



Housing and Community Affairs Committee

Committee Members

Mike Laster (Chair)
Dwight A. Boykins
Michael Kubosh
Mike Knox

Robert Gallegos (Vice Chair)
David W. Robinson
Karla Cisneros

AGENDA

Tuesday, November 15, 2016 9:00 AM
City Hall Council Chambers

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

I. Public Facilities

For review and possible authorization:

- a) Woodview SPARK Park – (District A) – An Ordinance authorizing a contract among the City of Houston, the SPARK School Park Program, and the Spring Branch Independent School District, providing \$150,000 in federal CDBG funds for a SPARK Park at Woodview Elementary School
- b) Milne and Whidby SPARK Parks – (Districts D and K) – An Ordinance authorizing a contract among the City of Houston, the SPARK School Park Program, and the Houston Independent School District, providing a total of \$300,000 in federal CDBG funds for SPARK Parks at Milne Elementary School and Whidby Elementary School

Presentation:

- Tom McCasland, Interim Director, Housing and Community Development Department
- Ana Patino-Martinez, Division Manager, Public Facilities

II. Multifamily

For review and possible authorization:

- a) 5638 Selinsky Demolition – (District D) – An Ordinance appropriating and allocating \$348,000 of TIRZ Fund 2409 to support the demolition of a blighted multifamily property located 5638 Selinsky Road
- b) Residences at Hardy Yards – (District H) – An Ordinance authorizing an Amendment to the Loan Agreement between the City of Houston and HY FS LLC to increase by \$4,700,000 the original commitment amount for construction of Residences of Hardy Yards in order to fund additional costs related to the development

- c) Fenix Estates – (District I) – An Ordinance authorizing a Loan Agreement between the City of Houston and Harris County Housing Authority (HCHA) providing \$3,900,000 for the construction of the Fenix Estates, a 200-unit affordable housing community located at 3815 Gulf Freeway
- d) Light Rail Lofts – (District C) – An Ordinance to appropriate \$1,500,000 in CDBG funds for a Loan Agreement between the City of Houston and 4600 Main Street Housing LP for the reconstruction of Light Rail Lofts, a 56-unit affordable housing community located at 4600 Main Street

Presentation:

- Tom McCasland, Interim Director, Housing and Community Development Department
- Ryan Bibbs, Division Manager, Multifamily Division

III. Public Services

For review and possible authorization:

- a) Rapid Rehousing Financial Assistance Intermediary – (All Districts) – An Ordinance authorizing a contract between the City of Houston and Houston Housing Authority to provide \$200,196.29 in HHSP funds for the operation of the Rapid Rehousing Financial Assistance Intermediary
- b) Rapid Rehousing Case Management Intermediary – (All Districts) – An Ordinance authorizing a Contract between the City of Houston and The Coalition for the Homeless, providing \$201,433.91 in HHSP funds and \$550,586.03 in ESG funds to administer and operate the Rapid Rehousing Case Management Intermediary
- c) H.E.A.R.T. Job Training Program – (All Districts) – A First Contract Amendment between the City of Houston and Educational Programs Inspiring Communities, providing \$200,000 in CDBG funds for the H.E.A.R.T. job training program for developmentally disabled adults
- d) SEARCH Homeless Services – (All Districts) – A First Contract Amendment between the City of Houston and SEARCH Homeless Services, providing \$118,487 in CDBG funds for the Resource Center and Mobile Outreach Program
- e) Healthcare for the Homeless – (All Districts) – A First Contract Amendment between the City of Houston and Healthcare for the Homeless - Houston providing \$145,000 in CDBG funds for Project Access, a homeless transportation program

Presentation:

- Tom McCasland, Interim Director, Housing and Community Development Department
- Melody Barr, Deputy Assistant Director

IV. Planning and Grants Management/Homebuyer Assistance Program

For review and possible authorization:

- a) CDBG “Substantial Amendment” – (All Districts) – An Ordinance authorizing “Substantial Amendments” to the Budget Pages and/or Project Sheets contained in the 2010, 2012, 2013, 2015, and 2016 Annual Action Plans for the reallocation of \$3,000,000 in CDBG funds
- b) TIRZ Affordable Housing Fund Allocation – (All Districts) – An Ordinance authorizing \$2,000,000 of TIRZ Affordable Housing funds for down payment assistance for low- to moderate-income residents of the City of Houston, and approving the Fourth Amended and Restated Homebuyer Assistance Program Guidelines

Presentation:

- Tom McCasland, Interim Director, Housing and Community Development Department
- Derek Sellers, Division Manager

V. Minor Critical Emergency Home Repair

For review and possible authorization:

- a) Rebuilding Together Houston – (All Districts) – An Ordinance appropriating \$2,000,000 from TIRZ Affordable Housing Fund 2409 and amending the contract between the City of Houston and Rebuilding Together Houston to increase the contract amount by \$2,000,000 and modify the administrative fee

Presentation:

- Tom McCasland, Interim Director, Housing and Community Development Department
- Chris Butler, Deputy Director

VI. 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 Jeremy Harris, 832.393.3369.

VII. Director's Comments

Tom McCasland, Interim Director, Housing and Community Development Department

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|--|--|---|------------------------|-----------------------------|
| SUBJECT: An Ordinance authorizing a contract among the City of Houston, the SPARK School Park Program, and the Spring Branch Independent School District, providing \$150,000 in federal CDBG funds for a SPARK Park at Woodview Elementary School | | Category # | Page 1 of 1 | Agenda Item # I. a. |
| FROM: Tom McCasland, Interim Director Housing and Community Development Department | | Origination Date 10/25/2016 | Agenda Date | |
| DIRECTOR'S SIGNATURE: | | Council District affected: District A | | |
| For additional information contact: Roxanne Lawson Phone: 832-394-6307 | | Date and identification of prior authorizing Council action: | | |
| RECOMMENDATION: Approval of an Ordinance authorizing a contract among the City of Houston, the SPARK School Park Program, and the Spring Branch Independent School District, providing \$150,000 in federal CDBG funds for a SPARK Park at Woodview Elementary School | | | | |
| Amount of Funding: \$150,000 | | | Finance Budget: | |
| SOURCE OF FUNDING: <input type="checkbox"/> General Fund <input checked="" type="checkbox"/> Grant Fund <input type="checkbox"/> Enterprise Fund <input type="checkbox"/> Other Community Development Block Grant (CDBG) Fund 5000 | | | | |
| SPECIFIC EXPLANATION: The Housing and Community Development Department requests Council approve a contract among the City of Houston, the SPARK School Park Program, and the Spring Branch Independent school District providing \$150,000 in Community Development Block Grant funds for a school park at Woodview Elementary School located at 9749 Cedardale Drive. This park is planned to include play equipment, fitness equipment, picnic tables, benches, sidewalks, and may include alternate items such as shading over playground areas. The park will be designed by the SPARK committee at Woodview Elementary School in conjunction with the architect. In addition to the CDBG funds, the school will receive \$5,000 from Harris County, \$5,000 from the Spring Branch ISD, \$5,000 from the school and community, \$5,000 from the SPARK Program via the private sector, and \$10,000 from the Spring Branch Management District. The total project budget will be \$180,000. HCDD conducted a Request for Proposals (RFP) for CDBG contracts. The SPARK School Park Program was one of the agencies selected. This item was reviewed by the Housing and Community Affairs Committee on November 15, 2016. TM: MB: APM: MS cc: City Attorney Mayor's Office City Secretary Finance Department | | | | |
| REQUIRED AUTHORIZATION | | | | |
| Finance Department Director: | | Other Authorization: | | Other Authorization: |

