



Housing and Community Affairs Committee

February 15, 2022



CITY OF HOUSTON * HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT

Agenda

- I. Welcome/Introductions
- II. Public Services
- III. Public Facilities
- IV. Large Tract Development
- V. Multifamily
- VI. Planning & Grants Management
- VII. Director's Comments

PUBLIC SERVICES

Melody Barr, Deputy Assistant Director

II.a. Houston SRO (Community Residence) (District D)

An Ordinance authorizing a Third Contract Amendment between the City and Houston SRO Housing Corporation

Extending the contract term and providing up to \$350,000.00 of federal Housing Opportunities for Persons with AIDS (HOPWA) funds

For a community residence providing supportive services to a minimum of 34 low-income households affected by HIV/AIDS.

II.a. Houston SRO (Community Residence) (District D)

Supportive services include comprehensive case management and referrals for general health services, job training and placement, mental health, and substance abuse counseling.

Operating costs include property management, utilities, maintenance and repairs, and property insurance.

II.a. Houston SRO (Community Residence) (District D)

Category	Total Contract Amount	Percent
Operating Costs	\$305,038.00	87.15%
Supportive Services	\$28,862.00	8.25%
Administrative	\$16,100.00	4.6%
Total	\$350,000.00	100.00%

As of November 30, 2021, Houston SRO has served approximately 106% of the client goal.

No findings were reported by Compliance and Monitoring during the 2021 monitoring period.

II.a. Houston SRO (Community Residence) (District D)

HCDD conducted a Notice of Funding Availability for HOPWA services in COH FY2019. Houston SRO was one of the providers selected.

The initial contract began December 1, 2018 and was extended through two subsequent amendments and administrative extensions to March 31, 2022.

Houston SRO began receiving HOPWA funds through the City in 1998. This Third Amendment provides funding through March 31, 2023.

II.b. Catholic Charities (Emergency Rental Assistance Program) (All Districts)

An Ordinance authorizing a Subrecipient Agreement between the City and Catholic Charities of the Archdiocese of Galveston-Houston.

Providing up to \$1,949,430.00 in Community Development Block Grant (CDBG) funds,

For administration and related services in connection with the City's Emergency Rental Assistance Program, for households that have been affected by COVID-19.

II.b. Catholic Charities Emergency Rental Assistance Program (All Districts)

The Emergency Rental Assistance program will assist households that are unable to pay rent due to the effects of the COVID-19 pandemic.

This program will enable HCDD to reduce the spread of COVID-19, by mitigating both evictions and new entries into homelessness.

II.b. Catholic Charities Emergency Rental Assistance Program (All Districts)

CDBG FUNDING CATEGORY	AMOUNT	Percent
Program Costs	\$1,949,430.00	100%
Administrative	\$0	0%
Total	\$1,949,430.00	100%

Catholic Charities has received funding through the City of Houston since 2003.

This Agreement will provide funding from March 15, 2022- May 30, 2022.

PUBLIC FACILITIES

Ana Martinez, Deputy Assistant Director

III.a. Houston Shifa Services Foundation, Inc. (District K)

An Ordinance authorizing a Second Amendment to an Agreement between the City of Houston (City) and Houston Shifa Services Foundation, Inc (Agency), adding six months to Shifa's current Restricted Use Period.

For a shelter serving low-and moderate-income women and children who have been victims of domestic violence. In addition to the shelter, Shifa provides medical services, legal advice, and vocational education programs. There are no additional CDBG funds being added to this project.

III.a. Houston Shifa Services Foundation, Inc. (District K)

The original Agreement dated March 27, 2013, provided \$850,000.00 in CDBG funds for the acquisition and construction of their facility located near the intersection of Gessner and Westplace Drive, Houston, Texas.

On May 7, 2014, Council approved a First Amendment to Agreement, providing an additional \$200,000.00 in CDBG funds to cover additional construction costs for the Facility and extend the Restricted Use Period.

III.a. Houston Shifa Services Foundation, Inc. (District K)

Shifa's shelter suffered damages during the February 2021 freeze, which forced them to move out of the facility for a six-month period.

