



ACTION Community Development Corporation
5445 Almeda Rd, Suite 504
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Prepared testimony of Robert Muhammad, Founder and CEO of Accepting Challenges to Improve Our Nation (ACTION) Community Development Corporation appearing before the October 29, 2007 field hearing of the Subcommittee on Housing and Community Opportunity regarding “Affordable Housing Needs in the City of Houston: Unique Challenges and Opportunities.”

Distinguished Chairwoman Representative Maxine Waters; Subcommittee Host and Representative Al Green; Subcommittee members; I am Robert Muhammad, Founder and CEO of ACTION Community Development Corporation. I have served as a student in the ministry and community servant in Houston for over twenty years. I hold a Masters of Science and I am currently beginning the dissertation phase of my PhD work in the field of urban planning and environmental policy. My professional background includes banking and finance; business management; along with urban and transportation planning. I am a member of numerous grassroots community based organizations and serve on several non profit and governmental boards.

ACTION CDC’s mission is to empower low to moderate income individuals, families and neighborhoods by developing the human capital needed to build affordable housing and commercial development; spur economic development; provide human and social services; and promote arts and culture. Our motto is “Improving our nation one neighborhood at a time.”

Current state of affordable housing in the City of Houston

According to the U.S. Census Bureau, Houston had a rental housing occupancy rate of 89% pre Katrina. Since Katrina, our rental housing occupancy rate has reached 98% as reported in the *Houston Chronicle March 2006*. Houston is a non zoned, low regulation, market driven, developer friendly city. Houston’s cost of living is relatively low. When rental cost and unit availability are the variables use in determining housing affordability; one could reasonably conclude that there is no shortage of affordable housing stock in the City of Houston. However, a more thorough examination will reveal that there is a shortage of safe, hazard free, environmentally sound, energy efficient, handicapped assessable, senior citizen and family friendly affordable housing conveniently located near transit, decent schools and job centers.

In Houston, for profit developers would gladly build affordable housing if it was in their best interest. Land acquisition and carrying cost; predevelopment expense; construction and marketing for the sale or rental of each project dictates that the highest and best use results in the highest return on investment. Therefore, affordable housing stock in Houston is built by small for profit developers and non profits or is the result of cyclical market forces that make housing units available because they cannot reasonably command market prices without major reinvestment and redevelopment.

ACTION CDC’s role in the provision and preservation of affordable housing

ACTION CDC is in the final design stage of our first affordable housing project. It is a \$6 million dollar mixed use, mixed income multifamily transit oriented development project on a 2.3 acre site located on Old Spanish Trail in Houston, Texas. *The Granada on OST* will consist of 56 residential rental units with 7,000 square feet of commercial retail space. This is being financed by a combination of bank loans, grants, HOME and CBDG funds through the City of Houston Housing and Community Development Department.



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Challenges in meeting the housing needs of Katrina evacuees

After hurricane Katrina, ACTION CDC provided housing counseling to 1406 Katrina affected families, financial recovery counseling to 1120 families, case management services to 916 families, employment services to 1620 families, food services to 5,090 families, transportation assistance to 2,050 families. We have provided \$172,164 to families in unmet needs assistance from the Long Term Recovery Committee of Houston, \$85,000 in direct financial assistance, \$240,000 in financial assistance through the American Red Cross. Our staff of eight hardworking case managers includes four Katrina evacuees. We have provided a range of services to evacuees and area residents, including housing assistance.

Prior to hurricane Katrina, 19% of Houstonians lived below the poverty level compared to a national average of 12%. According to the U.S. Census Bureau, in the area that ACTION CDC operates and will focus our building projects, 31.7 % of individuals live below poverty level. Many families in Houston do not have access to housing that is safe and affordable. Nearly three years after hurricane Katrina, an estimated 100,000 survivors still reside in Houston and have no concrete plans to leave Houston.

