



Housing and Community Affairs Committee

Committee Members

Mike Laster (Chair)
Jerry Davis
David W. Robinson
Richard Nguyen

Robert Gallegos (Vice Chair)
Larry Green
Edward Gonzalez
Dwight A. Boykins

AGENDA

Tuesday, July 15, 2014 10:00 AM
City Hall Chamber

Call to Order/Welcome Remarks- Council Member Mike Laster, Chair

I. **Solid Waste Management**

For review and possible authorization:

- a. Storage, Transportation and Disposal of Tires (All Council Districts) – An ordinance amending Chapter 39, Article VIII of the City of Houston Code of Ordinances relating to storage, transportation and disposal of tires

Presentation:

- Harry Hayes, Director Solid Waste Department

II. **Public Service**

For review and possible authorization:

- a. SEARCH Land Acquisition (Council District I) – An ordinance authorizing a contract between the City of Houston and SEARCH Homeless Services providing \$1,353,014 in State HHSP funds for the acquisition of land at the 2000 block of Franklin for a community facility and the acquisition of vehicles for program services

Presentation:

- Neal Rackleff, Director Housing and Community Development Department
- Melody Barr, Administration Manager

III. Multifamily

For review and possible authorization:

- a. New Hope Housing (Reed Road) 4% Tax Credits (Council District D) – A motion establishing a date for a Public Hearing to provide a Resolution of No Objection for the 4% tax credit application of NHH at Reed Ltd.
- b. New Hope Housing (Reed Road) 4% Tax Credits (Council District D) – Approval of a state-required Resolution of No Objection enabling NHH at Reed, Ltd. to apply for non-competitive, 4% federal tax credits through the Texas Department of Housing and Community Affairs for the NHH at Reed Road housing community
- c. Cottages at South Acres (Council District D) – Approval of an amendment to the Loan Agreement between the City of Houston and Cottages at South Acres Ltd. for construction of a 144-unit affordable multifamily community located in the 11300 block of Scott Street

Presentation:

- Neal Rackleff, Director Housing and Community Development Department
- Eta Paransky, Assistant Director

IV. Public Comments

Action may be taken on any or all of the above items.

Committee meetings are open to the public.

For information about this committee, contact Jonny Flores 832.393.3015.

V. Director's Comments

Neal Rackleff, Director Housing and Community Development Department

I.A.

TO: Mayor via City Secretary REQUEST FOR COUNCIL ACTION

SUBJECT: An ordinance amending Chapter 39, Article VIII of the City of Houston Code of Ordinances relating to Storage, Transportation and Disposal of Tires.	Category	Page 1 of 1	Agenda Item #
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FROM (Department or other point of origin): Solid Waste Management Department	Origination Date 06/30/2014	Agenda Date
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DIRECTOR'S SIGNATURE: Harry J. Hayes, Director	Council District affected: All
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For additional information contact: Sarah Mason, Sr. Environmental Analyst Phone: 713-837-9205 Gary Readore, Chief of Staff Phone: 713-837-9137	Date and identification of prior authorizing Council action:
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RECOMMENDATION: Summary: It is recommended that City Council adopt an ordinance amending Chapter 39, by adding Article VIII of the City of Houston Code of Ordinances to relate to the Storage, Transportation and Disposal of Tires; and remove the related Chapter 21, Article VII.

Amount of Funding: None	F&A Budget:
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SOURCE OF FUNDING: <input type="checkbox"/> General Fund <input type="checkbox"/> Grant Fund <input type="checkbox"/> Enterprise Fund <input checked="" type="checkbox"/> Other (Specify) Fund
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BACKGROUND: The Solid Waste Management Department (SWD) spends a significant amount of money each year to collect and properly dispose of illegally dumped scrap tires. To mitigate against this cost and aid in abating the health and safety risks posed by scrap tire piles, SWD had engaged in a robust review of the scrap tire industry within the City of Houston. Since June 2011 SWD has held multiple meetings with stakeholder groups, provided written communication to all known tire businesses within the City, and also surveyed in person the scrap tire businesses.

The result of this review was to identify the potential regulated community of scrap tire facilities and scrap tire transporters, understand their current business practices and develop with them a program that will benefit all parties by reducing the incidences of illegally dumped tires within Houston.

The purpose of this proposed city ordinance is to establish regulations and procedures for the appropriate storage, accurate record keeping, safe transportation and proper disposal of tires.

Proposed ordinance covers four basic requirements for tire facilities and tire transporters: storage, registration and permit, record keeping, and permit revocation process.