The proposed six-month extension of the Restricted Use period will allow them to fulfill the intended restricted use period.

III.a. Houston Shifa Services Foundation, Inc. (District K)

Sources	Amount	Uses	Amount
City of Houston – CDBG Funds (Previously Approved)	\$1,050,000.00	Acquisition Cost	\$178,966.00
Houston Shifa Foundation, Inc.	\$661,556.81	Soft Cost	\$116,185.88
		Hard Cost	\$1,416,404.93
Total Source of Funds:	\$1,711,556.81	Total Project Cost:	\$1,711,556.81

LARGE TRACT DEVELOPMENT

Ana Martinez, Deputy Assistant Director

IV.a. Purchase of 10301 Stella Link (District K)

An Ordinance authorizing an Agreement for Option to Purchase Real Property between the City of Houston (City) and Stella Link Investments LTD (Seller)

For the purchase of 12.45 acres of land for \$14,300,372.00,

To develop affordable owner-occupied homes through the HCDD Harvey Single Family Development (HSFD) Program.

IV.a. Purchase of 10301 Stella Link (District K)

The land is located north of Stella Link Rd, south of Main St, and east of Willowbend, known as 10301 Stella Link Road (the Property).

The acquisition and development of the Property will be supported by the HCDD Harvey Single Family Development (HSFD) Program, funded by CDBG-DR 17 funds.

IV.a. Purchase of 10301 Stella Link (District K)

This project will increase Houston's housing stock by approximately 240 townhomes.

A minimum of 51% of the total homes will be sold to low-to moderate-income homebuyers at 80% AMI or below.

This project is aligned with the City's Hurricane Harvey Recovery efforts to invest in Transit-Oriented Communities and create affordable homes for homebuyers impacted by Hurricane Harvey.

IV.a. Purchase of 10301 Stella Link (District K)



IV.a. Purchase of 10301 Stella Link (District K)

Sources	Amount	Uses
CDBG -DR 17	\$ 14,100,372.00	Up to - Acquisition of Land
CDBG -DR 17	\$200,000.00	Estimated Due Diligence, maintenance, and pre-development and planning costs
Total	\$14,300,372.00	Estimated Total

IV.b. Purchase of Highway 288/East Orem (District D)

An Ordinance authorizing an Agreement for Option to Purchase Real Property between the City of Houston (City) and Quasar City Park LTD (Seller)

For the purchase of 14.946 acres of land for \$13,020,940.00,

To develop affordable owner-occupied homes for low-to moderate-income Houstonians.

IV.b. Purchase of Highway 288/East Orem (District D)

The land is located at the intersection of the Northeast corner of Orem Drive and Cityscape Avenue, just off South Freeway (Hwy 288) known as 288 and Orem (the Property).

The acquisition and development of the Property will be supported by the HCDD Harvey Single Family Development (HSFD) Program, which is funded by Community Development Block Grant - Disaster Recovery 2017 (CDBG-DR 17) funds.

IV.b. Purchase of Highway 288/East Orem (District D)

288 and Orem will be a new construction project of single-family homes in the South Acres/Crestmont Park neighborhood.

This purchase will increase Houston's housing stock by up to 240 townhomes.

A minimum of 51% of the total homes will be sold to low-to moderate-income homebuyers at 80% AMI or below.

IV.b. Purchase of Highway 288/East Orem (District D)

This project is aligned with the City's Hurricane Harvey Recovery efforts to invest in Transit-Oriented Communities and create affordable homes for those impacted by Hurricane Harvey.