TO: Mayor via City Secretary REQUEST FOR COUNCIL ACTION

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|--|--|---|------------------------|-----------------------------|--------------|-------|------------|--------------|--------------|-----------------------|------------|-------------------------|-------------|--------------|---------------------|--|--|--|-----------------|---------|-----------|--------------|-------|------------|--------------|-------------|-----------------------|------------|--------------|---------------------|
| SUBJECT: An Ordinance authorizing a contract among the City of Houston, the SPARK School Park Program, and the Houston Independent School District, providing a total of \$300,000 in federal CDBG funds for SPARK Parks at Milne Elementary School and Whidby Elementary School | | Category # | Page 1 of 1 | Agenda Item # I. b. | | | | | | | | | | | | | | | | | | | | | | | | | | |
| FROM: Tom McCasland, Interim Director Housing and Community Development Department | | Origination Date 10/25/2016 | Agenda Date | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| DIRECTOR'S SIGNATURE: | | Council District affected: District D,K | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| For additional information contact: Roxanne Lawson Phone: 832-394-6307 | | Date and identification of prior authorizing Council action: | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| RECOMMENDATION: Approval of an Ordinance authorizing a contract among the City of Houston, the SPARK School Park Program, and the Houston Independent School District, providing a total of \$300,000 in federal CDBG funds for a SPARK Park at Milne and Whidby Elementary School | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Amount of Funding: <p style="text-align: center;">\$300,000</p> | | | Finance Budget: | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SOURCE OF FUNDING: [] General Fund [X] Grant Fund [] Enterprise Fund [] Other <p style="text-align: center;">Community Development Block Grant (CDBG) Fund 5000</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SPECIFIC EXPLANATION: The Housing and Community Development Department requests Council approve a contract among the City of Houston, the SPARK School Park Program, and the Houston Independent School District (HISD) providing a total of \$300,000 in Community Development Block Grant funds for a school park at Milne Elementary School located at 9730 Stroud and Whidby Elementary School located at 7625 Springhill. This agreement will provide funding for neighborhood school parks on public school grounds. The grant will fund the specified activities at the following parks, which are located in low-income areas: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>Schools</u> | <u>Scope of Work</u> | <u>CDBG Funding</u> | <u>District</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Milne Elementary School | Development of an outdoor classroom and sidewalks, site work, play equipment, fitness equipment and a new entryway | \$150,000 | K | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Whidby Elementary School | Construct a soccer field, sidewalks, site work fitness equipment, picnic tables and benches | \$150,000 | D | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| The parks will be designed by the SPARK committees at Milne and Whidby elementary schools in conjunction with the architects. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| HCDD conducted a Request for Proposals (RFP) for CDBG contracts. The SPARK School Park Program was one of the agencies selected. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Milne Sources:</td> <td style="text-align: center;">Amount:</td> </tr> <tr> <td>COH HCDD:</td> <td style="text-align: right;">\$150,000.00</td> </tr> <tr> <td>HISD:</td> <td style="text-align: right;">\$5,000.00</td> </tr> <tr> <td>SPARK Funds:</td> <td style="text-align: right;">\$100,000.00</td> </tr> <tr> <td>School and Community:</td> <td style="text-align: right;">\$5,000.00</td> </tr> <tr> <td>Brays Oaks Mgmt. Dist.:</td> <td style="text-align: right;">\$10,000.00</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">\$270,000.00</td> </tr> </table> | | Milne Sources: | Amount: | COH HCDD: | \$150,000.00 | HISD: | \$5,000.00 | SPARK Funds: | \$100,000.00 | School and Community: | \$5,000.00 | Brays Oaks Mgmt. Dist.: | \$10,000.00 | Total | \$270,000.00 | <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Whidby Sources:</td> <td style="text-align: center;">Amount:</td> </tr> <tr> <td>COH HCDD:</td> <td style="text-align: right;">\$150,000.00</td> </tr> <tr> <td>HISD:</td> <td style="text-align: right;">\$5,000.00</td> </tr> <tr> <td>SPARK Funds:</td> <td style="text-align: right;">\$10,000.00</td> </tr> <tr> <td>School and Community:</td> <td style="text-align: right;">\$5,000.00</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">\$170,000.00</td> </tr> </table> | | | Whidby Sources: | Amount: | COH HCDD: | \$150,000.00 | HISD: | \$5,000.00 | SPARK Funds: | \$10,000.00 | School and Community: | \$5,000.00 | Total | \$170,000.00 |
| Milne Sources: | Amount: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| COH HCDD: | \$150,000.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| HISD: | \$5,000.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SPARK Funds: | \$100,000.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| School and Community: | \$5,000.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Brays Oaks Mgmt. Dist.: | \$10,000.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | \$270,000.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Whidby Sources: | Amount: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| COH HCDD: | \$150,000.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| HISD: | \$5,000.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SPARK Funds: | \$10,000.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| School and Community: | \$5,000.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | \$170,000.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| This item was reviewed by the Housing and Community Affairs Committee on November 15, 2016. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TM: MB: APM: MS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| cc: City Attorney, Mayor's Office, City Secretary, Finance Department | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| REQUIRED AUTHORIZATION | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Finance Department Director: | | Other Authorization: | | Other Authorization: | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| SUBJECT: An Ordinance appropriating and allocating \$348,000 of TIRZ Fund 2409 to support the demolition of a blighted multifamily property located 5638 Selinsky Road | | Category # | Page 1 of 1 | Agenda Item # II. a. |
| FROM: Tom McCasland, Interim Director Housing and Community Development Department | | Origination Date 10/24/16 | Agenda Date | |
| DIRECTOR'S SIGNATURE: | | Council District affected: District D | | |
| For additional information contact: Roxanne Lawson Phone: 832-394-6307 | | Date and identification of prior authorizing Council action: | | |
| RECOMMENDATION: Approval of an Ordinance appropriating and allocating \$348,000 of TIRZ Fund 2409 to support the demolition of a blighted multifamily property located 5638 Selinsky Road | | | | |
| Amount of Funding: \$348,000 | | | Finance Budget: | |
| SOURCE OF FUNDING <input type="checkbox"/> General Fund <input type="checkbox"/> Grant Fund <input checked="" type="checkbox"/> Other Tax Increment Reinvestment Zone (TIRZ) Affordable Housing Fund 2409 | | | | |
| SPECIFIC EXPLANATION: | | | | |
| <p>The Housing and Community Development Department (HCDD) requests approval to appropriate and allocate \$348,000 of Tax Increment Reinvestment Zone (TIRZ) Affordable Housing funds to the General Services Department to utilize an existing Environmental Remediation, Demolition Task Order Contract for the demolition of 5638 Selinsky Road, a blighted apartment complex formerly known as the Crestmont Village Apartments. This property consists of 18 buildings and 172 units.</p> <p>In 2013, as a result of over 200 calls for service at the apartments, the city obtained a temporary injunction requiring the owners to bring the property into compliance with city codes. When the owners failed to do so by October 2014, a Temporary Restraining Order was issued and a final judgment was made requiring the owners to provide specific security and bring the property into compliance. The owners again failed to follow the most basic requirements and in October 2015, the city obtained a court order shutting down the apartment community.</p> <p>At that time, HCDD assisted in the relocation of over 300 total residents of the property, spending \$22,350 for moving assistance and \$106,120 for deposits and/or first month rent at 35 different apartment communities to help tenants resettle. The Crestmont Village property has since remained vacant, providing a haven for squatters and illegal activity. The property is located within two blocks of a middle school, posing a significant safety hazard for neighborhood children.</p> <p>Demolition of blighted and abandoned properties will help stabilize neighborhoods and encourage community development. Therefore, no Fiscal Note is required as stated in the Financial Policy Ord. 2014-1078.</p> <p>This item was reviewed by the Housing and Community Affairs Committee on November 15, 2016.</p> <p>TM:RB</p> <p>Cc: City Secretary, Finance, Legal, Mayor's Office</p> | | | | |
| REQUIRED AUTHORIZATION | | | | |
| Finance Department: | | Other Authorization: | | Other Authorization: |

