



Houston City Council  
**Housing and Community Affairs Committee**

**Mike Laster (Chair)**

**Robert Gallegos (Vice Chair)**

Dwight A. Boykins - David W. Robinson - Michael Kubosh

Karla Cisneros - Mike Knox – Martha Castex-Tatum

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Tuesday, June 18, 2019, 10:00 AM  
City Hall Council Chambers

**I. Call to Order/Welcome – Council Member Mike Laster, Chair**

**II. Public Facilities**

**a) East End Innovation Maker Hub Section 108 Loan/CDBG Grant**

The Housing and Community Development Department (HCDD) recommends Council approval of a contract with UPCDC providing a \$22,000,000.00 in Section 108 loan and CDBG grant for the acquisition and rehabilitation of a 307,000 SF warehouse for economic development. (District H)

- Tom McCasland, Director, Housing and Community Development Department
- Ray Miller, Assistant Director

**III. Multifamily**

**a) Guidelines for the Harvey Multifamily Program**

HCDD is presenting several administrative changes to the Guidelines for the Harvey Multifamily Program (HMFP) approved by City Council on January 8, 2019 as part of the \$1.17 Billion dollars anticipated later this year for Hurricane Harvey. (All Districts)

- Tom McCasland, Director, Housing and Community Development Department
- Ray Miller, Assistant Director

**IV. Public Services**

**a) Guidelines for the Harvey Public Services Program**

The Housing and Community Development Department is presenting revisions to the Harvey Public Services Program (HPSP) Guidelines to provide additional clarity on programs and services supported with Hurricane Harvey Disaster Recovery funding. (All Districts)

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

**V. Planning and Grants Management**

**a) CDBG-DR15 Substantial Amendment (Eligibility Criteria)**

HCDD recommends Council approve a Substantial Amendment to the (CDBG-DR15) Action Plan. The Home Repair Program (HRP-DR15) eligibility criteria is being revised to provide additional clarity, and to better align it with the entitlement-funded HRP program. (All Districts)

- Tom McCasland, Director, Housing and Community Development Department
- Derek Sellers, Assistant Director

**VI. Disaster Recovery**

**a) Hurricane Harvey Single Family Development Program Guidelines**

HCDD recommends Council approval of an ordinance adopting the guidelines for a proposed Single-Family Development Program, providing new affordable single-family homes for low- and moderate income homebuyers impacted by Hurricane Harvey. (All Districts)

- Tom McCasland, Director, Housing and Community Development Department
- Peggy Colligan, Administration Manager

**VII. Single Family**

**a) Guideline Revisions to the CDBG-DR15 Home Repair Program**

HCDD has made a number of revisions to the Home Repair Program Disaster Recovery 2015 Guidelines to provide additional clarity and to better align it with the Home Repair Program. (All Districts)

**b) Guideline Revisions to the CDBG Home Repair Program**

HCDD has made a number of revisions to the CDBG Home Repair Program Guidelines to provide additional clarity and to align with the Disaster Recovery 2015 Home Repair program. (All Districts)

**c) Towne Park Development Gap Funding**

HCDD recommends Council approval of an Ordinance authorizing (1) a Contractor Agreement for between the City and Towne Park Development (Leland Woods); and (2) the appropriation of \$812,630.00 in TIRZ funding for sewer lines under the Contractor Agreement. (District B)

**d) New Home Development Program Master Contractor Agreement Additional Funding**

HCDD recommends Council approval of an Ordinance authorizing an additional \$6,500,000.00 in TIRZ funding to the Master Contractor Agreements under the City of Houston New Home Development Program for new construction services. (All Districts)

**e) Guideline Revisions to the Harvey Homebuyer Assistance Program**

HCDD has made a number of revisions to the \$23,688,328.00 Harvey Homebuyer Assistance Program Guidelines to provide additional clarity on the program, which provides homebuyers up to \$30,000.00 in CDBG-DR funds for down payment assistance. (All Districts)

**f) Community Housing Development Organizations (CHDO) New HOME Development**

HCDD recommends Council approval of an Ordinance authorizing performance-based Second Lien Construction Financing Loans of up to \$1,523,000.00 in Federal HOME funds to three Houston area CHDO's to develop affordable single-family home developments. (District B)

- Tom McCasland, Director, Housing and Community Development Department
- Kimesha Sonnier, Division Manager, Brandi Gipson, Division Manager, Brenda Takahashi, Management Analyst

**VIII. Public Comments**

**IX. Director's Comments**

Tom McCasland, Director, HCDD



**CITY OF HOUSTON – CITY COUNCIL**

Meeting Date: 8/28/2019

District H

Item Creation Date: 5/30/2019

Housing Committee Date: 6/18/2019

HCD19-65

East End Innovation Maker Hub

Section 108 Loan/CDBG Grant

Agenda Item: II.a.

