



Housing and Community Affairs Committee

Committee Members

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

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

AGENDA

Tuesday, November 18, 2014 10:00 AM
City Hall Chambers

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

I. Public Service

For review and possible authorization:

- a. Acceptance of HHSP Funds (All Council Districts) – An Ordinance authorizing a contract between the City of Houston and the Texas Department of Housing and Community Affairs, accepting \$1,381,788 in State Homeless Housing and Services Program funds serving the City's homeless and at-risk populations

Presentation:

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

II. Multifamily

For review and possible authorization:

- a. East End Lofts Property Acquisition (District H) – An Ordinance authorizing a loan agreement between the City of Houston and EaDo Lofts L.P. for site acquisition in the 3300 block of Harrisburg Boulevard to construct East End Lofts, a 122-unit affordable housing community

- b. Substantial Amendments for Acquisition (All Council Districts) – An Ordinance authorizing Substantial Amendments totaling \$2,300,000 in Community Development Block Grant funds under the Projected Use of Funds Budgets for 2013 and 2014 Annual Action Plans
- c. Disaster Recovery Round 2 Contract Extension (Districts B, D and H) – An Ordinance authorizing Amendment #3 to extend the termination date of the Hurricane Ike Round 2 Rental (multifamily) Contract until December 31, 2016

Presentation

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

III. **Single Family Home Repair**

For review and possible authorization:

- a. NSP Substantial Amendment for Program Income (District B, D, F, H, I, K) – An Ordinance authorizing a Substantial Amendment to the Neighborhood Stabilization Program (NSP3) budget to add a line item classification and \$867,347.48 in program income received from NSP3 activities as well as adding a line item classification and \$285,405.48 in program income received from NSP1 activities

Presentation:

- Neal Rackleff, Director, Housing and Community Development Department
- Joel North, 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 David Bonem 832.393.3369.

V. **Director's Comments**

Neal Rackleff, Director, Housing and Community Development Department

TO: Mayor via City Secretary REQUEST FOR COUNCIL ACTION

15-HHSP-TDHCA

I.A.

SUBJECT: An Ordinance authorizing a Contract between the City of Houston and the Texas Department of Housing and Community Affairs, accepting \$1,381,788 in State Homeless Housing and Services Program funds serving the City's homeless and at-risk populations		Category #	Page 1 of 1	Agenda Item #
FROM: Neal Rackleff, Director Housing and Community Development		Origination Date 11/03/14	Agenda Date	
DIRECTOR'S SIGNATURE:		Council District affected: All		
For additional information contact: Stephen Tinnermon Phone: 832-394-6261		Date and identification of prior authorizing Council action: N/A		
RECOMMENDATION: Approval of an Ordinance authorizing a Contract between the City of Houston and the Texas Department of Housing and Community Affairs, accepting \$1,381,788 in State Homeless Housing and Services Program funds serving the City's homeless and at-risk populations				
Amount of Funding: <p style="text-align: center;">Not Applicable</p>			Finance Budget:	
SOURCE OF FUNDING [] General Fund [X] Grant Fund [] Enterprise Fund [] Other <p style="text-align: center;">State Homeless Housing and Services Program (HHSP)</p>				
SPECIFIC EXPLANATION:				
<p>The Housing and Community Development Department (HCDD) recommends Council approve a Contract between the City of Houston and the Texas Department of Housing and Community Affairs (TDHCA) accepting a \$1,381,788 Homeless Housing and Services Program (HHSP) grant.</p> <p>Per the TDHCA, the funding must be used by the City on activities eliminating and/or preventing homelessness. Specifically, funds can be used for the following activities: construction and rehabilitation of structures serving the homeless or at-risk individuals, operations of direct services, housing retention, homelessness prevention, rental assistance, and other homelessness related activity as approved by the Department.</p> <p>HHSP was established by the 81st Texas Legislature through an appropriations rider and codified during the 82nd Texas legislative session. Through HHSP, the state provides funding to the eight largest cities in support of services to homeless individuals and families, including services such as case management and housing placement and retention. Cities served through HHSP include Arlington, Austin, Corpus Christi, Dallas, El Paso, Fort Worth, Houston and San Antonio. While no direct appropriations were made for the program during the 82nd Legislature, Senate Bill 1, 82nd Legislature, First Called Session, allows the Department to apply for funds available through this program. For State Fiscal Year 2015, the State has \$5 million in HHSP funds available.</p> <p>This item is a procedural, administrative matter required by the State for the City to receive the funds it was previously awarded. An Ordinance allocating the accepted HHSP funds for use by local nonprofit organizations will be presented to Council for consideration within the coming weeks/months.</p> <p>The Housing and Community Affairs Committee reviewed this item on November 18, 2014.</p>				
NR:EP:MB				
cc: City Secretary Legal Department Finance Department Mayor's Office				
REQUIRED AUTHORIZATION				
Finance Director:		Other Authorization:		Other Authorization:

II, a.