Assisting the survivors of hurricane Katrina has been particularly challenging due to the inconsistencies and confusion in the housing programs that were made available to them. FEMA has changed the program requirements multiple times which made it difficult to keep the survivors focused on long term goals such as employment and their children's education. Many children who were displaced missed days of school in 2005 and have been held back and unfortunately, some have even dropped out. The uncertainty about their future has adversely affected the mental stability of the survivors. Many elderly are losing hope, suffering from prolonged mental anguish and are dying. FEMA's inconsistency has also caused landlords to wrongfully evict many survivors and even withdraw their agreement to participate in the housing of Katrina survivors.

There is another challenge in assisting the 30% of survivors who are elderly and/or disabled with meeting their long term needs. The survivors who were able to live off of a \$600 disability check in New Orleans can not do so in Houston due to the cost of living and they can not do so in New Orleans any longer because the cost of living there has doubled since the hurricane. According to a recent Zogby poll, a large number of survivors are currently employed, but 70% are earning less than \$25,000 per household. Many survivors are living 2 to 3 families (9-18 individuals) per apartment. The constant instability in the FEMA housing program has had negative effects on the mental health of the survivors. For the past two years ACTION CDC has made it our priority to assist the survivors with recovering and achieving self sufficiency.



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ACTION CDC recognizes that true self sufficiency and recovery will require comprehensive housing and case management programs which will provide ongoing services to ensure that each family has the opportunity to succeed. We have studied this concept with our *Twin Image* program wherein the participants achieve employment, self sufficiency and an increased self esteem at a 53% higher rate than participants in traditional case management. The disheartening part is that we have yet to receive the fiscal support required to take the disaster recovery to the level that is required. We will not make a significant difference in their lives until we provide the comprehensive social and housing services that are required.

The HUD funded Disaster Housing Assistance Program administered jointing through the City of Houston and Harris County Housing Authorities will not help every survivor. There is an estimated 25,000 households in Houston not covered by the DHAP program. At least 50% of those households need additional assistance. This is a complex situation, meeting housing and human needs, will most certainly require patient, pragmatic, and holistic case management. The funding to provide these services has to be adequate and ongoing.

Tools needed to increase or preserve affordable housing National Housing Trust Fund Act of 2007 (H.R. 2895)

Non profits in a non zoned, low regulation, market driven, developer friendly city such as Houston are at a distinct disadvantage. Sometimes it feels like we being asked to make brick without straw. In order to increase and preserve affordable housing, we request that you consider the following:

- a. **Continued and Increased Access to funding** – programs such as HOME and CDBG are critical to non-profits being able to design, build and manage quality affordable housing in the communities we serve. Operating funding for Certified Housing Development Organizations is equally if not more important because it frees the nonprofit to focus on project delivery versus a preoccupied with seeking funding to cover project related overhead. Funds for staff, consultants and quality training are important to building the internal capacity necessary for continual project successes.
- b. **Transparency and Clarity of Process** – federal/state/city entities should simplify processes and documentation requirements. Capacity building educational programs focused on the processes and documentation could expedite the building of affordable housing. Ongoing certification sessions should be held to ensure compliance with regulations, answer questions, and share best practices.
- c. **Land acquisition funds** – Non profits cannot build or preserve affordable housing stock if we cannot assemble parcels near job centers, transit, or in low income areas that are going through gentrification. Land cost normally should not exceed 20% of one's total project cost. Non profits need gap land acquisition funding in order to build affordable projects that would be otherwise impossible under highest and best use analysis.



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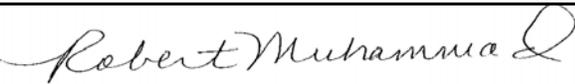
- d. **Predevelopment funds** – Non profits cannot properly assess the feasibility nor deliver affordable housing projects without competent professional expertise. Private lenders will not participate in projects that are not packaged properly or fail to cash flow. ACTION predicts that energy usage and expense along with public safety will become major determinants of housing affordability in the future. Energy efficient “green” building and safety through design programs increase cost during the development phase. However, these predevelopment expenses increase development sustainability and property value over the life of the project.