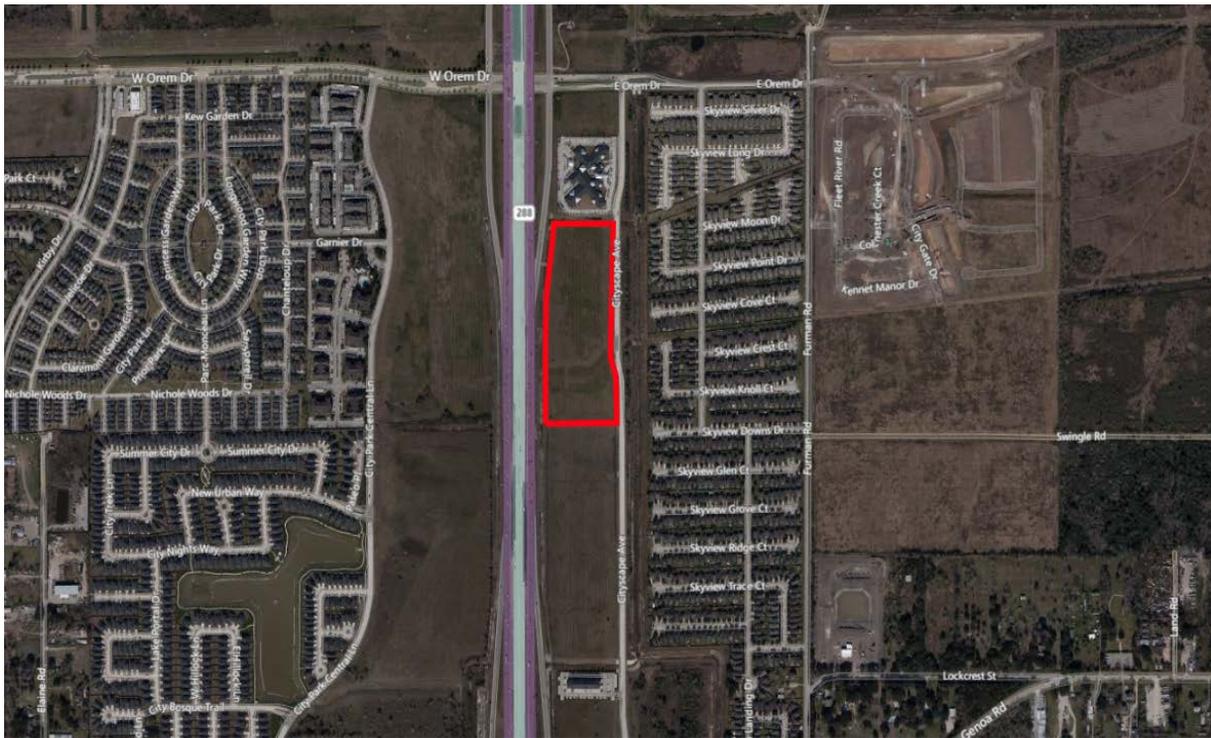
The Property comprises 14.946 acres of land situated at Hwy 288 and E. Orem Drive, Houston, Texas.

The Purchase Price is \$13,020,940.00, plus approximately \$200,000.00 for other costs.

IV.b. Purchase of Highway 288/East Orem (District D)

Sources	Amount	Uses
CDBG -DR 17	\$13,020,940.00	Up to Acquisition of Land
CDBG -DR 17	\$200,000.00	Estimated Due Diligence, maintenance, and pre-development and planning costs
Total	\$13,220,940.00	Estimated Total

IV.b. Purchase of Highway 288/East Orem (District D)



MULTIFAMILY

Ana Martinez, Deputy Assistant Director

V.a. Sunset Gardens 40% Resolution (District D)

A Resolution allowing the rehabilitation of Sunset Gardens, a property currently applying for 4% housing tax credits (HTC) allocated by the Texas Department of Housing and Community Affairs (TDHCA) that is located in a census tract with a poverty rate above 40%.

V.a. Sunset Gardens 40% Resolution (District D)

Sunset Gardens is the proposed rehabilitation of two adjacent affordable housing complexes formerly known as King's Row and Scott Plaza, located at 4141 Barberry Drive and 9703 Scott Street, respectively, in the Sunnyside Complete Community.

The applicant is Sunset Gardens Preservation, LP.

V.a. Sunset Gardens 40% Resolution (District D)

HTC applicants that propose a development site that is located within a census tract that has a poverty rate above 40% for individuals must disclose such.