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| SUBJECT: An Ordinance authorizing an Amendment to the Loan Agreement between the City of Houston and HY FS LLC to increase by \$4,700,000 the original commitment amount for construction of Residences of Hardy Yards in order to fund additional costs related to the development | | Category # | Page 1 of 1 | Agenda Item # II. b. |
| FROM: Tom McCasland, Interim Director Housing and Community Development Department | | Origination Date 10/24/2016 | Agenda Date | |
| DIRECTOR'S SIGNATURE: | | Council District affected: District H | | |
| For additional information contact: Roxanne Lawson Phone: 832-394-6307 | | Date and identification of prior authorizing Council action: 2014-1136 (O) 12/10/2014 | | |

RECOMMENDATION:
Approval of an Ordinance authorizing an Amendment to the loan agreement between the City of Houston and HY FS LLC to increase by \$4,700,000 the original commitment amount for construction of Residences of Hardy Yards in order to fund additional costs related to the development

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| Amount of Funding: | \$4,700,000 | Finance Budget: |
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SOURCE OF FUNDING [] General Fund [X] Grant Fund [] Enterprise Fund

Community Development Block Grant - Disaster Recovery Round 2 (CDBG-DR2) Fund 5000

SPECIFIC EXPLANATION:

The Housing and Community Development Department (HCDD) recommends Council approve an amendment to the loan agreement executed December 23, 2014, between the City of Houston and HY FS LLC for the construction of Residences at Hardy Yards, a mixed-income affordable housing development located at North Main and Burnett Streets in the Near Northside neighborhood. The original loan agreement is a zero percent performance-based loan that is forgivable at the end of the ten-year affordability period if no default exists. The amendment will allow for a \$4,700,000 increase to the original \$14,500,000 commitment in order to fund additional costs related to the development.

The development has a total of 350 units, including 179 (51%) affordable and 171 market-rate one- and two-bedroom units, and is part of a comprehensive, mixed-use redevelopment of the Hardy Rail Yard site. The development is scheduled to be completed during spring of 2018 and is located near the University of Houston Downtown campus and another Disaster Recovery Round 2 affordable housing development, Avenue Station.

The additional monies will fund a gap that has been created primarily due to a rise in construction costs. Prior to construction, the developer conducted vast research and spent a considerable amount of time studying construction pricing in the market in order to create the development budget. Based on this data, construction costs were estimated to be approximately \$130/SF for the project. However, as of 3rd quarter 2016, construction costs have increased to approximately \$145 to \$150/SF. HCDD recommends Council approve the additional funds as this development will provide for needed quality affordable housing in the Near Northside community. The overage will be funded through unallocated CDBG - Disaster Recovery 2 funds.

AHG Properties LLC, an affiliated company of the Zieben Group (Lee Zieben), which has previously done business with the City, has formed a partnership with Houston Housing Finance Corporation to undertake this transit-oriented development.

In exchange for this additional financing, the affordability period will be extended from 10 years to 30 years. Also, the owner has agreed to less stringent underwriting criteria as it pertains to sources of income for up to 18 units.

This item was reviewed by the Housing and Community Affairs Committee on November 15, 2016.

TM: RB: RM

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

| REQUIRED AUTHORIZATION | | |
|-------------------------------|-----------------------------|-----------------------------|
| Finance Department: | Other Authorization: | Other Authorization: |
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| SUBJECT: An Ordinance authorizing a Loan Agreement between the City of Houston and Harris County Housing Authority (HCHA) providing \$3,900,000 for the construction of the Fenix Estates, a 200-unit affordable housing community located at 3815 Gulf Freeway | Category # | Page 1 of 1 | Agenda Item # II. c. |
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| FROM: Tom McCasland, Interim Director Housing and Community Development Department | Origination Date 11/7/2016 | Agenda Date |
|---|--------------------------------------|--------------------|

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| DIRECTOR'S SIGNATURE: | Council District affected: District I |
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| For additional information contact: Roxanne Lawson Phone: 832-394-6307 | Date and identification of prior authorizing Council action: |
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RECOMMENDATION: Approval of an Ordinance authorizing a Loan Agreement between the City of Houston and Harris County Housing Authority (HCHA) providing \$3,900,000 for the construction of the Fenix Estates, a 200-unit affordable housing community located at 3815 Gulf Freeway

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| Amount of Funding: \$3,900,000 | Finance Budget: |
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SOURCE OF FUNDING General Fund Grant Fund Other
HOME Investment Partnership Fund 5000

SPECIFIC EXPLANATION:

The Housing and Community Development Department (HCDD) recommends Council approve an Ordinance authorizing the use of \$3,900,000 of HOME funds for the construction of a 200-unit multifamily affordable rental complex for families, including a minimum set aside of 40 units for Permanent Supportive Housing (PSH) for the homeless. This new complex will have supportive services space for case managers, health providers, other social services, and space for HCHA central office operations. Total project costs are anticipated to be \$42,627,160, of which \$35,882,356 is for the residential component.

Located at I-45 and Cullen, the area around Fenix Estates has numerous amenities that provide for future residents' transportation, shopping, educational, medical, cultural, recreational and spiritual needs. Besides direct access to I-45 by car, residents have the option of using METRO's Southeast light rail line and buses at the nearby transit center. The area has also been identified for revitalization by Lovett Commercial with a planned retail and restaurant development to be located next to the Fenix Estates community.

The project's total cost will be financed as follows:

| <u>Sources</u> | | <u>Uses</u> | |
|---------------------|---------------------|------------------|---------------------|
| County CDBG-DR | \$14,837,004 | Acquisition | \$5,921,006 |
| County HOME | \$2,270,000 | Hard Costs | \$26,863,078 |
| Tax Credits | \$12,099,995 | Soft Costs | \$4,578,076 |
| HCHA | \$8,630,774 | Project Reserves | \$665,000 |
| HCDD HOME | \$3,900,000 | Developer Fee | \$4,600,000 |
| Def. Developers Fee | \$889,387 | | |
| | | | |
| Total | \$42,627,160 | Total | \$42,627,160 |

This item was reviewed by the Housing and Community Affairs Committee on November 15, 2016.