ACTION CDC supports The National Housing Trust Fund Act of 2007 because it will provide increased funding and clear benchmarks for achievement. The addition of “significant” funds will be tremendous in its impact on underserved communities. In a major metropolis such as Houston, new and existing nonprofits need to be positioned to assist government in meeting our low income population’s needs. We see H.R. 2895 as a wise use of taxpayer funds. H.R. 2895 helps deconcentrate poverty by allowing non profits to offer quality workforce housing to middle class first responders, teachers and other public employees. It is good for non-profits because it has the potential to help create innovative affordable housing developments that are mixed income, mixed use, transportation oriented, environmentally sound, energy efficient, hazard mitigated, safe, handicapped accessible and financially feasible. May God bless you for your concern for the poor and less fortunate. On behalf of the Board and staff of ACTION CDC, thank you in advance for your invitation and consideration of our testimony.

United States House of Representatives Committee on Financial Services

“TRUTH IN TESTIMONY” DISCLOSURE FORM

Clause 2(g) of rule XI of the Rules of the House of Representatives and the Rules of the Committee on Financial Services require the disclosure of the following information. A copy of this form should be attached to your written testimony.

1. Name: Robert Muhammad	2. Organization or organizations you are representing: Accepting Challenges to Improve Our Nation (ACTION) CDC
3. Business Address and telephone number: 5445 Almeda, Suite 504 Houston, Texas 77004	
4. Have <u>you</u> received any Federal grants or contracts (including any subgrants and subcontracts) since October 1, 2004 related to the subject on which you have been invited to testify? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	5. Have any of the <u>organizations you are representing</u> received any Federal grants or contracts (including any subgrants and subcontracts) since October 1, 2004 related to the subject on which you have been invited to testify? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
6. If you answered “yes” to either item 4 or 5, please list the source and amount of each grant or contract, and indicate whether the recipient of such grant was you or the organization(s) you are representing. You may list additional grants or contracts on additional sheets. ACTION CDC is a Certified Housing Development Organization. We were eligible and approved for \$50,000 in CHDO operating funds. In addition we have been approved for \$450,000 in predevelopment grants for our affordable housing project. The source is HOME funds administered through the City of Houston Housing and Community Development Department.	
7. Signature: 	

Please attach a copy of this form to your written testimony.

ROBERT S. MUHAMMAD

Master of Urban Planning and Environmental Policy

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Education

- **2006-Present** Texas Southern University Houston, Texas
PhD Student in Urban Planning and Environmental Policy- Barbara Jordan-Mickey Leland School of Public Affairs

Focus of Dissertation Research: The Planners' Pyramid is a model of urban planning theory that introduces public safety and hazard mitigation to the nexus of sustainable development in what has heretofore been a Planner's Triangle of economy, environment, and social equity. In the Planner's Pyramid, economy, environment, public safety and hazard mitigation form the base of the model, with equity of opportunity and policy outcomes as the capstone or primary determinant of sustainable development in a post 9/11 and Hurricane Katrina planning environment.

- **2002-2005** Texas Southern University Houston, Texas
Master of Science in Urban Planning and Environmental Policy- Barbara Jordan-Mickey Leland School of Public Affairs

Specialization: Community Development and Housing with research concentration in land use, deed restrictions, zoning, eminent domain, and community advocacy planning.

- **2000** College of Biblical Studies Houston, Texas
Six hours in Faith Based Community Development Curriculum

- **1974-1978** Hampton University Hampton, Virginia
Bachelor of Arts in Political Science

Additional Skills and Training

Microsoft Word, EXCEL, Power Point, Arc View Geographic Information System, SPSS of Windows, Auto CAD, 10 Key by touch, Type 50 WPM, Hazard Analysis Critical Control Point food preparation certification, Texas Public Information Act and Texas Open Meetings Act Training; and FHWA Pedestrian Safety Action Planning Training.

Professional Experience

- 1987- Present
Muhammad Mosque No.45 - Minister (1987-1994), *Regional Minister* (1994- Present)
Responsible for the spiritual, moral, social, intellectual, and economic development of Muhammad Mosque No. 45 in Houston, Texas, and the Southwest Regional Mosques and Study Groups in Texas, Louisiana, Oklahoma, Arkansas, and New Mexico.

