

# Housing & Community Affairs Committee



## Agenda Items

April 27, 2020



@HoustonHCDD

# HCDD Agenda

- I. Call to Order
- II. Planning & Grants Management
- III. Public Services
- IV. Economic Development
- V. Multifamily
- VI. Disaster Recovery
- VII. Public Comments
- VIII. Director's Comments



## Item II.a. – PLANNING & GRANTS MANAGEMENT Substantial Amendment (All Districts)

A Substantial Amendment to the Community Development Block Grant Disaster Recovery 2015 (CDBG-DR15) Action Plan.

The Strategic Buyout Program’s language is being revised to replace “housing buyout” with “property buyout” to expand the pool of properties eligible under the Strategic Buyout Program.

Per the Citizen Participation Plan, a change in program benefit or eligibility criteria constitutes a Substantial Amendment, which requires a fourteen (14) day public notice and Council approval.

This would be the fifth amendment to the CCDBG-DR15 Action Plan.



## Item III.a. – PUBLIC SERVICES

### Village Learning Center (District: E)

Authorizing a \$504,837.50 Community Development Block Grant – Disaster Recovery 2017 (CDBG-DR17) grant to The Village Learning & Achievement Center, Inc. for Vocational Training and Supportive Employment Services to 164 low-to moderate- income Houstonians with Intellectual and/or Developmental Disabilities (I/DD).

The Village Learning Center’s services will include individualized weekly vocational education with one-on-one job training in job task completion as determined through an individualized baseline assessment and development of goals and objectives.

They will provide on-site job training and entry level employment opportunities internally and community partners such as Chili’s, McDonald’s, Walgreens and Kroger.



## Item III.a. – PUBLIC SERVICES

### Village Learning Center (District: E)

\*Harvey Indirect Tie Back: Studies have shown that persons with disabilities are more likely to live in poverty, be unemployed, and have limited access to health care under pre-storm conditions.

An article written by the Natural Hazards Center shows that approximately 1 million people with disabilities were impacted by Harvey, further complicating life for such individuals and reducing their opportunities to find gainful employment and improve their living conditions.

The services being proposed by the Village Learning Center will help make more options available in this area for individuals with I/DD.



# Item III.a. – PUBLIC SERVICES

## Village Learning Center (District: E)

CDBG-DR17 funds support 59% of the total project costs.

Category	Total Contract Amount	Percentage
Direct Program Service Costs	\$482,087.50	95.49%
Administrative Costs	\$22,750.00	4.51%
Total	\$504,837.50	100%



## Item III.b. – PUBLIC SERVICES

### SER Jobs (District: All)

An Ordinance authorizing a contract between the City of Houston and SER-Jobs for Progress of the Texas Gulf Coast, Inc. (SER), for up to \$1,375,000.00 in CDBG DR-17 funds for job training and education services to approximately 2,000 low- to moderate-income individuals affected by Hurricane Harvey.

\*Hurricane Indirect Tie Back: Houston's labor force was impacted by the hurricane causing over \$125 billion in damage according to the National Hurricane Center. The storm impacted over 225,000 Houston businesses (Dun & Bradstreet) and over 25,000 area residents lost their jobs as a result of Harvey (US Dept. of Labor).

Job training services help individuals gain financial independence and build resiliency against future natural disasters.



# Item III.b. – PUBLIC SERVICES

## SER Jobs (District: All)

Category	Amount	Percentage
Program Administration	\$162,500.00	11.82%
Program Services	\$1,212,500.00	88.18%
Total	\$1,375,000.00	100%

CDBG-DR17 funds are providing 57.28% of the total project cost.

HCDD conducted a Notice of Funding Availability for CDBG-DR17 – Harvey Public Services contracts for fiscal year 2020, with a one-year renewal option. SER was one of the providers selected. The contract term is June 1, 2020 – May 31, 2021. This is their first Disaster Recovery contract.





## Item III.c. – PUBLIC SERVICES

### Home Builder's Institute (District: All)

An Ordinance authorizing a contract between the City of Houston and Home Builders Institute (HBI), providing up to \$1,219,258.00 in CDBG-DR17 funds for job training and education services to approximately 195 low- to moderate- income individuals affected by Hurricane Harvey. Job training services help individuals gain financial independence and build resiliency against future natural disasters.

\*Hurricane Indirect Tie Back: Houston's labor force was impacted by the hurricane causing over \$125 billion in damage according to the National Hurricane Center. The storm impacted over 225,000 Houston businesses (Dun & Bradstreet) and over 25,000 area residents lost their jobs as a result of Harvey (US Dept. of Labor).



## Item III.c. – PUBLIC SERVICES

### Home Builder's Institute (District: All)

CDBG-DR17 funds are providing 85.91% of the total project cost. The contract term is June 1, 2020 – May 31, 2021. This is their first Disaster Recovery contract.

Category	Amount	Percentage
Program Administration	\$130,634.00	10.71%
Program Services	\$1,088,624.00	89.29%
Total	\$1,219,258.00	100%



## Item III.d. – PUBLIC SERVICES

### Capital IDEA DR-17 (District: All)

An Ordinance authorizing a contract between the City of Houston (City) and Houston’s Capital Investing in Development and Employment of Adults Inc. (Capital IDEA), for up to \$600,000.00 in CDBG-DR17 funds for a workforce development program serving at least 150 low- to moderate- income participants attending community college.

Capital IDEA will offer workforce development in higher-paying and in-demand professional fields through Career Navigation Case Management, Career Placement Services, and a Tutoring program. Students will complete training programs in job sectors such as healthcare, specialty construction, and technology.



# Item III.d. – PUBLIC SERVICES

## Capital IDEA DR-17 (District: All)

The term of this contract will be June 1, 2020 – May 31, 2021. This is their first Disaster Recovery contract. CDBG-DR17 funds provide approximately 42.5% of the total cost of this activity.