Mitigation must be in the form of a resolution from the Governing Body of the appropriate municipality or county containing the development, referencing this rule and/or acknowledging the high poverty rate and authorizing the development to move forward.

V.a. Sunset Gardens 40% Resolution (District D)

Based on initiatives being taken in the Sunnyside Complete Community, and the need for the substantial rehabilitation of Sunset Gardens, HCDD recommends that Council approve the Resolution allowing rehabilitation of Sunset Gardens.

V.b. St. Elizabeth Place (District B)

An Ordinance amending and restating Loan Agreement with Fifth Ward Community Redevelopment Corporation,

Providing an additional \$1,577,774.40 in CDBG-DR2 funds.

To finance the reconstruction of St. Elizabeth Place, an 85-unit affordable housing development at 4514 Lyons Avenue, Houston, TX 77020.

V.b. St. Elizabeth Place (District B)

The CDBG Disaster Recovery Round 2 proceeds will be used towards the direct acquisition of the property and related soft costs.

The CDBG 2017 Disaster Recovery funds will be used to partially finance the historic renovation and new construction of the Project.

V.b. St. Elizabeth Place (District B)

On June 24, 2020, Houston City Council approved an Ordinance approving \$14,874,622.00 in CDBG DR2 and CDBG DR-17 funds towards the redevelopment of St. Elizabeth Place.

After closing the financing, the department received a separate request for a supplemental investment of \$1,577,774.40 of CDBG DR-2 funds.

V.b. St. Elizabeth Place (District B)

The loan and affordability period will be 40 years and will commence when the construction period is completed.

The loan will be non-amortizing throughout both the construction and affordability period.

Following project completion, the outstanding principal balance of the note shall accrue at 1% interest. The borrower will pay an annual installment of interest from available cash flow.

V.b. St. Elizabeth Place (District B)

Sources and Uses			
City of Houston Request (HCDD Source)	\$ 16,452,396.00	Hard Cost	\$21,907,935.00
Conventional Loan	\$ 7,325,000.00	Soft Cost	\$10,134,051.00
Housing Tax Credit Proceeds	\$4,474,501.00	Developer Fee	\$3,179,467.00
Cash Equity	\$ 1,145,768.00		
In-Kind Equity/Deferred Developer Fee	\$ 80.00	Reserves	\$494,452.00
State Historic Tax Credits	\$ 6,318,160.00		
Total Source of Funds:	\$ 35,715,905.00	Total Project Cost:	\$35,715,905.00



PLANNING & GRANTS MANAGEMENT

Derek Sellers, Deputy Director

VI. Market Value Analysis (All Districts)

An Ordinance awarding a contract to Reinvestment Fund, Inc. for a maximum contract amount of \$140,000.00 in Hurricane Harvey Community Development Block Grant Disaster Recovery Funds for a Market Value Analysis and Economic Development Investment Study for the Housing and Community Development Department.

VI. Market Value Analysis (All Districts)

The study will evaluate empirical data to capture the changed landscape and any demographic shifts as a result of Hurricane Harvey and connect to a longitudinal assessment with the previous studies conducted in the 2013 City-Wide Market Value Analysis and the 2016 Affordable Housing and Economic Investment Study.

VI. Market Value Analysis (All Districts)

The study will support the Planning activities funded through CDBG-DR17 funds, which strive to promote sound, sustainable long-term recovery planning informed by a post-disaster evaluation of hazard risk, especially land-use decisions that reflect responsible flood plain management and take into account future possible extreme weather events and other long-term risks.

VI. Market Value Analysis (All Districts)

Task 1: Project Kickoff and Task Force Launch

Task 2: Stakeholders Participation Plan

Task 3: Draft MVA Models

Task 4: Gather, organize, and use supplemental data

Task 5: Economic Development Investment Study

Task 6: Final MVA Model.

