is grappling with how to hold on to its history amidst gentrification. Through Choice Neighborhoods, residents seek to honor Cuney Homes' history while making substantial changes in the neighborhood that benefit all residents.

Transformation Plan Overview

Through a Choice Neighborhoods Implementation Grant, HHA and the City seek to develop a safe, inclusive, family-friendly mixed-income neighborhood while also honoring the community's deeply rooted culture and history. With a team of neighborhood residents, local organizations, and community partners, HHA and the city plan to reimagine, uplift, and revitalize the Cuney Homes public housing development and the larger Third Ward neighborhood.

A joint venture between developers Integral Properties and Rule Enterprises will implement the Cuney Homes Housing Plan, which will include the construction of 1,115 mixed-income, transit-oriented units. The seven phase Housing Plan will include a wide range of housing types, such as multi-family, duplexes, townhomes, and condominiums.



*Pictured: The Cuney Homes site today (left);
The boundaries of the Third Ward Choice Neighborhood (right).*



Pictured: Renderings show a reimagined Cuney Homes site. The new Cuney Park will provide a central green amenity, with basketball courts, walking trails, playgrounds, and preservation of the existing heritage trees. Recreation areas will include infrastructure to handle stormwater during heavy rainfall events. A new bus rapid transit line will provide improved access to greater Houston for residents of the Third Ward.

The design will include retail spaces to support business growth on Emancipation Avenue, the community's vibrant commercial corridor. The Housing Plan will also create new community green spaces, small business incubators, public plazas, and greenways. All these improvements were the result of a thorough analysis of community needs and priorities and will reflect the historical context of the neighborhood and its residents.

Key goals of the Neighborhood Plan include creating vibrant destinations, improving neighborhood safety, ensuring residents of all ages thrive, and honoring history and culture. To this end, the Third Ward neighborhood will benefit from added transit infrastructure, greenspaces, bike trails, and streetscaping. The City is building off previous planning efforts to revitalize the Third Ward as a desirable and sustainable community. This means developing more affordable homeownership opportunities, incorporating solar power throughout the neighborhood, redeveloping vacant and blighted sites, and making physical improvements to commercial and business corridors.

The City also hopes to improve access to basic needs, services, and amenities within walking distance to Cuney Homes and the Third Ward.

Strong supportive services are another vital part of the transformation of Cuney Homes and Third Ward. HHA and the City will transform the Third Ward into a place where residents have access to the services and resources they need. Increasing access to mental health care, strengthening local education resources, and developing workforce programs are all part of efforts planned for Cuney Homes residents. The Transformation Plan is rooted in engagement with residents and reflects their needs and priorities.

Additional Resource Commitments (self-reported)

HHA and the City leveraged \$538.5 million in public and private sources to support the Transformation Plan. This includes \$166.7 million for the Neighborhood Plan, \$311.4 million for the Housing Plan, and \$60.4 million for the People Plan.

EXHIBIT D



CITY OF HOUSTON

Councilwoman Dr. Carolyn Evans-Shabazz
City Council District D

April 8th, 2025

Bobby Wilkinson
Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: Support for Appeal of Termination of Application #25090

Dear Director Wilkinson,

As the elected representative for Houston's District D, I have long championed equitable investment and public safety in the Third Ward a historic and resilient community undergoing transformative redevelopment. The Trinity East Senior development is not just a housing project; it is a vital piece of the larger effort to rebuild and reimagine a safer, stronger, and more inclusive neighborhood.

Over the past several months, I have worked closely with Mayor John Whitmire to prioritize public safety in areas such as the Third Ward. As recently as this past weekend, the Mayor led two high-impact operations in coordination with the Houston Police Department (HPD) to directly address crime in the community reflecting our shared commitment to proactive, data-informed public safety interventions.

In support of this broader mission, I also successfully advocated for the approval of \$100,000 in additional funding through the OST/Almeda Redevelopment Authority, in partnership with the Houston Southeast Management District, to enhance safety measures and community-based resources in the area. Complementing this effort, and through federal support from the U.S. Department of Justice, HPD has expanded the deployment of Flock Safety cameras and LPR (License Plate Reader) technology throughout the Third Ward tools that have already shown success in resolving criminal cases and improving response times.