Category	Amount	Percentage
Program Administration	\$63,518.03	10.59%
Program Services	\$536,481.97	89.41%
Total	\$600,000.00	100.0%



## Item III.d. – PUBLIC SERVICES

### Capital IDEA DR-17 (District: All)

\*Harvey Indirect Tieback: Houston shed nearly 25,000 jobs in the aftermath of Hurricane Harvey. These jobs, primarily in the retail and food service industries were almost all exclusively low-wage jobs in the secondary labor market.

In Harris County, a family of four needs to earn at least \$61,404.00 to rise above the poverty line. Thus, working families are trapped in a secondary labor market in which their jobs pay less than a living wage.

Moreover, workers in this secondary wage market are the most likely to face wage and hour cuts, lay-offs, job eliminations, or terminations.



## Item III.e. – PUBLIC SERVICES

### Goodwill Industries of Houston (District: All)

An Ordinance authorizing a first contract Amendment between the City of Houston (City) and Goodwill Industries of Houston (Goodwill), providing \$200,000.00 of federal Housing Opportunities for Persons with AIDS (HOPWA) funds to finance the operation of a job services program serving 250 low- to moderate- income households with HIV and AIDS.

Job-related services and supportive services include case management, educational services, life-skills training, job search skills training, and referrals to other services so that vulnerable individuals can lead sustainable lives.



## Item III.e. – PUBLIC SERVICES

### Goodwill Industries of Houston (District: All)

This first contract amendment provides funding through May 31, 2021. Goodwill Industries of Houston began receiving HOPWA funds through the City in 2009. HOPWA funds constitute 7% of the total funding for this project.

Category	Amount	Percentage
Administrative	\$0	0%
Supportive Services	\$200,000.00	100%
Total	\$200,000.00	100%



## Item III.f. – PUBLIC SERVICES

### **Buckner Family Services** (District: D)

An Ordinance authorizing a first contract amendment between the City of Houston (City) and Buckner Children and Family Services, Inc. to provide up to \$100,000.00 in Community Development Block Grant (CDBG) funds for support services to low- to moderate- income Houston families with children who are in danger of being separated.

The project's scope of work is to provide wrap-around services to 30 families who meet criteria outlined by the Texas Department of Family and Protective Services and are low-to moderate-income and qualify for residence in New Hope Housing at Reed Road.

Services will include family coaching (case management) and adult empowerment (i.e. English as a Second Language and General Equivalency Diploma).





## Item III.f. – PUBLIC SERVICES

### Buckner Family Services (District: D)

Buckner’s Keeping Families Together (KFT) model leverages supportive housing to offer stability to families with children at risk of being separated from their birth parents, reduces foster care placement costs and reunites children with their families. CDBG funding provides 20% of the total program cost.

Category	Amount	Percent
Program Costs	\$100.000.00	100%
Total	\$100,000.00	100%



## Item III.g. – PUBLIC SERVICES

### Capital IDEA – CDBG (District: All)

A first contract Amendment between the City of Houston (City) and Capital Investing in Development and Employment of Adults Inc. (Capital IDEA), providing up to \$200,000.00 in CDBG funds for a workforce development program serving up to 150 low- and moderate- income participants.

Capital IDEA lifts low-income working families out of poverty by enabling participants to pursue Associate degrees in higher-paying and in-demand professional fields/careers that lead to life-long independence.



## Item III.g. – PUBLIC SERVICES

### Capital IDEA – CDBG (District: All)

Capital IDEA has 238 participants enrolled in various stages of the program as follows: Six are in developmental instruction in basic math, English, and writing; 42 are in prerequisite courses for college; 51 are enrolled in required core classes for their major; and 139 students have graduated.

Of the 139 graduates, 14 are currently preparing to take the State Board of examination, 75 are seeking employment and 50 have obtained living wage employment within the past two years and are actively being tracked.

The agency anticipates 36 graduates in the class of 2020.



# Item III.g. – PUBLIC SERVICES

## Capital IDEA – CDBG (District: All)

CDBG currently provides 33% of the total funding for this program.

Category	Amount	Percentage
Program Administration	\$23,967.96	11.98%
Program Services	\$176,032.04	88.02%
Total	\$200,000.00	100.00%



## Item III.h. – PUBLIC SERVICES

# Avenue CDC Bilingual Disaster Recovery Counseling (District: H)

An Ordinance authorizing a contract between the City of Houston and Avenue Community Development Corporation, providing up to \$300,000.00 in CDBG-DR17 funds for bilingual housing counseling and education services to approximately 600 low-to moderate-income families who were affected by Hurricane Harvey.

Services may include: pre-purchase education classes, one-on-one homebuyer counseling, post-purchase counseling, and foreclosure prevention counseling, along with case management which includes client specific wrap around services.



# Item III.h. – PUBLIC SERVICES

## Avenue CDC Bilingual Disaster Recovery Counseling (District: H)

CDBG-DR17 funds are providing 40.19% of the total project cost. This is Avenue CDC's first Public Service Disaster Recovery contract. The contract term is June 1, 2020 – May 31, 2021.

Category	Contract Amount	Percentage
Program Administration	\$34,667.50	11.56%
Program Services	\$265,332.50	88.44%
Total	\$300,000.00	100%



## Item III.h. – PUBLIC SERVICES

# Avenue CDC Bilingual Disaster Recovery Counseling (District: H)

\*Hurricane Indirect Tie Back: In August 2017 Hurricane Harvey hit Southeast Texas bringing historic flooding and unprecedented impacts on affordable housing. Houston's labor force was impacted by the hurricane causing over \$125 billion in damage according to the National Hurricane Center.