DIRECTOR'S COMMENTS

Keith Bynam, Interim Director

Director's Comments

1. CDBG DR-17 Grant Update & Corrective Action Update, Temika Jones, Assistant Director & CFO
2. HCDD Project Highlights, Keith W. Bynam, Interim Director
3. HCDD Production Report, Temika Jones, Assistant Director & CFO

CDBG-DR 2017 Harvey Grant Update

Temika Jones, Assistant Director and CFO

Item III.D HCD Financial Update (CDBG-DR 2017 Harvey Grant Update)

Performance Benchmarks for June 30, 2022		
	Amt of Benchmark	% Met
Admin		
Buyout	\$ 25,110,000.00	67%
Econ Dev	\$ 13,619,175.30	9%
HoAP	\$ 61,638,156.75	41%
Homebuyers	\$ 15,159,747.60	67%
Multifamily	\$ 202,522,712.40	68%
Planning	\$ 5,775,000.00	14%
Public Services	\$ 18,000,000.00	51%
Single Family	\$ 15,000,000.00	102%
Small Rental	\$ 6,250,000.00	0%
Grand Total	\$ 363,074,792.05	



Corrective Action Plan Update

Temika Jones, Assistant Director and CFO

Corrective Action Plan Update

Corrective Action Item	Status Update
Reduce future Admin spending and forecast Admin dollars needed to execute programs	In Progress – Exec team reviewing FY22 Budget to reassess expenditures and plan for FY23
Restructure HCDD and reporting lines to Other City Departments in consultation with Central HR	In Progress – Exec team revising HCDD Org Chart; Coordination with Central HR underway
Re-evaluate all staffing decisions approved by former Director	In Progress – Reviews by CFO and Interim Director continues
Align future expenditures with program spending	In Progress – Financial dashboards being reviewed to reflect projected program spend
Implement strike teams to focus on GLO submissions	In Progress – Focus on HoAP files for submission eligible expenditures previously withheld
Timely submission of draw requests to GLO	In Progress – Finance team continues to ensure submission of eligible expenditures within 90 days



HCDD Project Highlights

Keith Bynam, Interim Director

HCDD Receives Partner & Merit Awards from Greater Houston Business Procurement Forum



HCDD Receives Partner & Merit Awards from Greater Houston Business Procurement Forum



HCDD Receives Partner & Merit Awards from Greater Houston Business Procurement Forum



Dian Street Villas 35% Complete as of Jan. '22 (District C)



Scott Street Lofts 74% Complete as of Jan. '22 (District I)



Avenue on 34th: 100% Complete (District C)



Avenue on 34th: 100% Complete (District C)



Single Family Tier 3 Reconstruction – 2914 Hardy (District H)



HCDD Production Report

Temika Jones, Assistant Director and CFO

Virtual Community Office Hours



Virtual COMMUNITY OFFICE HOURS

Every Wednesday

from 1 p.m. - 4 p.m.

Representatives from each division will be readily available to assist with your call

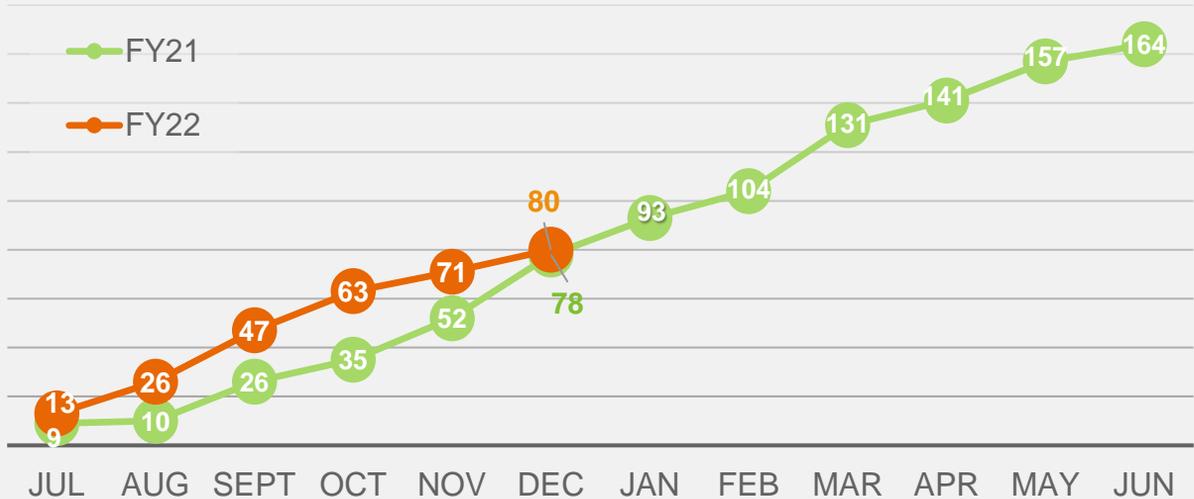
Call in on the following numbers:

