

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

The Commissioners Court of Harris County, Texas, convened at a meeting of said Court at the Harris County Administration Building in the City of Houston, Texas, on the _____ day of _____, 2023 with the following member present, to-wit:

Lina Hidalgo	County Judge
Rodney Ellis	Commissioner, Precinct No. 1
Adrian Garcia	Commissioner, Precinct No. 2
Tom S. Ramsey, P.E.	Commissioner, Precinct No. 3
Lesley Briones	Commissioner, Precinct No. 4

And the following members absent, to-wit: _____, constituting a quorum, when, among other business, the following was transacted:

ORDER APPROVING ESSENTIAL OPERATIONAL PROCESSES FOR THE SINGLE FAMILY NEW-CONSTRUCTION PROGRAM IMPLEMENTED BY THE HARRIS COUNTY COMMUNITY SERVICES DEPARTMENT

Commissioner _____ introduced an order and made a motion that the same be adopted. Commissioner _____ seconded the motion for adoption of the order. The motion, carrying with it the adoption of the order, prevailed by the following vote:

	Yes	No	Abstain
Judge Hidalgo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comm. Ellis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comm. Garcia	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comm. Ramsey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comm. Briones	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

NOW, THEREFORE, BE IT ORDERED BY THE COMMISSIONERS COURT OF HARRIS COUNTY, TEXAS THAT:

1. Harris County hereby (i) confirms and agrees with the Recitals and (ii) adopts the Essential Operational Processes attached hereto, subject to continued compliance with applicable State and/or Federal requirements.
2. The Executive Director (or Interim Executive Director, as applicable) of the Harris County Community Services Department is hereby authorized, within the parameters and guidelines to (a) execute any papers or agreements in furtherance of acquisitions and dispositions of single-family homes for the Single-Family New-Construction Program. Such authorization includes signing documents or agreements associated with purchasing or selling real estate pursuant to the attached Essential Operational Processes; however, such authorization specifically excludes payments for architectural, design, engineering or construction services.

3. All other county departments or offices' officers and employees are authorized and directed to perform any and all necessary acts within their respective sphere of official duties to accomplish the purposes set forth in the Single Family New-Construction Program.
4. The Community Services Department and its Executive Director (or Interim Executive Director, as applicable), or his/her designee, are authorized to take such actions and execute such other documents as necessary or convenient to carry out the purposes of this order.

ESSENTIAL OPERATING PROCESSES – SINGLE FAMILY NEW CONSTRUCTION PROGRAM

Recitals

The U.S. Department of Housing and Urban Development (HUD) makes periodic grants to certain state, county, municipal and other government entities to be utilized by such entities to address the chronic lack of affordable housing available in the United States. Two such grants received by Harris County include a (i) Community Development Block Grant (CDBG)¹ and (ii) Community-Development Block Grant – Disaster Recovery (CDBG-DR)². These two grants are not exclusive and do not comprise the complete grant portfolio received by Harris County from outside sources. Grants other than CBDG and CDBG-DR are referred to herein as “Other Grants;” and

Harris County sustained significant damage when Hurricane Harvey made landfall in August of 2017 as a Category 4 hurricane and poured as much as 60 inches of rain along the Gulf Coast including Harris County resulting in a Presidentially Declared Disaster. In response, Harris County was allocated \$1,115,386,830 in CDBG-DR funding; and

The Texas General Land Office (the “GLO”), administrator of all CDBG-DR grants for entities within Texas, required that Harris County prepare a Supplemental Action Plan for the CDBG-DR grant allocation to be amended into the State’s Action Plan. This Supplemental Action Plan, approved by Commissioners Court on July 10, 2018, and the ensuing Subrecipient Agreement (Agreement: 19-147-002-B490) executed on February 11, 2019, required Harris County to promulgate, after approval from GLO, guidelines applicable for each program to be implemented by Harris County utilizing the CDBG-DR funds; and

The Single-Family New Construction Program (the “Program”), originally approved by Commissioners Court on February 12, 2019, is designed to address the loss of affordable housing within Harris County due to the combined effect of an ongoing shortage of affordable housing and the acquisition of approximately 2,000 homes located in low or flood-prone areas. The Program is designed to replace lost single family housing stock through the development of new affordable housing in areas of reduced flooding; and

The Program will acquire property and, through partnering with local homebuilders, pursue a balanced approach by developing additional single-family housing in both high opportunity areas and improving affordable housing stock in revitalization areas (with the intended goal improving and preserving community stability and cohesion); and

Funding for the Program will utilize funds from the CDBG-DR Grant, the CDBG Grant and, potentially, the Other Grants as well. While the Program was specifically designed for

¹ Such grant was and continues to be (CDBG grants are made on an annual basis) appropriated pursuant to Title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C.A. §5301, et. seq.).

² Such grant was appropriated pursuant to the Continuing Appropriation Act, 2018 and Supplemental Appropriations for Disaster Relief Requirements Act, 2017 (Public Law No. 115-56).

implementation using CDBG-DR funds, the goals and authority for the Program is also consistent with certain eligible activities of the CDBG grant; and³

The Program will involve a number of activities requiring signatures and payments issued within a tight window of time. Such activities include, though are not limited to, executing agreements in contemplation of a sale to an eligible applicant, determinations regarding price at which completed home would be sold to an eligible applicant, and payments of finalized costs in order to allow for funding and document preparation in anticipation of an upcoming closing. These activities, particularly when done in such large volumes and within such a short span of time require a more expedient method to resolve property dispositions with buyers, developers, and mortgage institutions. This is coupled with the time pressures Harris County has through GLO and the opportunity to utilize remaining CDBG-DR funds.