Additionally, we are pleased to be working alongside newly elected Harris County Constable for Precinct Seven, J.M. "Smokie" Phillips, Jr., who took office in 2025 and has demonstrated a strong commitment to public safety and neighborhood stabilization. His leadership brings renewed energy and resources to our collective efforts to address crime comprehensively in this area.

The Greater Third Ward continues to benefit from unprecedented levels of investment, including the \$50 million Choice Neighborhoods grant, which is leveraging more than \$610 million in redevelopment activity. This initiative will address blight, create new housing, and bring targeted resources to historically underserved areas. Significantly, the Choice Neighborhoods strategy also includes funding specifically for crime prevention — reinforcing safety as a foundational component of the neighborhood's long-term revitalization.

When examining public safety around the Trinity East Senior development, we utilize crime data from HPD police beat 10H50 the area directly surrounding the project site. However, it is critical to recognize that current data must be understood within the context of these layered, coordinated efforts that are actively reshaping public safety outcomes. The City of Houston and its partners are not reacting passively to crime we are actively mitigating its root causes while building infrastructure to support lasting change.



CITY OF HOUSTON

Councilwoman Dr. Carolyn Evans-Shabazz
City Council District D

HPD's approach includes Crime Prevention Through Environmental Design (CPTED), expanded bike patrols for greater community engagement, Crime Suppression Teams focused on violent crime, and dedicated Domestic Abuse Response Teams supporting victims of family violence. These strategies reflect a holistic, community-informed model of policing one that emphasizes both accountability and trust.

Given the strength of these partnerships, the scale of financial investment, and the success of recent interventions, past crime trends cannot be used as a static or predictive measure. We are building a new future for the Third Ward and the Trinity East Senior development is part of that future.

Thank you for your thoughtful consideration of this appeal and for your continued commitment to equitable housing and community safety.

A handwritten signature in black ink, reading "Dr. Carolyn Evans-Shabazz".

Dr. Carolyn Evans-Shabazz
Houston City Council Member
District D

EXHIBIT E

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Public and Indian Housing

Choice Neighborhoods

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Total Resources	Obligations	Net Outlays
2023 Appropriation	350,000	390,558	-	740,558	479,626	128,767
2024 Annualized CR	350,000	261,000	-	611,000	350,000	182,380
2025 President's Budget	140,000	261,000	-	401,000	260,000	215,930
Change from 2024	(210,000)	-	-	(210,000)	(90,000)	33,550

PROGRAM PURPOSE

Choice Neighborhoods is a place-based grant program which helps communities develop and implement locally driven comprehensive neighborhood plans to transform underserved neighborhoods into thriving communities with greater economic opportunity for all residents. The Choice Neighborhoods program focuses on three key elements:

- **Housing** – redevelop severely distressed public housing and HUD-assisted multifamily housing projects;
- **Neighborhood** – invest in and catalyze economic development-related improvements meant to revitalize the surrounding neighborhood; and
- **People** – improve the lives of housing residents through education, employment, and health care.

HUD provides two types of Federal grants:

- **Planning Grants**, which support development of comprehensive neighborhood transformation plans that guide revitalization of targeted underserved neighborhoods; and
- **Implementation Grants**, which allow communities to implement their plans for neighborhood transformation.

While HUD is a key partner in both grant types, the program stresses the creation of local, city-wide, State, and Federal partnerships and supports extensive outreach to and meaningful participation from neighborhood residents.

As of the end of October 2023, of the 131 Planning Grants awarded, there were 52 still active; and of the 52 Implementation Grants awarded, 45 were still active. The 2025 President's Budget requests \$140 million, which is \$210 million less than the 2024 Annualized CR level.

BUDGET OVERVIEW

Choice Neighborhoods grants are competitively awarded each year. The 2025 President's Budget is \$140 million for the Choice Neighborhoods program. Of that amount, HUD may allocate up to \$10 million for Planning Grants to fund up to 20 new grants. These grants will provide communities with the necessary funding to develop meaningful neighborhood transformation plans and get them ready for implementation. The approximately \$130 million in remaining funds will enable HUD to

award 2 to 3 new Implementation Grants, which will provide the funds necessary for communities to implement their neighborhood transformation plans. These grants will assist with the redevelopment of the targeted severely distressed public housing or HUD-assisted multifamily project; improving the lives of housing residents through the provision of intensive case management, service coordination and housing choice; and completion of critical economic development projects in the surrounding neighborhood, which attract further public and private investment. In addition, this funding level will also allow HUD to award up to two Main Street grants which enable small communities to develop affordable housing and revitalize their downtowns.