TM:RB

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

| REQUIRED AUTHORIZATION | | |
|-------------------------------|-----------------------------|-----------------------------|
| Finance Department: | Other Authorization: | Other Authorization: |
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| SUBJECT: An Ordinance to appropriate \$1,500,000 in CDBG funds for a Loan Agreement between the City of Houston and 4600 Main Street Housing LP for the reconstruction of Light Rail Lofts, a 56-unit affordable housing community located at 4600 Main Street | Category # | Page 1 of 1 | Agenda Item # II. d. |
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| FROM: Tom McCasland, Interim Director Housing and Community Development Department | Origination Date 11/7/2016 | Agenda Date |
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| DIRECTOR'S SIGNATURE: | Council District affected: District C |
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| For additional information contact: Roxanne Lawson Phone: 832-394-6308 | Date and identification of prior authorizing Council action: April 24 2013: Ord. 2013-357 |
|---|--|

RECOMMENDATION: Approval of an Ordinance to appropriate \$1,500,000 in CDBG funds for a Loan Agreement between the City of Houston and 4600 Main Street Housing LP for the reconstruction of Light Rail Lofts, a 56-unit affordable housing community at 4600 Main

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| Amount of Funding: <b style="text-align: center;">\$1,500,000 | Finance Budget: |
|---|------------------------|

SOURCE OF FUNDING General Fund Grant Fund Other
Community Development Block Grant (CDBG) Fund 5000

SPECIFIC EXPLANATION:

The Housing and Community Development Department (HCDD) recommends Council approve an Ordinance to appropriate \$1,500,000 in CDBG funds for a Loan Agreement for the reconstruction of an office building located at 4600 Main Street across from the light rail line. The property will be converted into a three-story affordable housing community consisting of 56 studio units. It will primarily serve formerly homeless veterans. Total project costs are anticipated to be \$11,205,114, of which \$9,730,208 is for the residential component.

Cloudbreak Houston LLC, the developer of Light Rail Lofts, has a track record of developing high-quality and well-managed affordable housing communities across the U.S. HCDD previously granted \$1,971,618 in CDBG funds for the acquisition of this property, which is adjacent to two other Cloudbreak properties – Midtown Terrace and Travis Street Plaza.

Twenty of the units will be restricted at 30% of area medium income and designated as Permanent Supportive Housing (PSH), furthering the City's initiative to eliminate chronic homelessness. The other 36 units will be income-restricted for families earning less than 60% of area median income.

The project's total cost will be financed as follows:

| Sources | Total Amount | Uses | Total Amount |
|-------------------|---------------------|---------------|--------------|
| Permanent Loan | \$ 3,625,386 | Acquisition | \$ 2,400,000 |
| 4% Tax Credit | 3,015,213 | Hard Costs | 6,026,151 |
| CDBG | 1,971,618 | Soft Costs | 1,566,348 |
| TIRZ | 1,500,000 | Reserves | 107,600 |
| Owner Equity | 344,000 | Developer Fee | 1,105,015 |
| Deferred Dev. Fee | 748,897 | Total | \$11,205,114 |
| Total | \$11,205,114 | | |

This item was reviewed by the Housing and Community Affairs Committee on November 15, 2016.

TM:RB

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

| REQUIRED AUTHORIZATION | | |
|-------------------------------|-----------------------------|-----------------------------|
| Finance Department: | Other Authorization: | Other Authorization: |
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| SUBJECT: An Ordinance authorizing a contract between the City of Houston and Houston Housing Authority to provide \$200,196.29 in HHSP funds for the operation of the Rapid Rehousing Financial Assistance Intermediary | | Page 1 of 1 | Agenda Item # III. a. |
| FROM: Tom McCasland, Interim Director Housing and Community Development Department | | Origination Date 10/25/2016 | Agenda Date |
| DIRECTOR'S SIGNATURE: | | Council District affected: All Districts | |
| For additional information contact: Roxanne Lawson Phone: 832-394-6307 | | Date and identification of prior authorizing Council action: | |
| RECOMMENDATION: Approval of an Ordinance authorizing a contract between the City of Houston and the Houston Housing Authority to provide \$200,196.29 in HHSP funds for the operation of the Rapid Rehousing Financial Assistance Intermediary | | | |
| Amount of Funding: \$200,196.29 | | Finance Budget: | |
| SOURCE OF FUNDING <input type="checkbox"/> General Fund <input checked="" type="checkbox"/> Grant Fund <input type="checkbox"/> Enterprise Fund Homeless Housing and Services Program (HHSP) Fund 5010 | | | |
| SPECIFIC EXPLANATION: The Housing and Community Development Department (HCDD) recommends approval of a contract between the City of Houston and the Houston Housing Authority to provide \$200,196.29 in HHSP funds for the operation of the Rapid Rehousing Financial Assistance Intermediary (FAI). The FAI helps homeless households achieve immediate and long-term housing stability by providing short- to medium-term rental assistance, rental and utility deposits, and utility payments, as needed. The Houston Housing Authority will deliver the following program services: (1) management of the Houston/Harris County Continuum of Care Rapid Rehousing Collaborative financial assistance funds, and (2) administration of direct rental and utility assistance to a minimum of 200 Rapid Rehousing clients. The City provides 7% of the budget for this program and the remaining 93% is from other funding sources. HCDD conducted a Request for Proposals in September 2016 for the Rapid Rehousing Financial Assistance Intermediary utilizing HHSP funding. The Houston Housing Authority was the selected agency. This Ordinance will grant the contract period from January 1, 2017 through August 31, 2017. This item was reviewed by the Housing & Community Affairs Committee on November 15, 2016. TM:MNB:KS cc: Legal Department Mayor's Office City Secretary Finance Department | | | |
| REQUIRED AUTHORIZATION | | | |
| Finance Director: | Other Authorization: | Other Authorization: | |