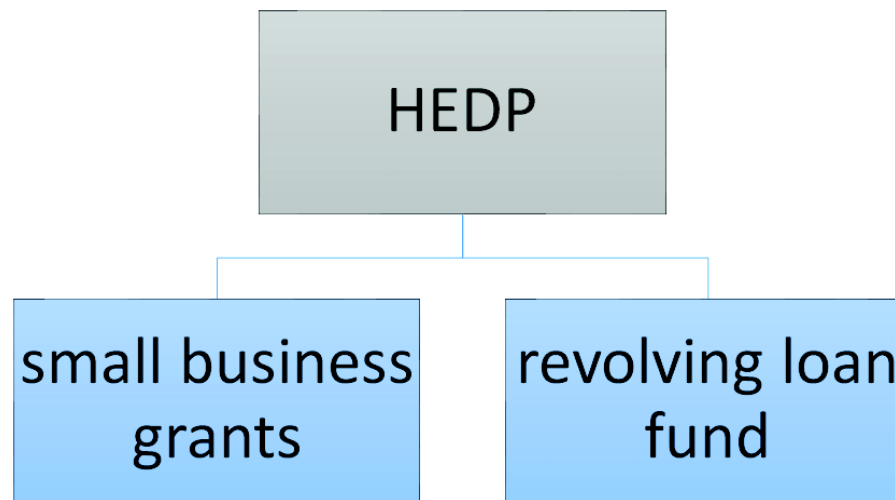
The Houston Housing Authority reported damage to nearly 5,800 affordable housing units in its inventory. Housing Counseling Services help revitalize and stabilize communities in order to build resiliency against future natural disasters.



# Item IV.a. ECONOMIC DEVELOPMENT

## Harvey Economic Development Program Guidelines (All Districts)

An Ordinance adopting the attached guidelines for the Harvey Economic Development Program (HEDP) funded with up to \$30,000,000.00 in CDBG-DR17 funds from the Texas General Land Office (GLO). These guidelines will provide a broad outline of what HCDD's HEDP will entail.





# Item IV.a. ECONOMIC DEVELOPMENT

## Harvey Economic Development Program

### Guidelines (All Districts)

Who are our targeted small business owners?

What do our targeted small business owners need the most?

How can we increase targeted business owners' application success?

How can we increase the likelihood of serving targeted business owners poised for growth?



# Item IV.a. ECONOMIC DEVELOPMENT

## Harvey Economic Development Program

### Guidelines (All Districts)

**Priority:** The HEDP prioritizes microenterprises, defined as businesses with five or fewer employees owned by low-income or minority individuals.

**Program eligibility criteria:** based on federal CDBG-DR guidance and regulations as follows:

- 1.) A low and middle-income (LMI) microenterprise business owner, or
- 2.) A small business that serves low and middle-income areas, or
- 3.) A small business that will create jobs for low-and-middle income individuals.



# Item IV. ECONOMIC DEVELOPMENT

## Harvey Economic Development Program Guidelines (All Districts)

**Harvey tie-back:** The HEDP’s prioritization of low-and-middle income populations is meant to addresses Hurricane Harvey’s disproportionate impact on low-income communities.

**Harvey tie-back:** By establishing a revolving fund to develop small construction-sector businesses, the program addresses the industry’s labor shortage and Houston’s ability to rebuild after the storm, increasing the City’s resilience.

**Timeline:** The program must be completed six years from the award of the contract to the City of Houston from the Texas General Land Office (GLO). The projected timeline is to launch the program by January 2021, and close out by August of 2022.



## Item V.a. MULTIFAMILY

### W. Little York (District A)

An Ordinance authorizing \$2,350,000.00 in the form of Community Development Block Grant – Disaster Recovery 2017 (CDBG-DR17) funds, for an agreement between the City of Houston and NH WLY LP. The loan will be used towards the land acquisition for a new development located at 7925 W. Little York Rd. Houston, TX 77040.

W. Little York Apartments is a “New Construction” development and will have 150 highly-appointed apartment homes targeted to working families, seniors & veterans with incomes ranging from \$15,000.00 to over \$60,000.00.

Estimated cost of acquisition, construction and soft cost is \$22.83 million or roughly \$152,200.00 per unit.



## Item V.a. MULTIFAMILY W. Little York (District A)

The property is in Council District A, and sits in Census Tract #48201532300, which has a poverty rate of 14.4% and Area Median Family Income of \$44,571.00. There are no existing LIHTC financed communities within the census tract.

The building design will be three-story, garden-style built upon a concrete post-tension slab. The building exterior will be a mix of brick/stone/stucco and Hardi-siding.

All mechanicals, and appliances will be electric. This property will meet the “Energy Star-Multifamily” green building standard.



# Item V.a. MULTIFAMILY

## W. Little York (District A)



# Item V.a. MULTIFAMILY W. Little York (District A)



## Item V.b. MULTIFAMILY Avenue on 34th (District C)

An Ordinance authorizing \$9,090,000.00 in the form of CDBG-DR17 funds, between the City of Houston and Avenue Community Development Corporation for the land acquisition of the new affordable housing development located at 2136 W. 34<sup>th</sup> St. Houston, TX 77018.

Avenue CDC proposes to develop a 70-unit mixed-income apartment community in District C, the thriving and growing Oak Forest community of Houston. The property is located in Census Tract #48201530200, which has a poverty rate of 11.5% and AMI of \$83,152.00.

Avenue on 34th will provide a valuable asset to both the Oak Forest area and Houston at large that will contribute to resiliency and the long-term recovery efforts after Harvey.





# Item V.b. MULTIFAMILY

## Avenue on 34th (District C)

Avenue on 34th will bring new, quality, energy-efficient, affordable homes built to modern drainage and building standards, located in a non-flooding area of a thriving neighborhood that suffered flood damage to a portion of its inventory located close to White Oak Bayou.