**Background:**

The Housing and Community Development Department (HCDD) recommends Council approval of a contract for loan guarantee assistance and related documents between the City, and HUD, and an agreement between the City of Houston and Urban Partnerships Community Development Corporation (UPCDC) providing a Section 108 loan up to \$21,000,000.00 and granting \$1,000,000.00 in Community Development Block Grant (CDBG) funds. Funding will partially provide for the acquisition and rehabilitation of a 307,000 SF warehouse to facilitate economic development by helping incubate new start-up business, providing a light manufacturing and workforce development center that will include 200,000 SF of shared collaborative space to facilitate economic development by helping to incubate new start-up businesses and offers the use of equipment to all lessees while providing training, education and apprenticeships for the community.

Approximately 50,000 SF of space will be leased to TXRX. Established in 2008, TXRX is a non-profit manufacturing incubation and makerspace comprised of makers, inventors, tinkerers, artists, crafters and coders. The current facility houses rapid fabrication lab, metal fabrication shop, wood workshop, machine shop, bike maintenance and repair shop, art lab, computer lab and coworking space. However, due to the increased demand for warehouse space and their plans for expansion, TXRX has partnered with UPCDC and the Greater East End Management District to provide apprenticeship programs for East End residents for the purpose of equipping low-income individuals with the skills to access higher paid employment.

Sources	Amount	Uses	Amount
Section 108 Loan	\$21,000,000.00	Acquisition	\$11,950,000.00
CDBG Funds	\$1,000,000.00	Hard Cost	18,470,844.00
EDA Grant	\$5,000,000.00	Soft Cost	\$3,128,655.00
NMTC	\$8,363,800.00	NMTC Fees and Closing	\$2,978,575.00
TXRX	\$348,700.00	Financing Costs	\$963,713.00
UP CDC	\$938,652.00	Contingency	\$294,999.00
UP CDC/ TXRX Cash Contribution	\$840,635.00		
<b>Total</b>	<b>\$37,491,787.00</b>	<b>Total</b>	<b>\$37,491,787.00</b>

UPCDC was selected from RFP Solicitation No.: T26095.

No fiscal note is required on grant items. This item was reviewed by the Housing and Community Affairs Committee on June 18, 2019.

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Tom McCasland, Director

**Amount of Funding:**

\$21,000,000.00 – Section 108 – Fund 5001

\$1,000,000.00 – Federal Government – Fund 5000

**Contact Information:**

Roxanne Lawson

(832) 394-6307



## CITY OF HOUSTON – CITY COUNCIL

Meeting Date: 6/18/2019

Item Creation Date: N/A

District: ALL

Disaster Recovery (DR-17)

Multifamily Rental Program Guidelines

Agenda Item: III.a

### **Background:**

On January 9<sup>th</sup>, 2019 City Council approved an ordinance adopting the attached guidelines for the Disaster Recovery (DR-17) Multifamily Rental Program (Multifamily Program) using Community Development Block Grant - Disaster Recovery (CDBG-DR) funds from the Texas General Land Office (GLO). The Multifamily Program will address both direct and indirect impacts of Hurricane Harvey on the shortage of Houston's affordable rental housing stock.

Since the guidelines were approved by City Council in January, the Housing and Community Development Department (HCDD) has made administrative revisions to the guidelines as requested by the GLO and internal staff in order to clarify and expand on certain sections of the guidelines. A summary of these revisions includes:

- Document formatting changes
- Revisions and clarification to the complaints and appeals section
- Expansion of cross-cutting federal regulations
- Clarification to the amount of maximum assistance per development

The CDBG-DR proceeds from the Multifamily Program may be leveraged with multiple financing sources dedicated to promoting affordable housing initiatives including Housing Tax Credit equity, conventional equity and agency debt products. By leveraging CDBG-DR proceeds with other programs, HCDD anticipates financing approximately 1,500 - 3,000 units of affordable rental units for Low-to-Moderate Income households throughout the city. All work must be completed six years from the award of the contract to the City of Houston from the Texas General Land Office (GLO), HUD's direct recipient of Hurricane Harvey CDBG-DR funds.