| | | | |
|---|-----------------------------|---|---------------------------------|
| SUBJECT: An Ordinance authorizing a Contract between the City of Houston and The Coalition for the Homeless, providing \$201,433.91 in HHSP funds and \$550,586.03 in ESG funds to administer and operate the Rapid Rehousing Case Management Intermediary | | Page 1 of 1 | Agenda Item # III. b. |
| FROM: Tom McCasland, Interim Director Housing and Community Development Department | | Origination Date 10/25/2016 | Agenda Date |
| DIRECTOR'S SIGNATURE: | | Council District affected: All Districts | |
| For additional information contact: Roxanne Lawson Phone: 832-394-6307 | | Date and identification of prior authorizing Council action: | |
| RECOMMENDATION: Approval of an Ordinance authorizing a Contract between the City of Houston and The Coalition for the Homeless, providing \$201,433.91 in HHSP funds and \$550,586.03 in ESG funds to administer and operate the Rapid Rehousing Case Management Intermediary | | | |
| Amount of Funding: \$201,433.91 HHSP; \$550,586.03 ESG | | Finance Budget: | |
| SOURCE OF FUNDING <input type="checkbox"/> General Fund <input checked="" type="checkbox"/> Grant Fund <input type="checkbox"/> Enterprise Fund Homeless Housing and Services Program (HHSP) Fund 5010 Emergency Solutions Grant (ESG) Fund 5000 | | | |
| SPECIFIC EXPLANATION: The Housing and Community Development Department (HCDD) recommends approval of a Contract between the City of Houston and The Coalition for the Homeless to finance the operation of the Rapid Rehousing Case Management Intermediary (CMI). The CMI helps homeless individuals and families achieve immediate and long-term housing stability by linking them to targeted and mainstream resources available in the community. The City will grant The Coalition for the Homeless \$201,433.91 in Homeless Housing and Service Program (HHSP) funds and \$550,586.03 in Emergency Solutions Grant (ESG) funds, for a total of \$752,019.94 , to provide a scope of work that includes management and financial oversight of multiple vendor agencies for case management and navigation services for homeless individuals and families. The Coalition for the Homeless will deliver the following program services: (1) conducting a Request for Proposals (RFP) process to select providers of Case Management and Housing Navigation services to a minimum of 400 Rapid Rehousing clients, (2) negotiating contracts with providers, (3) processing reimbursement requests, (4) monitoring performance and compliance with HUD regulations, and (5) providing technical and management assistance and training. The City provides 56% of the budget for this program and the remaining 44% is from other funding sources. HCDD conducted a Request for Proposals in September 2016 for the Rapid Rehousing Case Management Intermediary utilizing HHSP and ESG funding. The Coalition for the Homeless was the selected agency. This Ordinance will grant the contract period from January 1, 2017 through December 31, 2017. This item was reviewed by the Housing & Community Affairs Committee on November 15, 2016. TM:MNB:KS cc: Legal Department Mayor's Office City Secretary Finance Department | | | |
| REQUIRED AUTHORIZATION | | | |
| Finance Director: | Other Authorization: | Other Authorization: | |

TO: Mayor via City Secretary REQUEST FOR COUNCIL ACTION

17- Educational Programs

| SUBJECT: A First Contract Amendment between the City of Houston and Educational Programs Inspiring Communities, providing \$200,000 in CDBG funds for the H.E.A.R.T. job training program for developmentally disabled adults | | Category | Page 1 of 1 | Agenda Item # III. c. | | | | | | | | | | | | |
|---|--------------|--|------------------------|---------------------------------|----------|----------|------------|------------------------|-------------|-------|------------------|--------------|-------|-------|--------------|--------|
| FROM: Tom McCasland, Interim Director Housing and Community Development Department | | Origination Date 10/26/16 | Agenda Date | | | | | | | | | | | | | |
| DIRECTOR'S SIGNATURE: | | Council District affected: District H | | | | | | | | | | | | | | |
| For additional information contact: Roxanne Lawson Phone: (832) 394-6307 | | Date and identification of prior authorizing Council action: 46-13642 (O) 1/25/16 | | | | | | | | | | | | | | |
| RECOMMENDATION: Approval of a First Contract Amendment between the City of Houston and Educational Programs Inspiring Communities, providing \$200,000 in CDBG funds for the H.E.A.R.T. job training program for developmentally disabled adults | | | | | | | | | | | | | | | | |
| Amount of Funding: \$200,000.00 | | | 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 (CDBG) 5000 | | | | | | | | | | | | | | | | |
| SPECIFIC EXPLANATION: The Housing and Community Development Department (HCDD) is currently engaged in a one-year contract, which has a one-year renewal option for Educational Programs Inspiring Communities for the Housing Entrepreneurial and Readiness Training (H.E.A.R.T.). This amendment exercises the renewal option, extending the contract to January 31, 2018 and providing up to \$200,000 for the administration and operation of a job training program for developmentally disabled adults. H.E.A.R.T. will continue to provide special education, job training, transportation, and supportive services to 44 low- to moderate-income adults diagnosed with developmental disabilities. The CDBG funds will support a special education certified teacher, job training instructors, program manager, training facility, and administration costs of the program. By participating in the H.E.A.R.T. training program, participants will receive a customized training curriculum consisting of life skills, social skills, job readiness, hands-on training, on-the-job training, classroom training, and community-based vocational instruction. | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Category</th> <th>Contract</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Program Administration</td> <td>\$29,356.00</td> <td>15.0%</td> </tr> <tr> <td>Program Services</td> <td>\$170,644.00</td> <td>85.0%</td> </tr> <tr> <td>Total</td> <td>\$200,000.00</td> <td>100.0%</td> </tr> </tbody> </table> | | | | | Category | Contract | Percentage | Program Administration | \$29,356.00 | 15.0% | Program Services | \$170,644.00 | 85.0% | Total | \$200,000.00 | 100.0% |
| Category | Contract | Percentage | | | | | | | | | | | | | | |
| Program Administration | \$29,356.00 | 15.0% | | | | | | | | | | | | | | |
| Program Services | \$170,644.00 | 85.0% | | | | | | | | | | | | | | |
| Total | \$200,000.00 | 100.0% | | | | | | | | | | | | | | |
| HCDD conducted a Request for Proposals (RFP) for CDBG contracts for fiscal year 2016. Educational Programs Inspiring Communities was one of the agencies selected. This Contract Amendment will grant the contract period from February 1, 2017 through January 31, 2018. The H.E.A.R.T. program has received CDBG funding through the City of Houston for various contracts since 2005. | | | | | | | | | | | | | | | | |
| This item was reviewed by the Housing and Community Affairs Committee on November 15, 2016. | | | | | | | | | | | | | | | | |
| TM:MB:MR | | | | | | | | | | | | | | | | |
| cc: City Secretary Legal Department Finance Department Mayor's Office | | | | | | | | | | | | | | | | |
| REQUIRED AUTHORIZATION | | | | | | | | | | | | | | | | |
| Finance Director: | | Other Authorization: | | Other Authorization: | | | | | | | | | | | | |