JUSTIFICATION

The Choice Neighborhoods program targets disadvantaged neighborhoods with high concentrations of poverty, which also must include a distressed HUD-assisted housing project, either public housing or HUD multifamily housing.

Through Planning Grants, the Choice Neighborhoods program allows cities of all sizes, including smaller, less urban communities, to directly address issues related to disinvestment and poverty by providing funding needed to develop strategic plans for neighborhood transformation. This is particularly important to smaller cities which often do not have the capacity and/or resources to undertake comprehensive planning. Planning Grants also serve as the pipeline for Implementation Grants, which provide critical funding to implement these strategic neighborhood Transformation Plans. Many of these target neighborhoods were once thriving, but over time fell behind, leaving them with poor housing choices and a lack amenities (compared to other higher income communities), thus limiting opportunities for residents. In addition, many of these neighborhoods are located on or near areas of environmental contamination, impacting resident health and well-being.

Equity

The concentration of poverty remains a serious challenge for low-income families and children, making it difficult to access opportunities and move up the economic ladder. Over 92 percent of residents of Choice Neighborhoods target housing are people of color. Where a family lives dramatically affects their life opportunities. For example, concentrated poverty often exacerbates the imbalance between housing and jobs, whereby residents of low-income neighborhoods are isolated from opportunities for employment and advancement because of distance or poor access to transportation. Income also impacts the types of services or amenities found in a neighborhood, such as access to healthy foods or health care, and may also impact the quality of basic services such as education and transportation. Due to severe shortfalls, many public housing and HUD-assisted multifamily projects have become severely distressed turning into a blight on their neighborhoods and can be unsafe for residents to live in. While this housing is obviously in need of major renovation or reconstruction, there is a significant backlog of capital needs—in the public housing portfolio alone, HUD estimates that annual accrual needs are currently higher than \$4 billion and that the backlog of unmet capital needs has grown to nearly \$60 billion.

The Choice Neighborhoods program helps address these issues by working with communities to fund initiatives that help catalyze locally determined neighborhood investments, improve residents' choice of housing options, and reverse long-term patterns of racial inequity and disinvestment.

Choice Neighborhoods funds have been used to demolish abandoned structures and repurpose vacant land. Placemaking activities have been funded to brand neighborhoods to attract private investment. Residential and commercial façade programs have been implemented to assist homeowners and

small businesses with the maintenance of their homes and businesses. Loan pools have been established to assist small business growth and to attract new retail services, such as grocery stores, which provide needed services and create new jobs. New parks and recreational facilities that promote healthy living have been built in many Choice Neighborhoods communities. All these initiatives help to address the issue of social and racial equity by improving disadvantaged neighborhoods and providing low-income residents with amenities and opportunities found in other more affluent communities across their cities.

Key Assumptions

The 2025 President's Budget of \$140 million will support up to 20 Planning Grants and 2 to 3 Implementation Grants.

The need for affordable housing is dire, but development has been impacted by rising construction costs and rising interest rates. Similarly, the needs of low-income families have grown, which increases the demand for supportive services, and the needs of communities, long overlooked, are rising, as well. Choice Neighborhoods grantees are better able to overcome these challenges. The Choice Neighborhoods program provides needed funding to help bridge the financing gap for affordable housing development; fund critical supportive services for residents; and fund activities which catalyze neighborhood reinvestment. All families deserve safe and decent housing, as well as the opportunity to succeed. The Choice Neighborhoods program provides this opportunity to communities that have long been ignored. Given extensive marketing efforts, communities of all sizes, including smaller and less urbanized communities, can benefit from this program.

Performance Indicators and Other Evidence

The Choice Neighborhoods program has a specifically designed data program called Inform, which is used to collect data on all Implementation Grants. Metrics cover key outcomes in housing production, resident self-sufficiency, and neighborhood development. Information is collected quarterly throughout the six- to eight-year life of a grant and is used to monitor grantee performance and overall program trends. Positive results are being reported, as discussed below, and similar results would be expected from grants awarded in 2025.