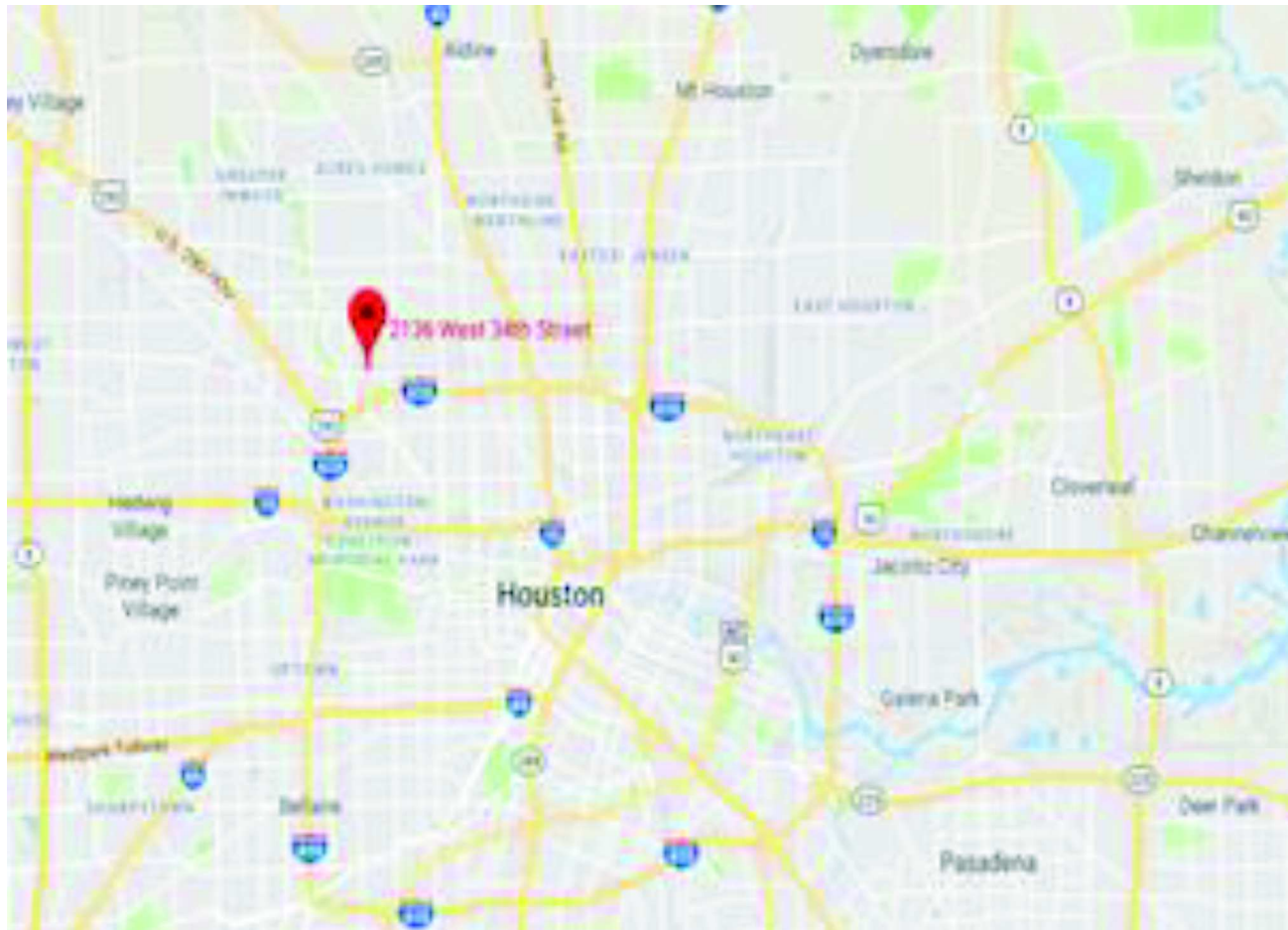
Sources	Amount	Uses	Amount
City of Houston Request	\$ 9,090,000.00	Hard Cost	\$ 9,907,200.00
LIHTC Syndication Proceeds	\$ 3,071,375.00	Soft Cost	\$ 3,178,405.00
In-Kind Equity/ Deferred Developer Fee	\$ 0.00	Acquisition Cost	\$ 3,852,033.00
Conventional Loan	\$ 6,026,263.00	Developer Fee	\$ 900,000.00
		Reserves	\$ 350,000.00
<b>Total Source of Funds:</b>	<b>\$ 18,187,638.00</b>	<b>Total Project Cost:</b>	<b>\$ 18,187,638.00</b>



# Item V.b. MULTIFAMILY Avenue on 34th (District C)



# Item V.b. MULTIFAMILY Avenue on 34th (District C)



## Item V.c. MULTIFAMILY

### Elgin Place Change Happens CDC (District D)

An Ordinance authorizing a \$12,512,826.00 CDBG DR-17 loan to CHCDC Affordable Elderly, LLC for the site acquisition and new construction of Elgin Place, a 74-unit affordable rental community in Houston's Historic Third Ward.

The development will target a variety of income levels, including seniors earning 80 percent of the Area Median Income and below through a mix of efficiency one-bedroom units.

The project will be a joint venture between Change Happens CDC, a reputable non-profit organization whose efforts greatly impact members of the Third Ward community, and NHP Foundation, a national non-profit developer.



## Item V.c. MULTIFAMILY Elgin Place Change Happens CDC (District D)

NHP has successfully completed projects in the past with HCDD, and through its “Affiliate Program,” NHP has extended its resources and partnered with Change Happens to build capacity while guaranteeing completion of this project.

Loan will be non-amortizing throughout both the construction and permanent period. Following project completion, the outstanding principal balance of the note shall accrue at 1% interest. Borrower will pay an annual installment of interest from available cash flow.

The City of Houston affordability period will be 40 years and will commence when the construction period is completed.