TO: Mayor via City Secretary REQUEST FOR COUNCIL ACTION

17-SEARCH

| SUBJECT: A First Contract Amendment between the City of Houston and SEARCH Homeless Services, providing \$118,487 in CDBG funds for the Resource Center and Mobile Outreach Program | | Category | Page 1 of 1 | Agenda Item # III. d. | | | | | | | | | | | | |
|---|-----------------------|--|------------------------|---------------------------------|----------|-----------------------|------------|----------------|------------|-------|------------------|--------------|--------|--------------|---------------------|-------------|
| FROM: Tom McCasland, Interim Director Housing and Community Development Department | | Origination Date 10/26/16 | Agenda Date | | | | | | | | | | | | | |
| DIRECTOR'S SIGNATURE: | | Council Districts affected: All | | | | | | | | | | | | | | |
| For additional information contact: Roxanne Lawson Phone: (832) 394-6307 | | Date and identification of prior authorizing Council action: # 46-13644 (O) 1/15/16 | | | | | | | | | | | | | | |
| RECOMMENDATION: Approval of a First Contract Amendment between the City of Houston and SEARCH Homeless Services, providing \$118,487 in CDBG funds for the Resource Center and Mobile Outreach Program | | | | | | | | | | | | | | | | |
| Amount of Funding: \$118,487 | | | 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 5000 (CDBG) | | | | | | | | | | | | | | | | |
| SPECIFIC EXPLANATION: | | | | | | | | | | | | | | | | |
| <p>The Housing and Community Development Department (HCDD) is currently engaged in a one-year contract, which has a one-year renewal option, with SEARCH Homeless Services (SEARCH) for the administration and operation of the Resource Center and Mobile Outreach Program. This amendment exercises the renewal option, extends the contract to January 31, 2018, and provides up to \$118,487 in CDBG funds for the program.</p> <p>SEARCH has become a leading homeless services provider in our community, serving more than 10,000 men, women, and children each year. The agency provides intensive case management services to 770 unduplicated clients. The Resource Center allows for service providers and case managers to assist clients in obtaining long-term financial assistance through mainstream entitlements such as social security and veterans' benefits. The Mobile Outreach Program performs street outreach and responds to difficult situations that emerge relating to the street homeless population. Other services include referrals for substance abuse counseling, HIV education and testing, job search, and transportation to appointments.</p> | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Category</th> <th>Total Contract Amount</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Administration</td> <td>\$8,795.00</td> <td>7.42%</td> </tr> <tr> <td>Program Services</td> <td>\$109,692.00</td> <td>92.58%</td> </tr> <tr> <td>Total</td> <td>\$118,487.00</td> <td>100%</td> </tr> </tbody> </table> | | | | | Category | Total Contract Amount | Percentage | Administration | \$8,795.00 | 7.42% | Program Services | \$109,692.00 | 92.58% | Total | \$118,487.00 | 100% |
| Category | Total Contract Amount | Percentage | | | | | | | | | | | | | | |
| Administration | \$8,795.00 | 7.42% | | | | | | | | | | | | | | |
| Program Services | \$109,692.00 | 92.58% | | | | | | | | | | | | | | |
| Total | \$118,487.00 | 100% | | | | | | | | | | | | | | |
| <p>HCDD conducted a Request for Proposals (RFP) for CDBG contracts for fiscal year 2016. SEARCH was one of the agencies selected. This Contract Amendment will grant the contract period from February 1, 2017 through January 31, 2018. SEARCH has received CDBG funding through the City of Houston for various contracts since 2000.</p> <p>This item was reviewed by the Housing and Community Affairs Committee on November 15, 2016.</p> | | | | | | | | | | | | | | | | |
| <p>TM:MB:MR</p> <p>cc: City Secretary Legal Department Finance Department Mayor's Office</p> | | | | | | | | | | | | | | | | |
| REQUIRED AUTHORIZATION | | | | | | | | | | | | | | | | |
| Finance Director: | | Other Authorization: | | Other Authorization: | | | | | | | | | | | | |

TO: Mayor via City Secretary REQUEST FOR COUNCIL ACTION

HHH - Project Access

| SUBJECT: A First Contract Amendment between the City of Houston and Healthcare for the Homeless - Houston providing \$145,000 in CDBG funds for Project Access, a homeless transportation program | | Category | Page 1 of 1 | Agenda Item # III. e. | | | | | | | | | | | | |
|---|---------------------|---|------------------------|---------------------------------|----------|----------------|---------|----------------|---|---|--|--------------|------|--------------|---------------------|-------------|
| FROM: Tom McCasland, Interim Director Housing and Community Development Department | | Origination Date 11/3/16 | Agenda Date | | | | | | | | | | | | | |
| DIRECTOR'S SIGNATURE: | | Council District affected: All Districts | | | | | | | | | | | | | | |
| For additional information contact: Roxanne Lawson Phone: (832) 394-6307 | | Date and identification of prior authorizing Council action: #46-13643 (O) 1/11/16 | | | | | | | | | | | | | | |
| RECOMMENDATION: Approval of a First Contract Amendment between the City of Houston and Healthcare for the Homeless - Houston providing \$145,000 in CDBG funds for Project Access, a homeless transportation program | | | | | | | | | | | | | | | | |
| Amount of Funding: \$145,000.00 | | | Finance Budget: | | | | | | | | | | | | | |
| SOURCE OF FUNDING: [] General Fund [X] Grant Fund [] Enterprise Fund Community Development Block Grant (CDBG) 5000 | | | | | | | | | | | | | | | | |
| SPECIFIC EXPLANATION: The Housing and Community Development Department (HCDD) is currently engaged in a one-year contract, which has a one-year renewal option, with Healthcare for the Homeless - Houston (HHH) to provide for the operation of Project Access homeless transportation program. This amendment exercises the renewal option, provides \$145,000 in CDBG funds for the program, and extends the contract to January 31, 2018. Project Access provides transportation services Monday through Friday, from 7 a.m. to 5 p.m., 52 weeks a year, enabling homeless persons to access essential health and social service resources. Through Project Access, a 40-passenger, wheelchair accessible bus travels a scheduled route with stops at 21 homeless services providers. The requested funding will provide transportation for a minimum of 4,239 unduplicated homeless persons, totaling more than 43,983 trips annually. Project Access averages 182 rides daily. HCDD conducted a Request for Proposals (RFP) for CDBG contracts for fiscal year 2016. Healthcare for the Homeless-Houston was one of the agencies selected. This Contract Amendment will grant the contract period from February 1, 2016 through January 31, 2018. HHH has received CDBG funding through the City of Houston for various contracts since 2003. | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Category</th> <th>Total Contract</th> <th>Percent</th> </tr> </thead> <tbody> <tr> <td>Administration</td> <td>0</td> <td>0</td> </tr> <tr> <td>Professional Fees/Contract Services - Transportation</td> <td>\$145,000.00</td> <td>100%</td> </tr> <tr> <td>Total</td> <td>\$145,000.00</td> <td>100%</td> </tr> </tbody> </table> | | | | | Category | Total Contract | Percent | Administration | 0 | 0 | Professional Fees/Contract Services - Transportation | \$145,000.00 | 100% | Total | \$145,000.00 | 100% |
| Category | Total Contract | Percent | | | | | | | | | | | | | | |
| Administration | 0 | 0 | | | | | | | | | | | | | | |
| Professional Fees/Contract Services - Transportation | \$145,000.00 | 100% | | | | | | | | | | | | | | |
| Total | \$145,000.00 | 100% | | | | | | | | | | | | | | |
| This item was reviewed by the Housing and Community Affairs Committee on November 15, 2016. | | | | | | | | | | | | | | | | |
| TM::MB:MR cc: City Secretary Legal Department Finance Department Mayor's Office | | | | | | | | | | | | | | | | |
| REQUIRED AUTHORIZATION | | | | | | | | | | | | | | | | |
| Finance Director: | | Other Authorization: | | Other Authorization: | | | | | | | | | | | | |