The data shows that currently, more than 7,000 households are receiving personalized case management. The data also shows that most grantees have seen increases in resident employment, with over 80 percent showing an increase in the percentage of residents who are employed. For construction jobs, which are a common source of employment for residents, HUD's Office of Policy Development and Research estimates that for every \$100,000 of Choice Neighborhoods funds spent on development, two construction jobs are created. Similarly, 90 percent of grantees have shown an increase in average household income, and some grantees report that average household incomes have doubled.

The benefits of the Choice Neighborhoods program extend beyond improved economic conditions for residents and include childhood learning and health, as well. Over 70 percent of grantees report an increase in the percentage of children enrolled in early learning programs and the percentage of children engaged in positive youth development activities. Over 85 percent of grantees have seen an increase in the percentage of residents with a regular place for medical care that is not an emergency room, and the percentage of residents with medical coverage has risen as high as 95 percent. Additionally, with the demolition of distressed housing and the construction of new mixed-income units, housing conditions are improving substantially. Currently, nearly 14,000 new public housing or project-based Section 8 units are planned for development to replace (one-for-one) distressed and obsolete HUD-assisted housing units; over 6,200 units have already been constructed and 8,000 more are under development. Along with this "Replacement Housing," more than 18,700 units of

other affordable and unrestricted units are planned for development; over 6,900 units have already been constructed and 13,300 are under development. These additional units can accommodate families across all income levels. In total, more than 33,000 units of new housing are planned, with more to come from new grantees, including an estimated 5,200 new units from the 2022 Implementation Grants awarded in July 2023.

In addition, data shows that in targeted Choice Neighborhood communities, conditions are improving. In target neighborhoods, the program has helped create:

- new retail businesses, including grocery stores;
- developed business incubators, community kitchens, early childhood learning centers, and parks;
- provided small business loans;
- provided grants to improve the condition of existing housing;
- repurposed vacant properties; and
- implemented a myriad of placemaking activities.

Grantees have also developed public safety strategies. For grantees that have two or more years of crime data, 85 percent of target neighborhoods have witnessed a decrease in violent crime at more substantial rates relative to the surrounding city, and 60 percent have witnessed violent crime decrease at twice the rate of the city. This achievement is in line with the Administration's priorities for violent crime intervention in communities nationwide. Choice Neighborhoods grants help fund these critical neighborhood improvements both directly and by leveraging other private and public funds. Overall, more than \$6.8 billion has been invested in target neighborhoods, which equates to \$7.50 of private and other public funds leveraged from every \$1 of Choice Neighborhoods funding.

Stakeholders

The Choice Neighborhoods program engages a wide variety of stakeholders. Partnerships are central to every Choice Neighborhoods grant, and each grantee must engage with a wide selection of stakeholders during the neighborhood planning process, prior to being awarded a Choice Neighborhoods Implementation Grant and continuing throughout implementation.

The primary stakeholders are the residents who reside in the HUD-assisted housing and have the first right to return to the redeveloped replacement housing units. Public Housing Agencies (PHAs), HUD-assisted multifamily property owners and local governments are key partners who join forces to manage and implement grants. Local governments are particularly engaged in transforming the surrounding community, and PHAs use Choice Neighborhoods funds as means of redeveloping and repositioning public housing. Local institutions, philanthropic organizations, and non-profits are also key stakeholders, providing funding and services. Financial institutions, particularly State housing finance agencies, private lenders, and investors are critical stakeholders and provide key sources of financing for housing redevelopment.

Operational Improvements

Each year, the previous year's Notice of Funding Opportunity (NOFOs) are reviewed and re-evaluated to assure broad program eligibility and to ensure the NOFO is appropriate and understandable. This has included reducing the amount of information that must be submitted and streamlining rating factors, as well as adjusting threshold requirements. For example, the need for Planning Grant grantees to complete a Physical Needs Assessment was eliminated. Several non-remediable thresholds were changed to allow applicants to correct omissions that would otherwise have eliminated their application. The amount of each grant is also evaluated each year to ensure there are sufficient funds to undertake the required activities, particularly the need to replace all

CHOICE NEIGHBORHOODS

demolished housing, one-for-one. The review process has been compressed and all applicants not funded are offered an intensive debriefing to help them understand shortcomings, should they decide to reapply.

The Choice Neighborhoods office will continue to review programmatic and procedural requirements to ensure the program reaches a broad range of communities throughout the country. Specific efforts are underway to assure the program reaches small, less urban, communities, and targeted outreach to Tribal communities is also on-going.