PROPOSED REVISIONS TO THE EXISTING ORDINANCE:

Amend Chapter 39 by adding Article VIII attached as Exhibit A; and remove Chapter 21, Article VII. The amended Chapter 39, Article VIII will address the scrap tire community by requiring scrap tire facilities to register with the City and scrap tire transporters to obtain a permit to transport tires within the city of Houston. The fees collected along with the proposed registrations and permits will cover the cost of implementing and administering the program. The new program will include inspecting the tire businesses at least twice a year to ensure proper compliance with the proposed program.

The anticipated goal of this program will be reduced incidences of illegally dumped tires within Houston.

REQUIRED AUTHORIZATION

Finance Director	Other Authorization:	Other Authorization:
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I. a.

TO: Mayor via City Secretary

REQUEST FOR COUNCIL ACTION

2014-SEARCH-HHSP

SUBJECT: An Ordinance authorizing a contract between the City of Houston and SEARCH Homeless Services providing \$1,353,014 in State HHSP funds for the acquisition of land at the 2000 block of Franklin for a community facility and the acquisition of vehicles for program services	Category #	Page 1 of 2	Agenda Item #

FROM : Neal Rackleff, Director Housing and Community Development	Origination Date 6/10/14	Agenda Date
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DIRECTOR'S SIGNATURE:	Council District affected: District I
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For additional information contact: Stephen Tinnermon Phone: 713-868-8448	Date and identification of prior authorizing Council action:
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RECOMMENDATION: Approval of an Ordinance authorizing a contract between the City of Houston and SEARCH Homeless Services providing \$1,353,014 in State HHSP funds for the acquisition of land at the 2000 block of Franklin Street for a community facility and the acquisition of vehicles for program services

Amount of Funding: \$1,353,014	Finance Budget:
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SOURCE OF FUNDING General Fund Grant Fund Enterprise Fund

State of Texas -- Homeless Housing Services Program (HHSP)

SPECIFIC EXPLANATION: Established in 1989 to provide homeless people with meals, showers, laundry services and mail pick-up, SEARCH is now one of the leading institutions in greater Houston helping people transition from the streets into jobs and safe, stable housing. In Fiscal Year 2013, SEARCH served 7,203 men, women and children in our community. Its mission is to provide hope, create opportunity, and transform lives.

This Ordinance authorizes a contract between the City of Houston and SEARCH to provide \$1,353,014 in State Homeless Housing Service Program (HHSP) funds for SEARCH to 1) acquire land for a 22,000-square-foot Employment Services and Care Hub, 2) purchase seven cars to be used by Housing Navigators who assist homeless persons in navigating the system of health care and social service agencies from which they get the documentation and support needed to gain permanent housing, and 3) purchase two vans needed by the Mobile Outreach team, which engages with homeless persons on the street by providing them with essential food and supplies.

For its Employment Services and Care Hub, SEARCH has identified property at the 2000 block of Franklin Street, within one mile of the Beacon day center, which is a homeless person's entry point for coordinated access to care. This proximity will help shorten the distance a homeless person must travel to obtain all documentation and services needed to enter permanent supportive housing from 40 square miles to four square miles.

The new 22,000-square-foot facility will cost an estimated \$9.5 million including land, construction, furniture, fixtures, and equipment, and is expected to be completed by June 2016.

Given the number of chronically homeless currently in our community, SEARCH estimates 13 community-based Housing Navigators are needed to provide the one-on-one assistance a homeless person requires at the time of referral or voucher issuance to be move-in ready and begin to stabilize within 60 days. The seven cars to be purchased with the HHSP grant will support the work of a Housing Navigator supervisor and six teams of two, which will serve approximately 500 individuals annually.

The Mobile Outreach team serves approximately 800 unduplicated persons annually. The team recently doubled from 2 to 4 fulltime outreach specialists who partner with the Houston Police Department Homeless Outreach Team,

REQUIRED AUTHORIZATION		
Finance Director:	Other Authorization:	Other Authorization:

Date 6/10/14	Subject: An Ordinance authorizing a contract between the City of Houston and SEARCH Homeless Services providing \$1,353,014 in State HHSP funds for the acquisition of land at the 2000 block of Franklin for a community facility and the acquisition of vehicles for program services	Originators Initials	Page 2 of 2
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graduate school social work interns, volunteers and staff from collaborating agencies. SEARCH currently has one 11-year-old van with 150,000+ miles that the team loads with essentials, including hygiene packs, warm clothes (during the cold season), insect repellent, socks, underwear, water and food to distribute as necessary to homeless persons.