TO: Mayor via City Secretary

REQUEST FOR COUNCIL ACTION

| | | | | |
|--|--|---|------------------------|-----------------------------|
| SUBJECT: An Ordinance authorizing "Substantial Amendments" to the Budget Pages and/or Project Sheets contained in the 2010, 2012, 2013, 2015, and 2016 Annual Action Plans for the reallocation of \$3,000,000 in CDBG funds | | Category # | Page 1 of 1 | Agenda Item # IV. a. |
| FROM (Department or other point of origin): Tom McCasland, Interim Director Housing and Community Development Department | | Origination Date 10/25/16 | Agenda Date | |
| DIRECTOR'S SIGNATURE: | | Council District(s) affected: All Districts | | |
| For additional information contact: Roxanne Lawson Phone: 832-394-6307 | | Date and identification of prior authorizing Council action: | | |
| RECOMMENDATION: (Summary) Approval of an Ordinance authorizing "Substantial Amendments" to the Budget Pages and/or Project Sheets contained in the 2010, 2012, 2013, 2015, and 2016 Annual Action Plans for the reallocation of \$3,000,000 in CDBG funds | | | | |
| Amount of Funding: NO NEW FUNDING REQUIRED | | | Finance Budget: | |
| SOURCE OF FUNDING <input type="checkbox"/> General Fund <input checked="" type="checkbox"/> Grant Fund <input type="checkbox"/> Enterprise Fund <input type="checkbox"/> Other 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/Annual 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% or when a new activity is added to an Annual Action Plan. The Housing and Community Development Department (HCDD) is moving forward with its Homebuyer Assistance Program. Therefore, funds are being allocated from remaining balances on completed or cancelled projects. HCDD recommends moving \$3,000,000 in Community Development Block Grant (CDBG) funds from Public Facilities and Improvements, Lead-Based Paint Matching Grant, Multifamily Housing, Code Enforcement, and Acquisition to Homebuyer Assistance. The Homebuyer Assistance activity will be increased in the 2010 program year and the activity will be added for the 2012, 2013, 2015, and 2016 program years. The funds will be used to assist eligible homebuyers with half of the lender required down payment amount, eligible closing costs, principle write-down, and project delivery costs associated with implementing the program. To be eligible for the program, the homebuyer must be at or below 80% of the area median income (i.e. \$55,350 for a family of 4). Specifics of the proposed reallocations are listed on the table attached to this RCA. This item was reviewed by the Housing and Community Affairs Committee on November 15, 2016. | | | | |
| TM:BS:DS Cc: City Secretary, Legal Department, Finance Department, Mayor's Office Attachment | | | | |
| REQUIRED AUTHORIZATION | | | | |
| Finance Director: | | Other Authorization: | | Other Authorization: |

SUBSTANTIAL AMENDMENT REALLOCATION AND CHANGES SUMMARY

| Community Development Block Grant (CDBG) Budget Changes | | | |
|---|--|------------------|-----------------|
| Budget Year Amended | Activity | Budget Decrease | Budget Increase |
| 2010 | Public Facilities and Improvements (Community Facilities) -Unallocated | (\$6,000.00) | |
| 2010 | Homebuyer Assistance | | \$6,000.00 |
| 2012 | Lead-Based Paint Matching Grant - Transfer to Health Dpt. | (\$71.45) | |
| 2012 | *Homebuyer Assistance | | \$71.45 |
| 2013 | Public Facilities and Improvements (Public/Private) | (\$414.00) | |
| 2013 | *Homebuyer Assistance | | \$414.00 |
| 2015 | Public Facilities and Improvements (Public/Private) | (\$1,112,950.38) | |
| 2015 | Multifamily Housing | (\$0.75) | |
| 2015 | Code Enforcement | (\$79,618.85) | |
| 2015 | *Homebuyer Assistance | | \$1,192,569.98 |
| 2016 | Acquisition | (\$1,800,944.57) | |
| 2016 | *Homebuyer Assistance | | \$1,800,944.57 |
| Total CDBG Budget Changes | | (\$3,000,000.00) | \$3,000,000.00 |

*Indicates a new activity for the Plan year

TO: Mayor via City Secretary

REQUEST FOR COUNCIL ACTION

| | | | | |
|---|--|--|------------------------|-----------------------------|
| SUBJECT: An Ordinance authorizing \$2,000,000 of TIRZ Affordable Housing funds for down payment assistance for low- to moderate-income residents of the City of Houston, and approving the Fourth Amended and Restated Homebuyer Assistance Program Guidelines | | Category # | Page 1 of 2 | Agenda Item # IV. b. |
| FROM (Department or other point of origin): Tom McCasland, Interim Director Housing and Community Development Department | | Origination Date 10/25/16 | Agenda Date | |
| DIRECTOR'S SIGNATURE: | | Council District(s) affected: All Districts | | |
| For additional information contact: Roxanne Lawson Phone: 832-394-6307 | | Date and identification of prior authorizing Council action: #2007-1193 (O) 10/16/2007, #2014-841 (O) 9/17/2014 | | |
| RECOMMENDATION: (Summary) Approval of an Ordinance authorizing \$2,000,000 of TIRZ Affordable Housing funds for down payment assistance for low- to moderate-income residents of the City of Houston, and the Fourth Amended and Restated Homebuyer Assistance Program Guidelines to comply with the new funding sources and allow for the proper and efficient administration of the program | | | | |
| Amount of Funding: \$2,000,000 | | | Finance Budget: | |
| SOURCE OF FUNDING <input type="checkbox"/> General Fund <input type="checkbox"/> Grant Fund <input type="checkbox"/> Enterprise Fund <input checked="" type="checkbox"/> Other Tax Increment Reinvestment Zone (TIRZ) Fund 2409 | | | | |
| SPECIFIC EXPLANATION: The Housing and Community Development Department (HCDD) requests approval to allocate \$2,000,000 of TIRZ Affordable Housing funds for the Homebuyer Assistance Program. This request is in conjunction with the Substantial Amendment for the Reallocation of CDBG dollars to the Homebuyer Assistance Program. HCDD's Homebuyer Assistance Program is designed to increase homeownership opportunities for low- to moderate-income residents (defined as residents whose income does not exceed 80% of the area median income). Funding sources for the program include U.S. Department of Housing and Urban Development (HUD) HOME Investment Partnership (HOME) grants, Community Development Block Grants (CDBG) and City of Houston Affordable Housing Tax Increment Reinvestment Zone (TIRZ) funds. The TIRZ funds will be used to reduce the principle on home loans for eligible low- to moderate-income homebuyers, increasing the number of Houstonians eligible to purchase and sustain a home of their own. This will increase economic opportunities for low- to moderate-income residents in the City of Houston. HCDD adheres to guidelines which describe basic requirements, policies and procedures by which its various housing assistance programs are managed and applicants are selected. These guidelines must comply with regularly changing requirements of the various funding sources, including federal sources. In order to allow for the proper and efficient administration of the program and to comply with regulatory requirements related to different funding sources, HCDD recommends adopting the revised program guidelines as outlined in the attached ordinance. HCDD further recommends allowing the HCDD Director to amend these guidelines in order to comply with HUD and other regulatory requirements or to ensure the efficient and proper administration of the program. However, without prior Council approval, such administrative revisions (1) must limit the maximum subsidy to program participants to no more than \$25,000, and (2) must limit the area median income requirement for participants to no more than 80%. The Fourth Amended and Restated Homebuyer Assistance Program Guidelines shall supersede the Third Amended and Restated Homebuyer Assistance Program Guidelines. The Housing and Community Affairs Committee reviewed this item on November 15, 2016. TM:BS:DS:PC:BS cc: City Secretary Legal Department Finance Department Mayor's Office | | | | |
| REQUIRED AUTHORIZATION | | | | |
| Finance Director: | | Other Authorization: | | Other Authorization: |



Fourth Amended and Restated Homebuyer Assistance Program Guidelines

Homebuyer Assistance Program (HAP) Qualifications:

- Must be a first-time homebuyer or not have owned a home within the last three years
- Must not have more than \$10K in liquid assets prior to closing (deferred assets such as pensions, 401Ks, etc. are not included)
- The buyer, co-borrower, and non-purchasing spouse must be a U.S. Citizen or permanent resident alien
- Income must be at or below the incomes listed in the chart below based on household size
- Buyer must be able to obtain a fixed-rate mortgage (The program does not accept ARM or seller financed mortgages)

| Household Size | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Max Annual Income* | \$38,750 | \$44,300 | \$49,850 | \$55,350 | \$59,800 | \$64,250 | \$68,650 | \$73,100 |

* Income includes any payments from employment, child support, reoccurring gifts, etc.