The following Essential Operating Processes are designed to expedite the disposition of single-family homes to eligible applicants within Harris County.

I. Funding

A. Withdrawals:

1. Payments to sellers, vendors necessary to prepare a property for closing (either as an acquisition in anticipation of marketing and sale or a disposition to pay for necessary closing costs allocable to the seller). Such payments otherwise required to allow for the closing on an eligible property will be made via check or other means (wire transfers or ACH) from an imprest account utilized specifically for this purpose.
2. Imprest accounts are authorized by Texas Statutes⁴ to expedite certain payments that would otherwise be impractical due to the incompatibility of the lengthy process used by governmental entities for payments as compared to the frenetic expectations of the current market regarding transactions for residential housing.
3. The Community Services Department will work with the Purchasing Agent, the Auditor's Office and other County officials and directors as needed to ensure the Imprest Account is compliant with (i) the systems established for such accounts by the Auditor and the Purchasing Agent⁵, (ii) the needs of the Program to accomplish its goals, and (iii) other constitutional and statutory requirements, as applicable. Such compliance will include reporting by the Community Services Department to the Auditor and Purchasing Agent as each may require.

³ CDBG funds may be used in conjunction with new housing construction when (i) such construction and development is carried out through a grant or loan to a Community Development Based Organization pursuant to 23 CFR §570.204 et. seq. or (ii) is used for development elements authorized by HUD regulations, such as the provision of "administrative expenses to facilitate housing" pursuant to 24 CFR §570.206(g), site work pursuant to 24 CFR §570.201(d), or public facilities and improvements pursuant to 24 CFR §570.201(c).

⁴ Imprest Accounts are authorized pursuant to the Texas Local Government Code §130.909

⁵ Texas Local Government Code §130.909(a-1).

4. In no event will funds from the imprest account be utilized to pay for architectural, planning, engineering or construction services. Payments for these services will continue to be processed in the same manner as currently processed.
- B. Deposits: The imprest account will not be eligible for the receipt of deposits unless the same is associated with a fund replenishment approved by Commissioners Court.

II. Program Guidelines

- A. Discretion: All determinations regarding properties to be acquired, prices at which properties may be sold, which applicants qualify as eligible buyers, the order or priority in which eligible applicants may be matched with a property and pursue a viable closing, in addition to all other decisions made by HCCSD through the implementation of the Program will be consistent with and strictly comply with the process provided for such decisions in the guidelines of the Single-Family New Construction Program, as amended, originally approved by Commissioners Court on February 12, 2019.
- B. Supplemental Guidelines: Should the guidelines referenced above be materially insufficient or not provide detailed guidance in such a manner as to determine a course of action with particular certainty, HCCSD may recommend updates to such guidelines (to be referred to as “Supplemental Guidelines”) provided that the same (i) do not conflict with the Program guidelines approved by Commissioners Court, (ii) does not permit any Program outcomes be implemented in a discriminatory or non-uniform manner, and (iii) minimize, to the greatest extent possible, any discretion to be exercised by any agency or department or other party beyond Commissioners Court.

III. Signature Authority

- A. The Executive Director (or Interim Executive Director, as applicable) of the HCCSD, or his/her successor, is hereby authorized to execute deeds, security instruments, notes, agreements and other documents that are (i) in furtherance of the Program, (ii) consistent with and strictly comply with the Program guidelines and the Subrecipient Agreement between Harris County and GLO, (iii) necessary to effectuate the acquisition or disposition of single-family homes, provided that such documents in no way approve a payment(s) for architectural, design, engineering or construction.
- B. Sub-Delegation: The Executive Director (or Interim Executive Director, as applicable) of the HCCSD, or his/her successor, is not authorized to designate the authority to execute documents in connection with these procedures except in the instance where necessary due to a declared emergency.

IV. Termination

- A. Voluntary Termination: The Commissioners Court may at any time for any reason or no reason, issue an order to terminate these Essential Procedures. Such termination will be effective the date the same is approved by Commissioners Court.
- B. Expiration of Funding: If, at any time, there exists insufficient funding in the imprest account to fund any eligible transaction or, due to the termination or other ending of eligible grant funds or performance periods, these Essential Procedures will expire on the same date the grant terminates or is no longer an eligible source of reimbursement.
- C. Temporary Hold: The County Judge may, upon notice to the Executive Director (or Interim Executive Director, as applicable) of HCCSD, hold all executory or financial authority granted in these Essential Procedures for a period up to sixty (60) days. This hold is meant to allow time for Commissioners Court to consider a potential termination (including modifications or other similar actions) of these Essential Procedures. During the pendency of such hold until (i) Commissioners Court has approved the continuation of these Essential Procedures or (ii) the expiration of the above referenced sixty (60) day period without approval by Commissioners Court to terminate these Essential Procedures.