Replacing the current van will ensure greater safety and cost effectiveness by reducing the expense of fuel and maintenance. Adding another van will increase the ability of the team (two per van) to be more efficient in covering the vast geographic areas of Houston and convert a larger number of outreach contacts into more purposeful connections that will result in more program enrollments. This, in turn, will lead to more intensive case management service delivery that focuses on connecting clients to behavioral health, housing, and supports that encourage self-sufficiency.

SEARCH will fund \$9.5 million of the total program costs. HCDD's funding will be used as follows:

Budget Categories	Totals
Acquisition of Land	1,143,014.00
Acquisition of Vehicles	210,000.00
Total	\$ 1,353,014.00

SEARCH Homeless Services has received funding from the City as a service provider since 2000.

This item was reviewed by the Housing and Community Affairs Committee on July 15, 2014.

NR: EP: MB

cc: City Attorney
 Mayor's Office
 City Secretary
 Finance Department

III. a.

TO: Mayor via City Secretary REQUEST FOR COUNCIL ACTION 14 – Motion – Reed

SUBJECT: A motion establishing a date for a Public Hearing to provide a Resolution of No Objection for the 4% tax credit application of NHH at Reed Ltd.	Category #	Page 1 of 1	Agenda Item #
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FROM: Neal Rackleff, Director Housing and Community Development	Origination Date 4/5/2014	Agenda Date
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DIRECTOR'S SIGNATURE:	Council District affected: District D
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For additional information contact: Stephen Tinnermon Phone: 713-868-8448	Date and identification of prior authorizing Council action: N/A
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RECOMMENDATION: Approval of a motion establishing a date for a Public Hearing to provide a Resolution of No Objection for the 4% tax credit application of NHH at Reed Ltd.

Amount of Funding: None	Finance Budget:
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SOURCE OF FUNDING General Fund Grant Fund Enterprise Fund

No funding required

SPECIFIC EXPLANATION:

The Texas Department of Housing and Community Affairs (TDHCA) administers the state's housing tax credit program, which provides federal tax credits to spur the development of quality, affordable housing.

Per Texas Government Code Section 2306-67071 and the TDHCA's 2014 Qualified Action Plan, the local governing body of the jurisdiction where a project is to be located must "hold a hearing at which public comment may be made" before a developer can submit an application for non-competitive 4% tax credits.

NHH at Reed Ltd. intends to submit an application to the TDHCA requesting an award of 4% tax credits for New Hope Housing at Reed Road, an affordable housing community to be located at 2620 Reed Road.

HCDD requests a motion to hold the public hearing on July 23, 2014.

This item was reviewed by the Housing and Community Affairs Committee on July 15, 2014.

NR:EP:SS

Cc: CSC, FIN, MYR, LGL

REQUIRED AUTHORIZATION		
Finance Department:	Other Authorization:	Other Authorization:

III. b.

TO: Mayor via City Secretary REQUEST FOR COUNCIL ACTION 14 – Resolution – Reed

SUBJECT: Approval of a state-required Resolution of No Objection enabling NHH at Reed, Ltd. to apply for non-competitive, 4% federal tax credits through the Texas Department of Housing and Community Affairs for the NHH at Reed Road housing community	Category #	Page 1 of 1	Agenda Item #
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FROM: Neal Rackleff, Director Housing and Community Development	Origination Date 6/23/2014	Agenda Date
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DIRECTOR'S SIGNATURE:	Council District affected: District D
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For additional information contact: Stephen Tinnermon Phone: 713-868-8448	Date and identification of prior authorizing Council action:
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RECOMMENDATION: Approval of a state-required Resolution of No Objection enabling NHH at Reed, Ltd. to apply for non-competitive, 4% federal tax credits through the Texas Department of Housing and Community Affairs for the NHH at Reed Road housing community

Amount of Funding: None	Finance Budget:
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SOURCE OF FUNDING General Fund Grant Fund Enterprise Fund

No funding required

SPECIFIC EXPLANATION:

NHH at Reed, Ltd., an affiliate of New Hope Housing, plans to construct a 140-unit apartment community on a 6.7-acre tract that is part of a 47-acre campus being developed by the Star of Hope.

Proposed financing for the facility includes non-competitive, 4% federal tax credits administered through the Texas Department of Housing and Community Affairs (TDHCA). Per new TDHCA rules, developers interested in applying for 4% tax credit equity must obtain a Resolution of "No Objection" from the City of Houston.