Ordinance 2018-121 requires any changes to the approved guidelines are presented to the Housing and Community Affairs committee. However, as there are no substantial changes to any of the programmatic requirements outlined in the guidelines affecting the program's purpose, affordability restrictions, level of assistance, etc., no council action is required.

The revised guidelines will be posted on the City's disaster recovery website for a seven-day public comment period.

No fiscal note is required on grant items as stated in Financial Policies.

This item was reviewed by the Housing and Community Affairs Committee on June 18, 2019.

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Tom McCasland, Director

### **Contact Information:**

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(832) 394-6307



## CITY OF HOUSTON – CITY COUNCIL

Meeting Date: 6/18/2018

Item Creation Date: 6/6/2018

District: ALL

Disaster Recovery (DR-17)

Harvey Public Services Program Guidelines - Updated

Agenda Item: IV.a.

### **Background:**

The Housing and Community Development Department has made some revisions to the Harvey Public Services Program (HPSP) Guidelines so as to provide additional clarity on programs and services supported with Hurricane Harvey Disaster Recovery funding.

The summary of the revisions is below:

- Inclusion of standard, expanded Federal Regulation section
- Inclusion of waivers and public comments section
- Updates to complaints, appeals, close out, program requirements, selection criteria, income limits
- Inclusion of procurement
- Updates to eligibility criteria
- Inclusion of Duplication of efforts
- Inclusion of Program Income

As this is a federally funded program, no fiscal note is required on grant items as stated in Financial Policies.

The Housing and Community Affairs Committee reviewed this item on June 18, 2019.

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Tom McCasland, Director

### **Contact Information:**

Roxanne Lawson  
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**CITY OF HOUSTON – CITY COUNCIL**

Meeting Date: 7/17/2019

District ALL

Item Creation Date: 5/31/2019

Housing Committee Date: 6/18/2019

HCD19-70

CDBG-DR15 Substantial Amendment

Eligibility Criteria

Agenda Item: V.a.

**Background:**

The City of Houston (City), through its Housing and Community Development Department (HCDD), recommends City Council authorize and approve a Substantial Amendment to the Community Development Block Grant Disaster Recovery 2015 (CDBG-DR15) Action Plan. The Home Repair Program (HRP-DR15) eligibility criteria is being revised to provide additional clarity, and to better align it with the entitlement-funded HRP program.

This would be the third amendment to the Community Development Block Grant Disaster Recovery 2015 (CDBG-DR15) Action Plan.

Per the Citizen Participation Plan for Houston's CDBG – DR15 Program (CPP), a change in program benefit or eligibility criteria constitutes a Substantial Amendment, which requires a fourteen (14) day public notice and Council approval.

No fiscal note is required on grant items. The Housing and Community Affairs Committee reviewed this item on June 18, 2019.

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Tom McCasland, Director

**Prior Council Action:**

10/31/2017 (O) 2017-832

**Contact Information:**

Roxanne Lawson  
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## CITY OF HOUSTON – CITY COUNCIL

Meeting Date: 12/19/2018

District ALL

Item Creation Date: 11/6/2018

HCD19-60

Hurricane Harvey

Single Family Development Program Guidelines

Agenda Item: VI.a.

### **Background:**

The Housing and Community Development Department (HCDD) recommends Council approval of an ordinance adopting the guidelines for the Single-Family Development Program (SFDP), one of the programs proposed as part of \$1.17 billion dollars anticipated later this year for Hurricane Harvey Disaster Recovery. The SFDP will provide new affordable single-family homes for low- and moderate-income homebuyers impacted by Hurricane Harvey.

HCDD will work with for-profit and non-profit contractors and organizations to implement the program. Properties or lots for new construction will be identified from a variety of sources, including the Houston Land Bank, HCDD's Homeowner Assistance Program, and other organizations that have existing land available. This program will give residents the opportunity to move out of areas that are prone to flooding. It will also give homeowners in need of substantial repairs or reconstruction, the immediate opportunity to move to a new home offered for sale through this program. This program will work in conjunction with other recovery programs to provide housing options for those directly and indirectly impacted by Hurricane Harvey.