TO: Mayor via City Secretary REQUEST FOR COUNCIL ACTION 14 – East End Lofts

SUBJECT: An Ordinance authorizing a loan agreement between the City of Houston and EaDo Lofts L.P. for site acquisition in the 3300 block of Harrisburg Boulevard to construct East End Lofts, a 122-unit affordable housing community	Category #	Page 1 of 1	Agenda Item #
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FROM: Neal Rackleff, Director Housing and Community Development	Origination Date 10/31/2014	Agenda Date
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DIRECTOR'S SIGNATURE:	Council District affected: District H
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For additional information contact: Stephen Tinnermon Phone: 832-394-6261	Date and identification of prior authorizing Council action: N/A
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RECOMMENDATION: An Ordinance authorizing a loan agreement between the City of Houston and EaDo Lofts L.P. for site acquisition in the 3300 block of Harrisburg Boulevard to construct East End Lofts, a 122-unit affordable housing community

Amount of Funding: \$2,300,000	Finance Budget:
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SOURCE OF FUNDING	<input type="checkbox"/> General Fund	<input checked="" type="checkbox"/> Grant Fund	<input type="checkbox"/> Other
Community Development Block Grant (CDBG)			

SPECIFIC EXPLANATION:

The Housing and Community Development Department recommends Council approve a \$2,300,000 loan of CDBG funds to EaDo Lofts L.P. for site acquisition to construct East End Lofts, a 122-unit affordable housing community to be located in the 3300 block of Harrisburg Boulevard.

This affordable housing complex will be conveniently located one block from the Coffee Plant Second Ward light rail line that will provide easy access to employment opportunities, shopping, entertainment, education, and other services in downtown Houston, University of Houston, the Texas Medical Center, Minute Maid Park, and NRG Stadium. Given the rapid increase in land prices in the East End, this is likely the last affordable housing development that will be constructed in this popular area.

East End Lofts will be a five-story building consisting of 85 one-bedroom and 37 two-bedroom units. The structure will be located on 1.45 acres in the 3300 block of Harrisburg Boulevard at the northwest corner of Harrisburg and Sampson Street.

The developer, Mark-Dana Corporation, is headquartered in Spring, Texas. The principals of MDC have been involved in developing, building and managing multifamily housing for more than 40 years through acquisition/rehabilitation and new construction. In exchange for the funding, EaDo Lofts L.P. will build 122 total units, of which 51%, or 63 units, will be restricted for tenants earning below 80% area medium income. The project's total cost will be financed as follows:

Sources of Funds:	
1 st Mortgage	\$14,130,900
Tax Credit Equity	\$4,089,951
Other Equity	\$3,758,806
CDBG Funds	\$2,296,360
Deferred Developer Fee	\$1,255,165
Total Project Cost	\$25,531,182

The Housing and Community Affairs Committee reviewed this item on Nov. 18, 2014.

NR:EP:JM

cc: Legal Department, Finance Department, Mayor's Office, City Secretary

REQUIRED AUTHORIZATION		
Finance Department:	Other Authorization:	Other Authorization:

II. b.

TO: Mayor via City Secretary REQUEST FOR COUNCIL ACTION

SUBJECT: An Ordinance authorizing Substantial Amendments totaling \$2,300,000 in Community Development Block Grant funds under the Projected Use of Funds Budgets for 2013 and 2014 Annual Action Plans	Category #	Page 1 of 1	Agenda Item #
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FROM: Neal Rackleff, Director Housing and Community Development Department	Origination Date 11/12/14	Agenda Date
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DIRECTOR'S SIGNATURE:	Council District affected: All
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For additional information contact: Stephen Tinnermon Phone: 832-394-6261	Date and identification of prior authorizing Council action:
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RECOMMENDATION: Approval of an Ordinance authorizing Substantial Amendments totaling \$2,300,000 in Community Development Block Grant funds under the Projected Use of Funds Budgets for 2013 and 2014 Annual Action Plans