Homebuyer Assistance Program Guidelines:

- **An eligible homebuyer at or below 70% AMI may receive \$25K in assistance**
- **An eligible homebuyer at or below 80% AMI but above 70% AMI may receive \$15K in assistance**
- Homes must pay taxes to the City of Houston
- Eligible property types include single family homes, duplexes, triplexes or quadraplexes, attached townhomes, condominiums, or cooperative units
- Applicants must obtain a Homebuyer Education Certificate through an approved [HUD counseling agency](#)
- Applicants must occupy the home as their principal residence for a minimum of five years
- The homebuyer assistance program will contribute no more than 50% of the lender's required down payment
- Back-end ratio cannot exceed 45%
- Property must pass an environmental and inspection review

- The buyer, co-borrower, or non-purchasing spouse cannot be delinquent on any student loans, federal income taxes, as well as state and local taxing authorities, utility payments, or City services.

HAP Frequently Asked Questions

1. Can I qualify for more than \$25,000 of assistance?

No, the maximum amount of assistance under this program is \$25,000.

2. How is the back-end ratio calculated?

The back-end ratio is calculated by adding together all of a borrower's monthly debt payments and dividing the sum by the borrower's monthly income. For example, a borrower whose monthly income is \$5,000 (\$60,000 annually divided by 12) and who has total monthly debt payments of \$2,000 has a back-end ratio of 40% (\$2,000 / \$5,000).

3. What are the income limits for 70% AMI?

| Household Size | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|----------------|----------|----------|----------|----------|----------|----------|----------|----------|
| 70% AMI | \$33,950 | \$38,780 | \$43,610 | \$48,440 | \$52,360 | \$56,210 | \$60,130 | \$63,980 |

4. May I use the full amount of assistance as a down payment?

No, the assistance may not pay for more than 50% of the lender's required down payment. The assistance is normally divided between down payment costs, closing costs, and principle buy down.

5. How do I determine if a home pays taxes to the City of Houston?

Visit the Harris County Appraisal District's (HCAD) website at www.hcad.org and enter the home's address. If HCAD shows the home is taxed by the City of Houston, the home will qualify for the program.

6. Do I need approval from the City before taking the homebuyer education course?

No. However, we do encourage you to complete the prequalification questionnaire and calculator to determine whether you meet the program qualifications.

7. May I take the homebuyer education course online?

A HUD approved homebuyer education course may be done online, as long as you complete

a one-on-one homebuyer advising/counseling session with a HUD approved counseling agency.

8. **What if I need to sell my home before I have lived in it for 5 years?**

The loan will be forgiven at a rate of 20% for each full year of residency in the home. For example, if you receive assistance in the amount of \$25,000, and complete three of the required five years, 60% or \$15,000 of subsidy will be forgiven, leaving a balance owed of \$10,000.

9. **How long does the process take?**

Typically, a preliminary approval can be received within 72 business hours, with a full file approval completed within two weeks.

10. **Am I required to work with an approved program lender?**

No, the program does not have an approved lender list. Applicants may choose any lender.

TO: Mayor via City Secretary REQUEST FOR COUNCIL ACTION

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| SUBJECT: An Ordinance appropriating \$2,000,000 from TIRZ Affordable Housing Fund 2409 and amending the contract between the City of Houston and Rebuilding Together Houston to increase the contract amount by \$2,000,000 and modify the administrative fee | | Category # | Page 1 of 2 | Agenda Item # V. a. |
| FROM: Tom McCasland, Interim Director Housing and Community Development Department | | Origination Date 11/7/2016 | Agenda Date | |
| DIRECTOR'S SIGNATURE: | | Council District(s) affected: All | | |
| For additional information contact: Roxanne Lawson Phone: 832-394-6307 | | Date and identification of prior authorizing Council action: #2016-298 (O) 4/13/2016; # 2016-0679 (O) 9/7/16 | | |
| RECOMMENDATION: Approval of an Ordinance appropriating \$2,000,000 from TIRZ Affordable Housing Fund 2409 and amending the contract between the City of Houston and Rebuilding Together Houston to increase the contract amount by \$2,000,000 and modify the administrative fee | | | | |
| Amount of Funding: \$2,000,000.00 | | | Finance Budget: 35T | |
| SOURCE OF FUNDING <input type="checkbox"/> General Fund <input type="checkbox"/> Grant Fund <input type="checkbox"/> Other | | | | |
| Tax Increment Reinvestment Zone (TIRZ) Affordable Housing Fund 2409 | | | | |
| SPECIFIC EXPLANATION: | | | | |
| <p>The Housing and Community Development Department (HCDD) requests City Council approve a supplemental appropriation of \$2,000,000 from TIRZ Affordable Housing Fund 2409 to allow the City and Rebuilding Together Houston to resume minor critical emergency home repairs to eligible Non-Blue Tarp residences while continuing to address the vital roof repairs needed on Blue Tarp homes. Additionally, HCDD seeks to amend the contract with Rebuilding Together Houston (RTH) to reduce RTH's administrative fee percentages for eligible Blue Tarp and eligible Non-Blue Tarp residences from 17.647058% to 12% and 15% respectively.</p> <p>This is the second amendment to the contract originally approved by Council April 13, 2016. The initial contract provided \$2,000,000 for minor critical emergency home repairs, including roofing, plumbing, electrical and heating repairs or system replacement to alleviate life, health or safety hazards to owner-occupied elderly and/or disabled households with incomes at or below 120% of area median income (AMI).</p> <p>On September 7, 2016, Council approved the first contract amendment, which (1) focused the program on the repair or replacement of roofs that have been storm-damaged and are covered with tarps (the Blue Tarp Program) and (2) opened eligibility to allow anyone who is income eligible (not restricted to elderly and disabled) and non-rental homes occupied by family of the owner. As of November 8, 2016, HCDD and RTH have approved 121 homes for roof replacement or repairs and completed that work on 45 homes.</p> <p>The initial estimates of need for the Blue Tarp Program were lower than what is currently being anticipated, requiring additional funding to complete the roof repairs. Also, HCDD would like to resume providing the critically needed home repairs placed on hold for the Blue Tarp focus.</p> <p>Along with adding funds to the contract, this second contract amendment will decrease Rebuilding Together Houston's fee for administering the repair program from 17.647058% overall to 12% for Blue Tarp repairs and 15% for non-Blue Tarp repairs.</p> <p>This item was reviewed by the Housing and Community Affairs Committee on November 15, 2016.</p> <p>TM: CB: SS</p> <p>CC: Mayor's Office City Secretary Finance Legal</p> | | | | |
| REQUIRED AUTHORIZATION | | | | |
| Finance Department: | | Other Authorization: | | Other Authorization: |