832-394-6912 • 832-394-6227 • 832-394-6126



Homebuyer Assistance Program

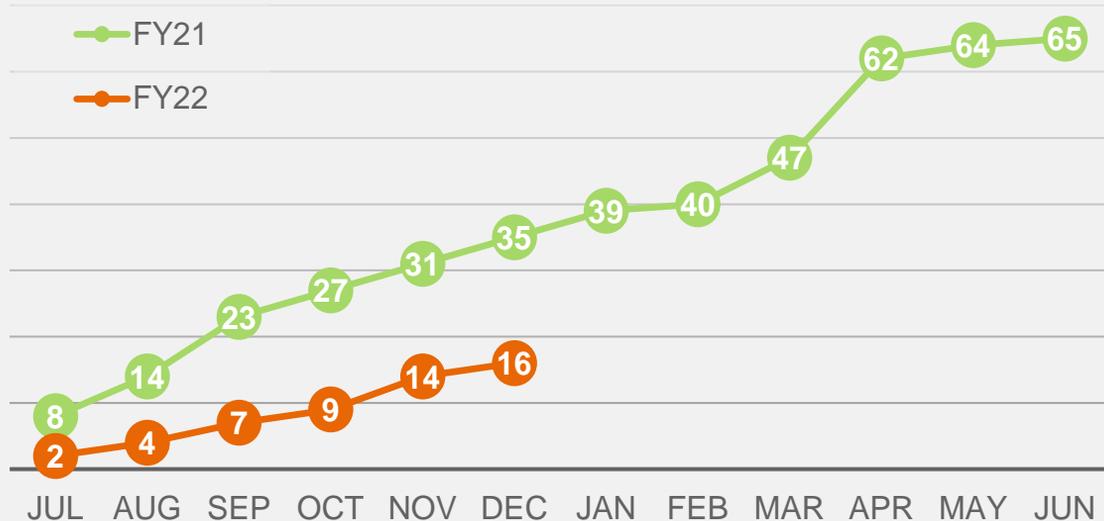
(Fiscal Year - cumulative totals)



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

Single Family Home Repair Program

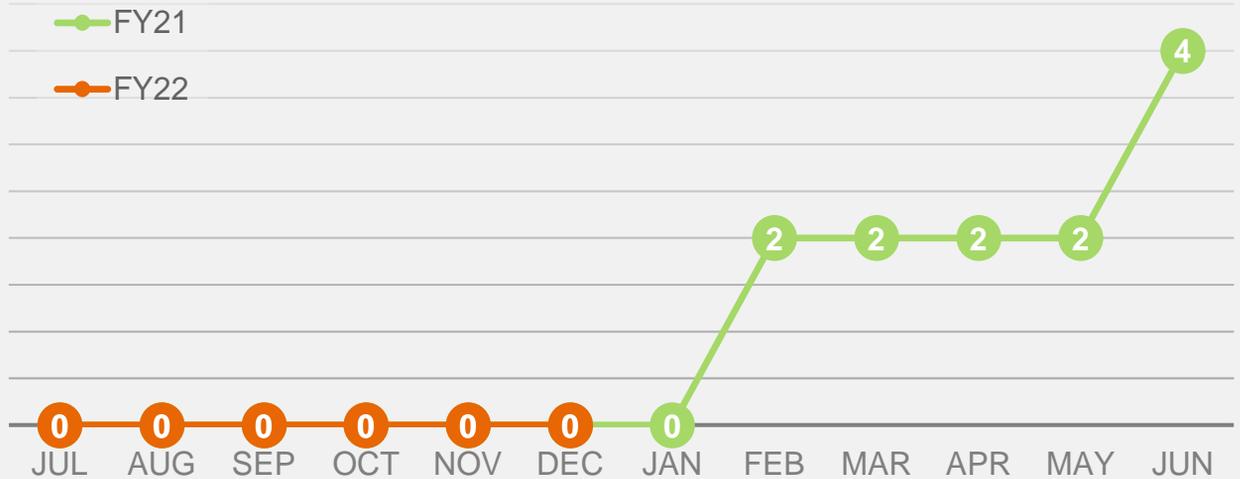
(Fiscal Year – cumulative totals)