Amount of Funding: NO FUNDING REQUIRED	Finance Budget:
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SOURCE OF FUNDING General Fund Grant Fund Enterprise Fund

Community Development Block Grant (Fund 5000)

SPECIFIC EXPLANATION:

In accordance with HUD's Citizen's Participation Plan (CPP) regulations, the City is required to amend components of its Consolidated Plan/Action Plan for a variety of reasons, including when a reallocation of funds increases or decreases the budget of an activity by more than 25% of the original budget and when a new activity is added.

The Housing and Community Development Department requests approval of Substantial Amendments totaling \$2,300,000 in Community Development Block Grant funds under the Projected Use of Funds Budgets for 2013 and 2014 Annual Action Plans. The Substantial Amendments are necessary to add and provide funding for the new Acquisition activity. The following Amendments are proposed:

Activity	Decrease	Add/Increase
The 2013 Budget is Amended as follows:		
Multifamily Acquisition/Rehabilitation/Relocation	\$497,367.39	
Acquisition		\$497,367.39
The 2014 Budget is Amended as follows:		
Multifamily Housing	\$1,802,632.61	
Acquisition		\$1,802,632.61
Total		\$2,300,000.00

This item was reviewed by the Housing and Community Affairs Committee on November 18, 2014.

NR:BS:DS

Cc: City Secretary
Legal Department
Finance Department
Mayor's Office

REQUIRED AUTHORIZATION

Finance Director:	Other Authorization:	Other Authorization:
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II. C.

TO: Mayor via City Secretary REQUEST FOR COUNCIL ACTION

SUBJECT: An Ordinance authorizing Amendment #3 to extend the termination date of the Hurricane Ike Round 2 Rental (multifamily) Contract until December 31, 2016		Category #	Page 1 of 1	Agenda Item #
FROM: Neal Rackleff, Director Housing and Community Development		Origination Date 11/4/14	Agenda Date	
DIRECTOR'S SIGNATURE:		Council Districts affected: B,D and H		
For additional information contact: Stephen Tinnermon Phone: 832-394-6261		Date and identification of prior authorizing Council action: Ord. 2011-1094, 12/07/2011		
RECOMMENDATION: Approval of an Ordinance authorizing Amendment #3 to extend the termination date of the Hurricane Ike Round 2 Rental Contract until December 31, 2016				
Amount of Funding: N/A			Finance Budget:	
SOURCE OF FUNDING: <input type="checkbox"/> General Fund <input checked="" type="checkbox"/> Grant Fund <input type="checkbox"/> Enterprise Fund				
Community Development Block Grant Disaster Recovery Round 2				
SPECIFIC EXPLANATION:				
<p>The Housing and Community Development Department recommends approval of Contract Amendment #3 to the Hurricane Ike Disaster Recovery (CDBG-DR) Round 2 grant contract (Contract) with Texas General Land Office (GLO).</p> <p>The Contract currently expires on December 31, 2015. The terms of the Contract require that all construction activities must be completed by the expiration of the Contract. The Housing and Community Development Department is aware that construction activities for the multifamily developments will be on-going at the time of the current contract expiration, so an extension is necessary to allow for construction to continue.</p> <p>The need for the extension is the result of several factors; primarily, the time necessary to plan, negotiate and finalize the City's revitalization strategy for the Hurricane Ike Disaster Recovery Round 2 program, and time to negotiate final agreements with the multifamily developers.</p> <p>The GLO is aware of the time that has been needed to manage the program, and has not indicated any objection to granting an extension in conversations about timing of the program. HCDD fully expects the GLO to approve the request for the extension.</p> <p>HCDD published a 15-day public notice for Amendment #3 in the Houston Chronicle on Friday, 11/7/2014. To date, no comments have been received.</p> <p>This action was presented at the Tuesday, November 18, 2014, Council Committee on Housing and Community Affairs meeting.</p>				
NR:EP:SG:PC				
cc: City Secretary Legal Department City Attorney Finance Department				
REQUIRED AUTHORIZATION				
Finance Department:		Other Authorization:		Other Authorization:

III. A.

TO: Mayor via City Secretary REQUEST FOR COUNCIL ACTION

SUBJECT: An Ordinance authorizing a substantial amendment to the Neighborhood Stabilization Program (NSP3) budget to add a line item classification and \$867,347.48 in program income received from NSP3 activities as well as adding a line item classification and \$285,405.48 in program income received from NSP1 activities	Category #	Page 1 of 2	Agenda Item #
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FROM: Neal Rackleff, Director Housing and Community Development Department	Origination Date 10/29/14	Agenda Date
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DIRECTOR'S SIGNATURE:	Council District affected: B, D, F, H, I, K
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For additional information contact: Stephen Tinnermon Phone: 832-394-6261	Date and identification of prior authorizing Council action: NSP1: Ord. 2008-1051, 11/25/2008 Ord. 2009-1275, 12/15/2009 Ord. 2012-1000, 11/14/2012 NSP3: Ord. 2011-0134, 02/23/2011 Ord. 2012-0999, 11/14/2012 Ord. 2014-0486, 05/28/2014
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RECOMMENDATION: Approval of an Ordinance authorizing a substantial amendment to the Neighborhood Stabilization Program (NSP3) budget to add a line item classification and \$867,347.48 in program income received from NSP3 activities as well as adding a line item classification and \$285,405.48 in program income received from NSP1 activities

Amount of Funding: \$285,405.48 – NSP1 Program Income \$867,347.54 – NSP3 Program Income	Finance Budget:
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SOURCE OF FUNDING <input type="checkbox"/> General Fund <input checked="" type="checkbox"/> Grant Fund <input type="checkbox"/> Enterprise Fund
Neighborhood Stabilization Program (NSP1) Program Income Neighborhood Stabilization Program (NSP3) Program Income

SPECIFIC EXPLANATION:

Through successful administration of the Neighborhood Stabilization Program (NSP), the Housing and Community Development Department (HCDD) has earned highly complementary remarks from federal NSP officials as well as additional revenue that can be invested back into the target communities to fund further revitalization. With NSP1, HCDD partnered with local 501(c)(3) agencies to acquire and rehabilitate 25 single-family homes. Under NSP3, HCDD partnered with a non-profit to complete the renovation of three homes and with a developer to build 14 new homes on LARA lots in the Sunnyside area.

The subsequent sale of these homes cumulatively generated over \$1,000,000 in program income, which will allow HCDD to build even more homes and undertake additional revitalization projects, such as demolition of blighted tax delinquent properties in eligible NSP areas. Such activities help to stabilize the neighborhoods where the homes are located. To account for the new homes built on LARA lots, HCDD needs to add a new line item, Develop Vacant Properties, for both the NSP1 and NSP3 program budgets.

In accordance with HUD regulations and the Citizen's Participation Plan (CPP), the City is required to amend components of its Consolidated Plan/Action Plan when (1) an activity is added; (2) an activity is deleted; (3) a change in the scope of an activity or reallocation of funds increases or decreases the budget of an activity by more than 25% of the original budget; or (4) when there is a change in the purpose, location, scope, or beneficiaries of an activity, or when a priority has changed. This Substantial Amendment is triggered by items 1 and 3.

REQUIRED AUTHORIZATION		
Finance Director:	Other Authorization:	Other Authorization:

Date 10/29/2014	Subject: An Ordinance authorizing a substantial amendment to the Neighborhood Stabilization Program (NSP3) budget to add a line item classification and \$867,347.48 in program income received from NSP3 activities as well as adding a line item classification and \$285,405.48 in program income received from NSP1 activities	Originators Initials	Page 2 of 2
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HCDD requests a substantial amendment to the Neighborhood Stabilization Program plan to add program income in the new category: \$285,405.48 for NSP1 activities and of \$867,347.54 for NSP3 activities through 10/31/2014. The revised budgets follow:

NSP1	Amendment #2 Allocation	% of Current Allocation	Program Income Allocation	Revised Allocation	% of Revised Allocation
Program Administration Acquisition / Rehabilitation Multifamily Acquisition / Rehabilitation Single Family	\$ 1,024,219.00	7.56%	\$ 28,540.55	\$ 1,052,759.55	7.61%
	\$ 8,802,425.00	65.00%		\$ 8,802,425.00	63.66%
	\$ 2,204,649.00	16.28%		\$ 2,204,649.00	15.94%
Develop Vacant Property		0.00%	\$ 256,864.93	\$ 256,864.93	1.86%
Demolition	\$ 1,510,900.00	11.16%		\$ 1,510,900.00	10.93%
Total	\$13,542,193.00	100.00%	\$ 285,405.48	\$13,827,598.48	100.00%