ROBERT S. MUHAMMAD, MUPEP

Professional Experience (continued)

- 2007, June

Washington Group Transportation Management Company – Harris County Metropolitan Transit Authority *Stakeholder Relations and Government Affairs Consultant*

Provide community advocacy and urban planning expertise to Metro's service provider WGTMC during the design and construction phase of four guided rapid transit corridors and an intermodal terminal in the City of Houston.

- 2007, April

Gulf Coast Freight Rail District – *Appointee Position 5*

One of three Houston representatives on an 11 member district comprised of appointees from Harris and Fort Bend Counties, the Port of Houston and the Texas Department of Transportation to improve public safety, traffic congestion, and environmental conditions of freight rail and to guide the future development commuter rail in the 6th largest metropolitan area in the United States.

- 2007, April

Urban Planning Advisory Committee 9th Congressional District of Texas – *Chairman*

Serve as the Chairman of Urban Planning Advisory Committee formed by U.S. Representative Al Green for the purpose of researching and formulating community development policy recommendations for the constituents of the 9th Congressional District of Texas.

- 2006, February

Duany, Plater-Zyberk Architects and Town Planners – *Consultant*

Researched funding implementation strategy for downtown development plan for Lake Charles, Louisiana charrette under the authority of the Louisiana Recovery Authority for post Hurricane Rita redevelopment plan

- 2006, March

Duany, Plater-Zyberk Architects and Town Planners – *Consultant*

Conducted synoptic survey of land use for St. Bernard Parish, Louisiana charrette under the authority of the Louisiana Recovery Authority for post Hurricane Katrina redevelopment plan

- 2003 – 2007

Texas Southern University - *Research Associate*

Research Associate to Founding Dean of School of Public Affairs, Walter J. McCoy, PhD and Mustafa Beydoun, PhD, Professor of Urban Planning and Environmental Policy. Current research on watershed management plan for the Dowling Street corridor for the Texas Commission on Environmental Quality and National Oceanic and Atmospheric Administration scheduled for completion in 2007; and Eminent Domain and the Texas Supreme Court scheduled for publication in 2008.

- 2005- Present

Fishnet Food Service, LLC – *Managing Partner*

Chief Executive Officer for food service company providing FDA approved meals for educational institutions

- 2005-2006

Houston District D Metro Taskforce – *Member*

Participated in selection process for southeast route Bus Rapid Transit built alternative; and contributed to the final Environmental Impact Statement submitted by the Harris County Metropolitan Transit Authority Board of Directors to Federal Transit Administration.

Professional Experience (continued)

- 2000- Present

Accepting Challenges to Improve Our Nation (ACTION) CDC – Founder and CEO

Founded Community Development Corporation engaged in residential, commercial and economic development; providing human and social services; and promoting arts and culture.

- 2002 - Present

Greater Southeast Management District – Director, Chairman of Transportation and Mobility Committee

Appointed to the initial board of directors by an act of the Texas Legislature; serve as the chairman of the transportation and mobility committee responsible for attaining Federal Transportation Administration grantee status for the district; overseeing the development and implementation of district mobility plan and allocation of \$8.5 million dollars in federal funding.

- 1978-1989

Banking, finance, credit extension and collections experience

Experience includes teller operations, new account supervision, credit committee secretary, board of directors report preparation of non-performing assets and all facets of debt collections.

Publications

Trace Atmospheric Gas Analyzer (TAGA): Homeland Security Survey Implications in McCoy, Walter J., *Zoning and Planning in the United States: Selected Reading*. (2005) (2nd edition) Pearson Custom Publishing, Boston, Massachusetts

Research Associate for second edition publication of *McCoy on Deed Restrictions, Zoning and Planning in the United States: Selected Readings and Constitutional Basis for Zoning: Texas Supreme Court*.

Mayor Does Not Know Best: Metro Light Rail Op-ed. *Houston Chronicle*. Sunday, June 26, 2005.

Supreme Organization Requires Supreme Planning. Five part series in *Final Call Newspaper* (2005), Final Call Publishing, Chicago, Illinois.

Raising the Dead to Life in Muhammad, William, *The Harvest is Ripe: A Guide to Study Group Development* (2002), Morris Publishing, Kearney, Nebraska.