The HRP repairs and reconstructs existing homes for homeowners.

New Home Development Program

(Fiscal Year – cumulative totals)



NHDP builds new homes for sale at affordable prices

Other Programs

(Fiscal Year)



25

Projects under construction
Multifamily (FY22)

1

Projects completed
Multifamily (FY22)

8

Projects under construction
Public Facilities (FY22)

3

Projects completed
Public Facilities (FY22)



Other Programs

(Fiscal Year 2022)



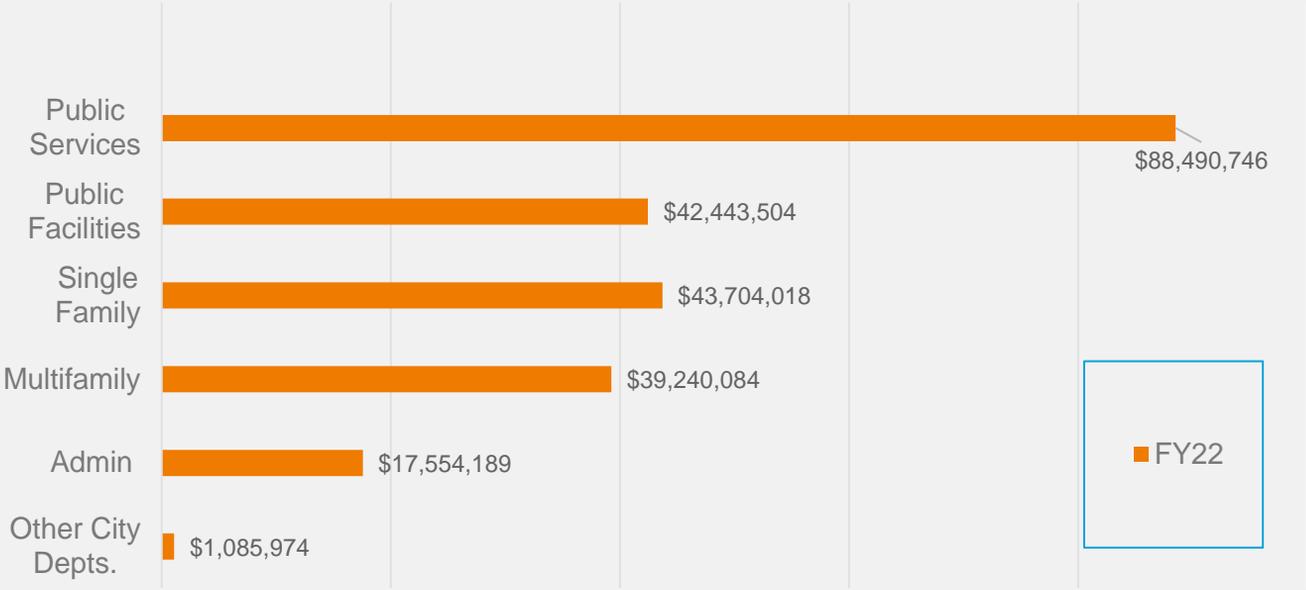
106,490

Persons Served

Public Services

As of December 2021

Spending by Program Area FY22 (as of November 2021)



Total spending: \$232,518,515

Comments & Questions