The proposed project will be a three-story midrise building consisting of one, two and three bedroom floor plans, ranging in size from 750 to 1,250 square feet. One half of the total units (70 units) will be designated as Permanent Supportive Housing (PSH) in support of the City's initiative to end chronic homelessness. Therefore, the Housing and Community Development Department recommends Council approve this Resolution of No Objection enabling NHH at Reed, Ltd. to apply for tax credits.

On March 26, 2014, Council approved a Resolution of Support for NHH at Reed, Ltd. to receive TDHCA's 9% tax credits. Unlike the non-competitive 4% tax credits, the 9% credits are highly competitive, and TDHCA has not yet selected the recipients of the 9% tax credits. Because of the large number of highly qualified projects competing for limited funds under the 9% tax credit program, New Hope Housing is also applying for 4% tax credits to secure funding for the project.

This Resolution of No Objection to 4% tax credits was reviewed by the Housing and Community Affairs Committee on July 15, 2014.

NR:EP:SS

cc: CSC, FIN, MYR, LGL

REQUIRED AUTHORIZATION		
Finance Department:	Other Authorization:	Other Authorization:

SUBJECT: Approval of an Amendment to the Loan Agreement between the City of Houston and Cottages at South Acres Ltd. for construction of a 144-unit affordable multifamily community located in the 11300 block of Scott Street

Category #	Page 1 of 1	Agenda Item #
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FROM:
Neal Rackleff, Director
Housing and Community Development

Origination Date 6/15/14	Agenda Date
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DIRECTOR'S SIGNATURE:

Council District affected:
District D

For additional information contact: Stephen Tinnermon
Phone: 713-868-8448

Date and identification of prior authorizing Council action: 9/11/13; 2013-802

RECOMMENDATION: Approval of an Amendment to the Loan Agreement between the City of Houston and Cottages at South Acres Ltd. for construction of a 144-unit affordable multifamily community located in the 11300 block of Scott Street

Amount of Funding: \$1,000,000.00

Finance Budget:

SOURCE OF FUNDING General Fund Grant Fund Enterprise Fund
HOME Investment Partnership (Fund 5000)

SPECIFIC EXPLANATION:

On September 11, 2013, City Council approved an ordinance authorizing a \$2,160,000 loan of HOME funds to Cottages at South Acres Ltd. for the construction of a 144-unit affordable housing community located in the 11300 block of Scott Street.

Since that time, the borrower has obtained more detailed cost estimates that are \$2,300,000 higher than what was initially projected. The increase is due primarily to the strong construction market in the Houston area. As of May 2014, seven new multifamily communities had been completed in the city, and 67 communities, containing over 20,000 units, were under construction. This compares with 31 multifamily projects built in 2013 and 20 built in 2012. All but four of the developments currently under construction (609 units) are market rate communities, creating a shortage in affordable housing units coming online. The Housing and Community Development Department recommends Council approve an additional \$1,000,000 to ensure this community can be built. The remaining gap will be filled by an increase in the permanent loan, reduction in the loan's interest rate, and more favorable tax credit pricing.

Cottages at South Acres is being developed by the Hettig-Kahn Company, an experienced and respected multifamily affordable housing developer. The Cottages community will have the look and feel of a true residential, gated neighborhood. The community will feature 28 four-bedroom, single-family homes for large families, and 116 one- and two-bedroom, single-story cottages in clusters of six for smaller families.

The original and revised funding sources are shown below:

<u>Sources of Funds:</u>	<u>Original</u>	<u>% of Total</u>	<u>Revised</u>	<u>% of Total</u>
Tax credit equity	\$13,111,918	64%	\$14,109,564	61%
Conventional loan	\$4,150,000	20%	\$4,750,000	21%
Deferred Developer Fee	\$1,025,372	5%	\$1,050,803	5%
HOME funds	<u>\$2,160,000</u>	11%	<u>\$3,160,000</u>	14%
	\$20,447,290		\$23,070,367	

In exchange for the increased financing, an additional six units will be reserved for low-income tenants, for a total of 22 restricted units. The remaining units will also be offered at affordable rates (a requirement of the tax credit equity).

This item was reviewed by the Housing and Community Affairs Committee on July 15, 2014.

NR:EP:SS
cc: CSC, CTR, FIN, LGL, MAO

REQUIRED AUTHORIZATION

Finance Department:	Other Authorization:	Other Authorization:
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