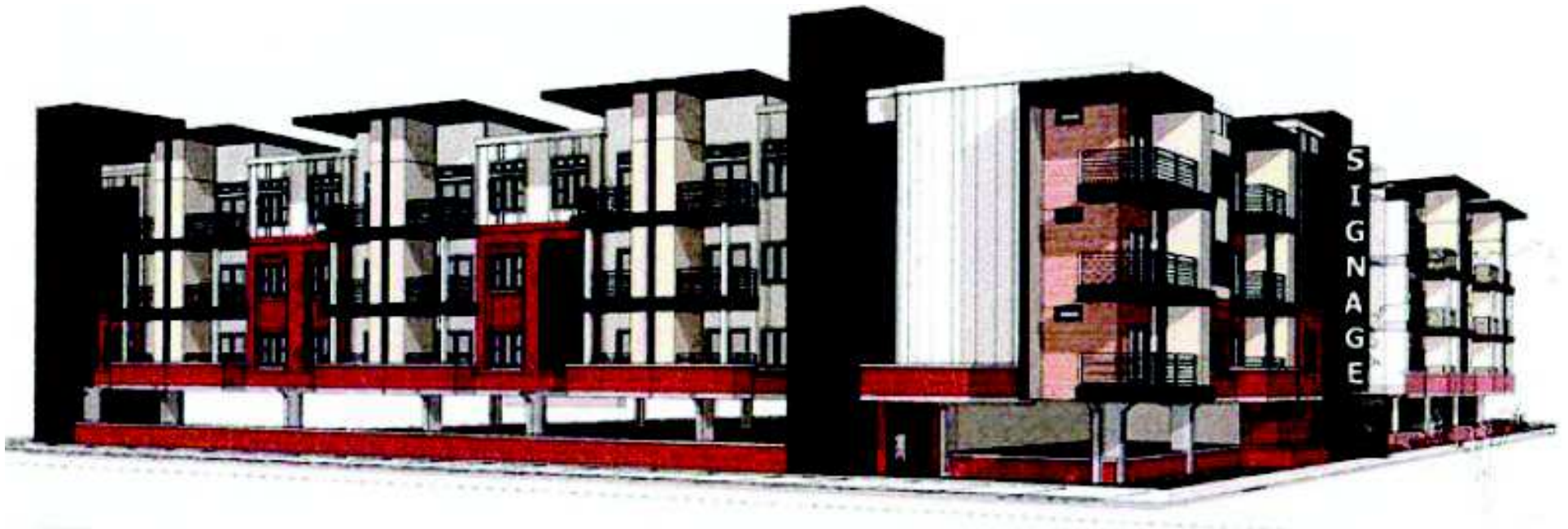
# Item V.c. MULTIFAMILY

## Elgin Place Change Happens CDC (District D)

Sources:		Uses:	
Housing Tax Credit Syndication Proceeds (TBD)	\$7,972,340.00	Hard Cost	\$17,784,520.00
City of Houston Request (CDBG DR-17)	\$12,512,826.00	Soft Cost	\$2,849,523.00
Permanent Loan (TBD)	\$3,104,577.00	Acquisition Cost	\$1,090,700.00
In-Kind Equity/ Deferred Developer Fee	\$1,500,000.00	Developer Fee	\$3,050,000
		Reserves	\$315,000.00
<b>Total Source of Funds:</b>	<b>\$25,089,743.00</b>	<b>Total Project Cost:</b>	<b>\$25,089,743.00</b>



# Item V.c. MULTIFAMILY Elgin Place Change Happens CDC (District D)



# Item V.c. MULTIFAMILY Elgin Place Change Happens CDC (District D)





## Item V.d. MULTIFAMILY Gale Winds Apartments (District H)

An Ordinance authorizing \$1,650,000.00 in the form of CDBG-DR17 funds, between the City of Houston and Avenue Community Development Corporation to finance the acquisition and renovation of the Gale Winds Apartments located at 5005 Irvington Blvd, Harris County, Texas 77009.

Avenue CDC proposes to purchase and rehabilitate the 18-unit mixed-income apartment community in District H, Census Tract #48201210600, which has a poverty rate of 19.60% and Area Median Income (AMI) of \$51,113.00.



## Item V.d. MULTIFAMILY Gale Winds Apartments (District H)

The project will help to strengthen the greater northside communities of its affordability, family asset-building, comprehensive community revitalization, and economic development.

Avenue CDC will forego the hiring of a general contractor, given the small size and value of the project, Avenue will utilize its internal repair staff to manage the rehabilitation of the Gale Winds Apartments.

Avenue CDC will comply with all applicable requirements regarding pay, training and participation.



# Item V.d. MULTIFAMILY Gale Winds Apartments (District H)





# Item V.d. MULTIFAMILY Gale Winds Apartments (District H)

Sources	Amount	Uses	Amount
City of Houston Request	\$ 1,650,000.00	Hard Cost	\$ 964,968.00
LIHTC Syndication Proceeds	\$ 0.00	Soft Cost	\$ 400,020.00
In-Kind Equity/Deferred Developer Fee	\$ 145,000.00	Acquisition Cost	\$ 1,745,000.00
Conventional Loan	\$ 1,184,988.00	Developer Fee	\$ 168,000.00
Cash Equity	\$ 325,000.00	Reserves	\$ 27,000.00
Total Source of Funds:	\$ 3,304,988.00	Total Project Cost:	\$ 3,304,988.00



# Item VI. DISASTER RECOVERY

## Amendment to Ordinance 2019-265

(All Districts)

HCDD recommends Council authorize and approve an Amendment to Ordinance 2019-265, which authorized and approved the forgivable loan agreement, promissory note, deed of trust, and grant acknowledgment forms for residential construction repair and rehabilitation services and/or reimbursement used in the Hurricane Harvey Homeowner Assistance Program (HoAP).

Ordinance 2019-265 also authorized the City of Houston Mayor to execute a forgivable agreement and/or grant acknowledgment with eligible program participants.



# Item VI. DISASTER RECOVERY

## Amendment to Ordinance 2019-265

(All Districts)

This Amendment to Ordinance 2019-265 will give the Housing and Community Development Department (HCDD) Director the authority to exceed the \$250,000.00 limit of reconstruction assistance when it is due to Homeowners Association (HOA) and local requirements.

In addition, the Director will have the authority to exceed the limit to meet the needs of the applicant's household size requirement in the HoAP.



# **DIRECTOR'S COMMENTS**



# Community Office Hours On the Road



To better serve residents of the community, HCDD Team has taken to the Road. The team visited [Denver Harbor MSC](#) on March 11, 2020 from 1pm – 4pm.

Each HCD division offered subject matter experts to represent and answer questions or give updates, as needed.

**COMMUNITY  
OFFICE HOURS**  
*On The Road!*

# Community Office Hours

**COMMUNITY  
OFFICE HOURS**  
*On The Road!*

**ALL HCCD EVENTS**

**POSTPONED**

Until April 30th



# HCC Procurement Expo



## ACCESS TO HCC PROCUREMENT EXPO

Celebrating 5 Years!  
Connect, network and learn about procurement  
opportunities with over 16 HCC exhibitors  
and our community partners.