Professional Memberships

American Society for Public Administrators - *Member*

American Planning Association – *Member*

National Geographic Society - *Member*

Sierra Club – *Member*

Student Planning Organization Texas Southern University - *Member*

The Congress of New Urbanism – *Member*

Urban Land Institute – *Member*

National Charrette Institute - *Member*

Community Activities

Alphonso Crutch Charter School – *Board Chairman*

American Leadership Forum, Gulf Coast Chapter, Class XIX – *Senior Fellow*

Anchorage Foundation of Texas- *Fellow*

Buffalo Soldiers Museum of Houston, Texas – *Member*

Groove Phi Groove Social Fellowship, Inc. – *Life Member*

Houston Citizen’s Chamber of Commerce - *Member*

Holocaust Museum of Houston, Texas – *Member*

Kid Care Food Program – *Board Chairman*

KPFT 90.1 FM “*Connect the Dots*” Radio Show, Pacifica Network – *Host*

Local Organizing Committee for the Millions More Movement – *Co convener*

Ministerial Advisory Board to the Mayor of the City of Houston – *President*

Ministers in Support of Constable of Precinct 7 – *Member*

Museum of Fine Arts of Houston, Texas – *Member*

National African American Business Alliance - *Member*

National Association for the Advancement of Colored People – *Silver Life Member*

Operational Unity Network, Houston, Texas – *Member*

Brother Robert Muhammad

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robertmuhammad@msn.com

Brother Robert Muhammad's stated purpose is to promote the religion of Islam, as taught by the Most Honorable Elijah Muhammad and the Honorable Minister Louis Farrakhan. He advocates spiritual and moral excellence; drug, alcohol, and criminal rehabilitation; educational reform; strong family values; economic self-sufficiency; community pride; and self-improvement.

Brother Robert was born in Suffern, New York. The youngest of three children, he was raised in Harlem. Growing up in New York City during the turbulent sixties afforded him an opportunity to see the widespread influence and work of the Most Honorable Elijah Muhammad through his most famous students, Minister Malcolm X and Minister Louis Farrakhan. In 1971, his family moved to New Jersey where he completed Middle Township High School in 1974.

Brother Robert first met the Honorable Minister Louis Farrakhan personally in 1976 while a student at Hampton University. Minister Farrakhan spent two days at the university by invitation of the Student Government Association. Those two days would change Brother Robert's life forever.

Brother Robert earned a Bachelor of Arts in Political Science in 1978 from Hampton University. In 1980, he moved to Houston, Texas, to pursue a career in Banking and Finance. He became minister of Muhammad Mosque No. 45 in Houston, Texas in 1987. In 1994, he was appointed as the Southwest Regional Representative of the Honorable Minister Louis Farrakhan and the Nation of Islam. He is currently a PhD student in the field of Urban Planning and Environmental Policy at the Texas Southern University Barbara Jordan-Mickey Leland School of Public Affairs. He is married and the father of four sons.

Brother Robert has a wide range of experience which includes travel to the continent of Africa; helping to organize the Million Man March (1995), Million Family March (2000) and The Millions More Movement (2005); substance abuse counseling and referral, criminal rehabilitation, HIV/AIDS health awareness, family relations, economic development and self-improvement. He served as the spiritual advisor and witness to the executions of Texas Death Row Inmates O'Dell Barnes (executed, March 1, 2000) and Shaka Sankofa, a.k.a. Gary Graham (executed, June 22, 2000). He was featured in the French film documentary, "Made in the U.S.A." which chronicled the case and execution of O'Dell Barnes. The title "Made in the U.S.A." was taken from a speech he made in an eloquent defense of O'Dell Barnes. "Made in the U.S.A." was featured at the 2001 Cannes Film Festival.

Brother Robert has appeared on numerous national television programs including BET News, ABC's Nightline, Fox News' O'Reilly Factor, CNBC - Talking Politics with Chris Matthews, Court TV with the late Attorney Johnny Cochran, as well as many local television programs. He is the host of *Connect the Dots* talk show on Pacifica's KPFT 90.1 FM every Wednesday from 10:00 am to 11:30 pm.