NSP3	Amendment #2 Allocation	% of Current Allocation	Program Income Allocation	Revised Allocation	% of Revised Allocation
Program Administration Acquisition / Rehabilitation Single Family	\$ 338,000.00	9.97%	\$ 86,734.75	\$ 424,734.75	9.98%
	\$2,211,035.00	65.24%		\$ 2,211,035.00	51.95%
Develop Vacant Property		0.00%	\$780,612.79	\$ 780,612.79	18.34%
Demolition	\$ 840,000.00	24.79%		\$ 840,000.00	19.74%
Total	\$3,389,035.00	100.00%	\$867,347.54	\$ 4,256,382.54	100.00%

A public notice was published in the Houston Chronicle (and the HCDD website) on Thursday, November 4, 2014. To date, no public comments have been received. This item was reviewed by the Housing and Community Affairs Committee on November 18, 2014.

NR:BS:PC

cc: City Secretary
 Legal Department
 City Attorney
 Finance Department

III, A.

TO: Mayor via City Secretary REQUEST FOR COUNCIL ACTION

SUBJECT: An Ordinance authorizing a substantial amendment to the Neighborhood Stabilization Program (NSP3) budget to add a line item classification and \$867,347.48 in program income received from NSP3 activities as well as adding a line item classification and \$285,405.48 in program income received from NSP1 activities	Category #	Page 1 of 2	Agenda Item #
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FROM: Neal Rackleff, Director Housing and Community Development Department	Origination Date 10/29/14	Agenda Date
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DIRECTOR'S SIGNATURE:	Council District affected: B, D, F, H, I, K
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For additional information contact: Stephen Tinnermon Phone: 832-394-6261	Date and identification of prior authorizing Council action: NSP1: Ord. 2008-1051, 11/25/2008 Ord. 2009-1275, 12/15/2009 Ord. 2012-1000, 11/14/2012 NSP3: Ord. 2011-0134, 02/23/2011 Ord. 2012-0999, 11/14/2012 Ord. 2014-0486, 05/28/2014
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RECOMMENDATION: Approval of an Ordinance authorizing a substantial amendment to the Neighborhood Stabilization Program (NSP3) budget to add a line item classification and \$867,347.48 in program income received from NSP3 activities as well as adding a line item classification and \$285,405.48 in program income received from NSP1 activities

Amount of Funding: \$285,405.48 – NSP1 Program Income \$867,347.54 – NSP3 Program Income	Finance Budget:
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SOURCE OF FUNDING <input type="checkbox"/> General Fund <input checked="" type="checkbox"/> Grant Fund <input type="checkbox"/> Enterprise Fund
Neighborhood Stabilization Program (NSP1) Program Income Neighborhood Stabilization Program (NSP3) Program Income

SPECIFIC EXPLANATION:

Through successful administration of the Neighborhood Stabilization Program (NSP), the Housing and Community Development Department (HCDD) has earned highly complementary remarks from federal NSP officials as well as additional revenue that can be invested back into the target communities to fund further revitalization. With NSP1, HCDD partnered with local 501(c)(3) agencies to acquire and rehabilitate 25 single-family homes. Under NSP3, HCDD partnered with a non-profit to complete the renovation of three homes and with a developer to build 14 new homes on LARA lots in the Sunnyside area.

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REQUIRED AUTHORIZATION

Finance Director:	Other Authorization:	Other Authorization:
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Date 10/29/2014	Subject: An Ordinance authorizing a substantial amendment to the Neighborhood Stabilization Program (NSP3) budget to add a line item classification and \$867,347.48 in program income received from NSP3 activities as well as adding a line item classification and \$285,405.48 in program income received from NSP1 activities	Originators Initials	Page 2 of 2
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NSP3	Amendment #2 Allocation	% of Current Allocation	Program Income Allocation	Revised Allocation	% of Revised Allocation
Program Administration	\$ 338,000.00	9.97%	\$ 86,734.75	\$ 424,734.75	9.98%
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