Tuesday,  
March 10, 2020

8 a.m. – Noon  
HCC West Houston Institute Auditorium  
2811 Hayes Rd. Houston, TX 77082

**KEYNOTE SPEAKER:**  
Ed "The Rainmaker" Robinson, CSP

**BREAKOUT SESSION:**  
9:30 a.m.  
Responding to an HCC Request for Proposal



**Additional exhibitors:**



# Key Exchange

- Single-Family Home Repair Team with homeowner **Shirley Mathis** in his new home



# Key Exchange

- Disaster Recovery Team with homeowner **Hazel McFarlin** in her new home



# Kudos Single Family

## New Home Development Program

38

Homes completed

13

Homes sold  
4 Sold Open Market  
9 Sold HCLT

3

Under construction

## Home Repair Program

114

Homes completed

15

Under construction

## DR-15

12

Homes completed

5

Under construction



## Home Buyers Assistance Program

107 Eligibility approved by GLO

# Kudos Multifamily

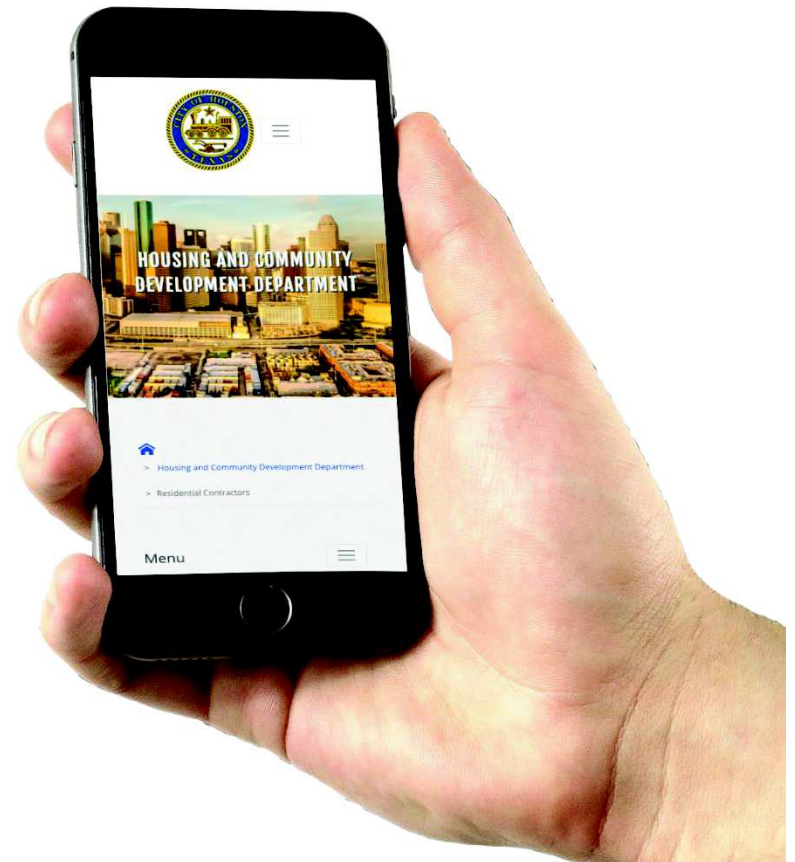
- Mckee City Living located at 650 Mckee street closed this month. It is a **120 unit** complex.
- The second multifamily grant application closed on March 20th, and we received 48 applications.
- The Small Rental grant application is open, and applications are due May 15<sup>th</sup>.



# Housing Website Redesign

- Matthew Johnson's forward-thinking approach has been praised by City Webmaster Robert Nowak and Chief Innovation Officer Jesse Bounds!
- Matthew's ideas are already being implemented across all City pages
- Revisit the sprint progress for updated timelines!