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2023 Budget Authority	2022 Carryover Into 2023	2023 Total Resources	2023 Obligations	2024 Annualized CR	2023 Carryover Into 2024	2024 Total Resources	2025 President's Budget
Choice Neighborhoods Grants	350,000	390,558	740,558	479,626	350,000	261,000	611,000	140,000
Total	350,000	390,558	740,558	479,626	350,000	261,000	611,000	140,000

LEGISLATIVE PROPOSALS AND GENERAL PROVISIONS

Appropriations Language Changes

The 2025 President's Budget includes the appropriations language listed below.

- Delete mandatory supportive services cap increase: Deletion of proviso mandating increased cap on the use of competitive grants made under Choice Neighborhoods Initiative for necessary supportive services (no more than 20 percent, up from 15 percent).
- Flexibility for Affordability Period for Homeownership Units Developed with Choice Neighborhoods Funding: Under current law, all units constructed or rehabilitated using Choice Neighborhoods (CN) funds, including homeownership units, must have an affordability period of 20 years. This proposal would give HUD flexibility to require fewer than 20 years for homeownership units, which would bring CN closer to HOME rules, which have a maximum affordability period of 15 years for homeownership. The proposal would not allow HUD to waive the affordability period entirely, and the flexibility will not apply to rental units.

General Provisions

The 2025 President's Budget re-proposes the following general provision:

Choice Neighborhoods Extension: This provision extends by one year the expenditure period for previously appropriated Choice Neighborhoods funds. (Sec. 225)

APPROPRIATIONS LANGUAGE

The 2025 President's Budget includes the appropriations language listed below.

For competitive grants under the Choice Neighborhoods Initiative (subject to section 24 of the United States Housing Act of 1937 (42 U.S.C. 1437v) (the "Act") unless otherwise specified under this heading), for transformation, rehabilitation, and replacement housing needs of both public and HUD-assisted housing and to transform neighborhoods of poverty into functioning, sustainable, mixed-income neighborhoods with appropriate services, schools, public assets, transportation, and access to jobs \$140,000,000, to remain available until September 30, 2029: Provided, that grant funds may be used for resident and community services, community development, and affordable housing needs in the community, and for conversion of vacant or foreclosed properties to affordable housing: Provided further, That the use of amounts made available under this heading shall not be deemed to be for public housing, notwithstanding section 3(b)(1) of the Act: Provided further, That grantees shall commit to an additional period of affordability determined by the Secretary of not fewer than 20 years: Provided further, That the Secretary may specify a period of affordability that is less than 20 years with respect to homeownership units developed with grants from amounts made available under this heading: Provided further, That grantees shall provide a match in State, local, other Federal, or private funds: Provided further, That grantees may include local governments, Tribal entities, public housing agencies, and nonprofit organizations: Provided further, That for-profit developers may apply jointly with a public entity: Provided further, That for purposes of environmental review, a grantee shall be treated as a public housing agency under section 26 of the Act (42 U.S.C. 1437x), and grants made with amounts available under this heading shall be subject to the regulations issued by the Secretary to implement such section: Provided further, That of the amounts made available under this heading, not less than \$70,000,000 shall be awarded to public housing agencies: Provided further, That such grantees shall create partnerships with other local organizations, including assisted housing owners, service agencies, and resident organizations: Provided further, That the Secretary shall consult with the Secretaries of Education, Labor, Transportation, Health and Human Services, Agriculture, and Commerce, the Attorney General, and the Administrator of the Environmental Protection Agency to coordinate and leverage other appropriate Federal resources: Provided further, That not more than \$10,000,000 of the amounts made available under this heading may be provided as grants to undertake comprehensive local planning with input from residents and the community: Provided further, That unobligated balances, including recaptures, remaining from amounts made available under the heading "Revitalization of Severely Distressed Public Housing (HOPE VI)" in fiscal year 2011 and prior fiscal years may be used for purposes under this heading, notwithstanding the purposes for which such amounts were appropriated: Provided further, That notwithstanding section 24(o) of the Act (42 U.S.C. 1437v(o)), the Secretary may, until September 30, 2024, obligate any available unobligated balances made available under this heading in this or any prior Act.

Note.—A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared; therefore, the Budget assumes this account is operating under the Continuing Appropriations Act, 2024 and Other Extensions Act (Division A of Public Law 118-15, as amended). The amounts included for 2024 reflect the annualized level provided by the continuing resolution.