**Launch coming soon!**





# CMC Fundraisers Continues

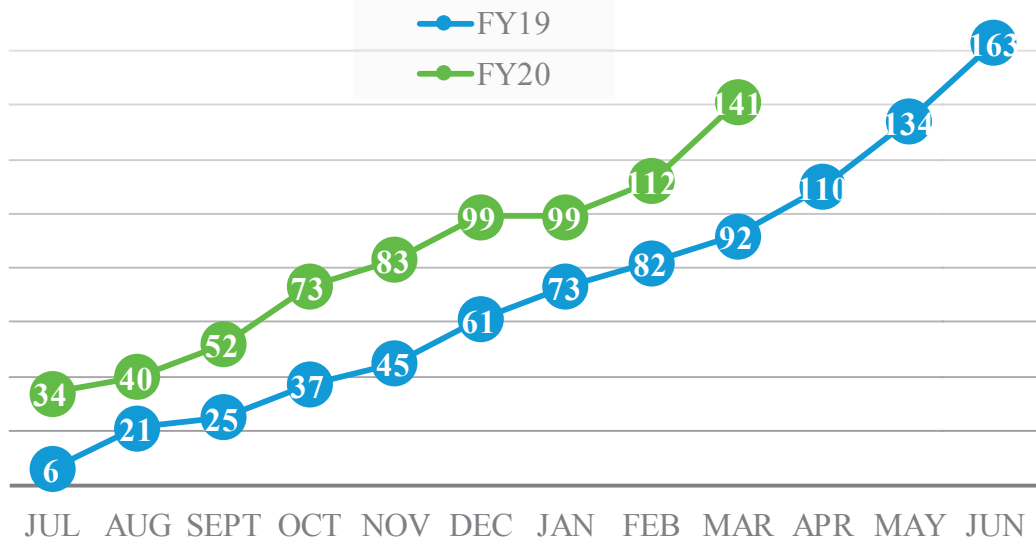


Seed  
Money  
Raised  
**\$1,051**



# Homebuyer Assistance Program

## Homebuyers Served

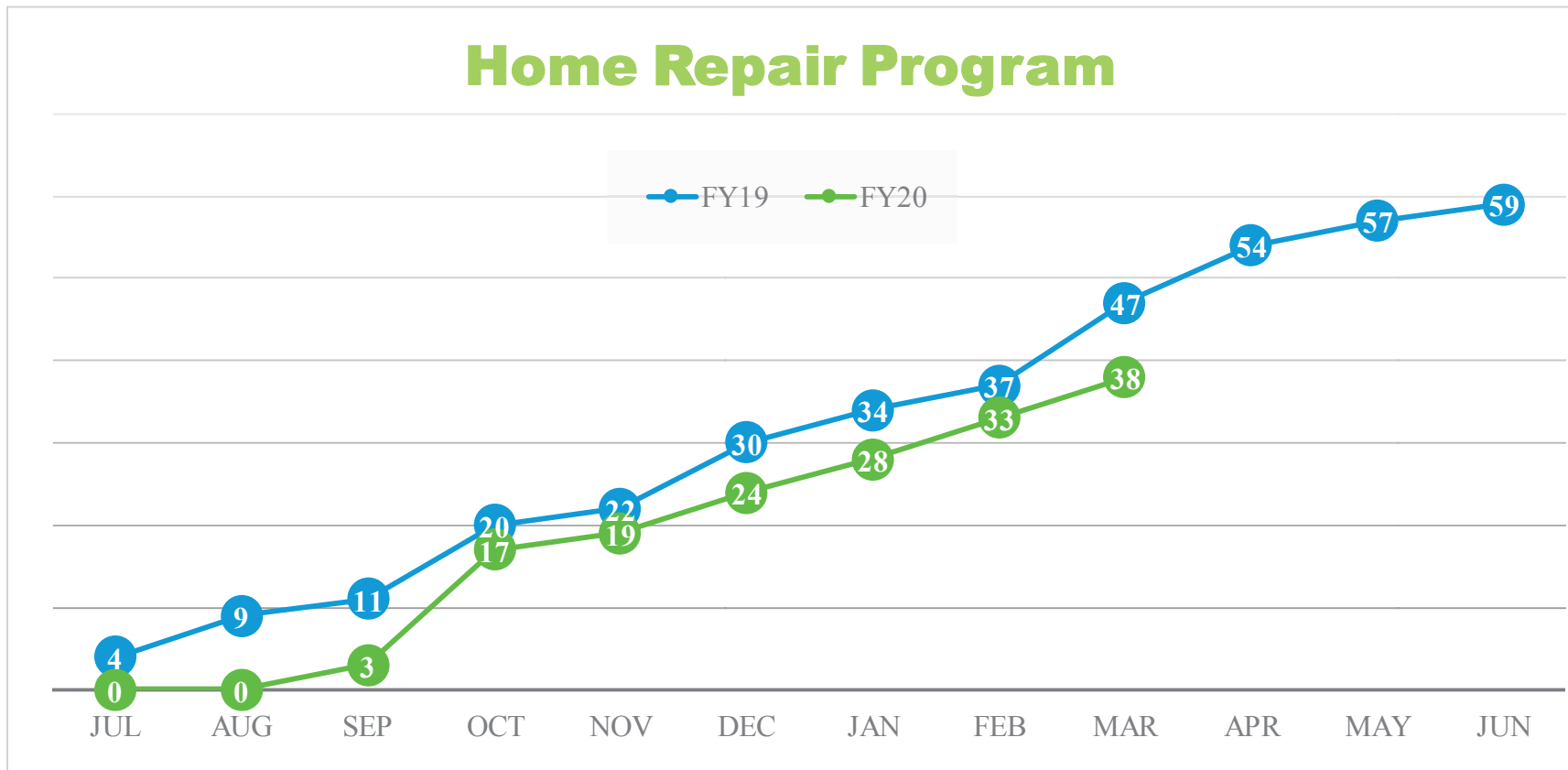


Provides up to \$30,000 to help Houstonians purchase a home

**141** homebuyers served FY20    **8** served in Mar '20



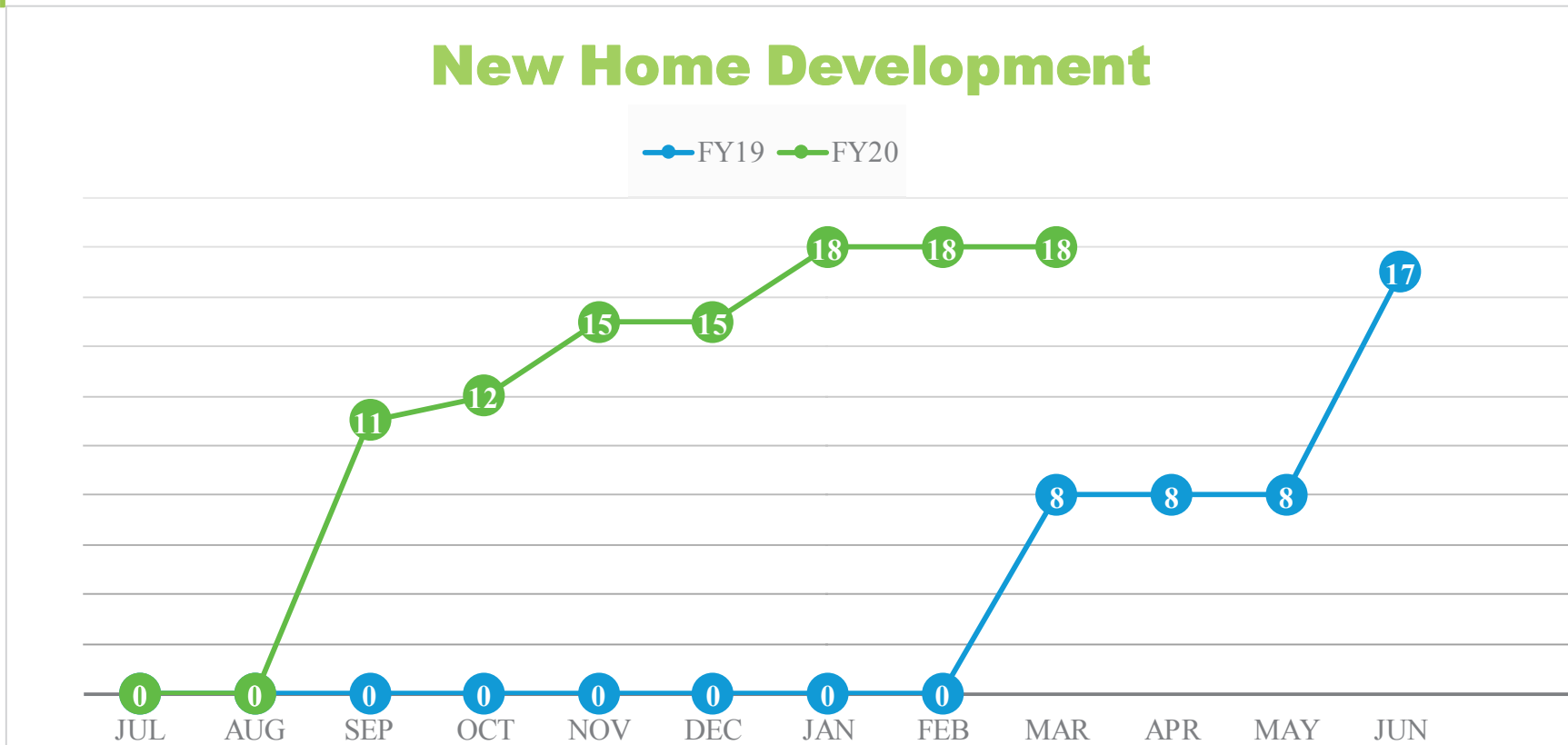
# Single Family Home Repair Program



Repairs and reconstructs existing homes for homeowners



# New Home Development Program



NHD builds new homes for sale at affordable prices



# Other Programs

25,994

Service Visits –  
Public Services (FY '20)

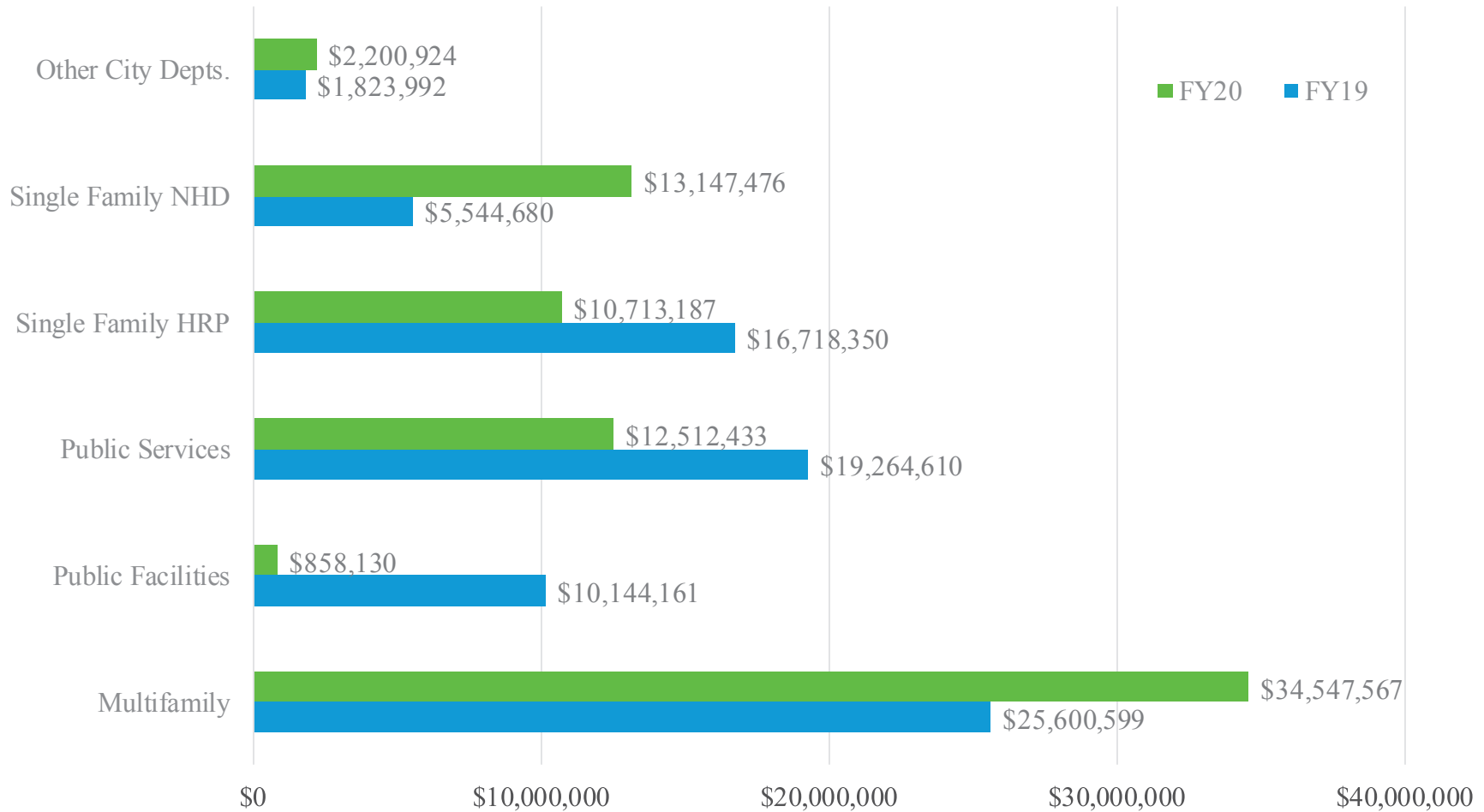
10

Projects under construction –  
Public Facilities (FY '20)

Note: Public Services numbers have a one month lag in reporting due to the nature of these programs.



# Spending by Program Area FY19 vs. FY20



**THANK YOU!**