Funding for the SFDP will come from the Texas General Land Office (GLO), which is the direct recipient of these funds from the US Department of Housing and Urban Development (HUD). The Harvey Action Plan, previously approved by City Council for submission to GLO, sets aside \$204,000,000.00 for the SFDP, with a maximum of \$200,000.00 per house. This should result in up to 900 new and affordable homes for low- and moderate-income Houstonians.

The SFDP guidelines provide the broad terms required by the laws and regulations surrounding Hurricane Harvey disaster funding while outlining local priority populations, eligibility requirements, maximum assistance, and compliance period. The SFDP will help build new affordable single-family housing for low- and moderate-income Houstonians. The program places an emphasis on housing choices and designs that reduce maintenance and insurance costs as well as provide independent living options and a resilient community.

All work is expected to be completed five years from the award of the contract to the City of Houston from the GLO, HUD's direct recipient of Hurricane Harvey CDBG-DR funds.

The SFDP guidelines are the first step needed to implement viable programs that will fulfill the needs of Houston's recovery from the devastation wrought by Hurricane Harvey and its aftermaths. These guidelines have also been published for a 30-day public comment period. HCDD welcomes input from interested parties.

No fiscal note is required on grant items. This item was reviewed by the Housing and Community Affairs Committee on November 27, 2018 and again on June 18, 2019.



**Amount of Funding:**

\$204,000,000.00 Federal State Funding (5030)

**Prior Council Action:**

6/27/2018 (O) 2018-518

**Contact Information:**

Roxanne Lawson

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## CITY OF HOUSTON – CITY COUNCIL

Meeting Date:

All Districts

Item Creation Date: 5/31/2019

Housing Committee Date: 6/18/2019

Home Repair Program – Disaster Recovery 2015

Guidelines Revisions

Agenda Item: VII.a.

### **Background:**

The Housing and Community Development Department (HCDD) has made the following revisions to the Home Repair Program Disaster Recovery 2015 Guidelines to provide additional clarity, and to better align it with the Home Repair Program.

The summary of the revisions is below:

- Defined or revised applicant prioritization criteria
- Removed restrictions for applicants who previously received assistance from HCDD
- Defined relocation assistance
- Inserted language regarding triggers for default during the affordability period, including removal of HRP-DR15's policy regarding property being vacated for 60-days leading to default
- Redefined "Not suitable for repair" (50% structural value) and updated affordability periods to align with HCDD-wide approach
- Defined, aligned, or revised eligibility criteria including, but not limited to: Bankruptcy/foreclosure, deferred taxes, reverse mortgages, etc.
- Incorporated the updated complaints and appeals process

No fiscal note is required on grant items.

The Housing and Community Affairs Committee reviewed this item on June 18, 2019.

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Tom McCasland, Director

### **Contact Information:**

Roxanne Lawson  
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## CITY OF HOUSTON – CITY COUNCIL

Meeting Date:

All Districts

Item Creation Date: 5/31/2019

Housing Committee Date: 6/18/2019

Home Repair Program

Guidelines Revisions

Agenda Item: VII.b.

### **Background:**

The Housing and Community Development Department (HCDD) has made the following revisions to the Home Repair Program Guidelines to provide additional clarity, and to align with the Disaster Recovery 2015 HRP program.

The summary of the revisions is below:

- Defined or revised applicant prioritization criteria
- Removed restrictions for applicants who previously received assistance from HCDD
- Defined Duplication of Benefits methodology
- Defined relocation assistance
- Inserted language regarding triggers for default during the affordability period, including removal of HRP-DR15's policy regarding property being vacated for 60-days leading to default
- Redefined "Not suitable for repair" (50% structural value) and updated affordability periods to align with HCDD-wide approach
- Defined, aligned, or revised eligibility criteria including, but not limited to: Bankruptcy/foreclosure, deferred taxes, reverse mortgages, etc.
- Incorporated the updated complaints and appeals process

No fiscal note is required on grant items.

The Housing and Community Affairs Committee reviewed this item on June 18, 2019.

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Tom McCasland, Director

### **Contact Information:**

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## CITY OF HOUSTON – CITY COUNCIL

Meeting Date: 7/24/2019

All Districts

Item Creation Date: 5/14/2019

HCD19-53

Towne Park Development

Gap Funding

Agenda Item: VII.c.

### **Background:**

The Housing and Community Development Department (HCDD) recommends Council approval of an Ordinance authorizing (1) the form of a Contractor Agreement, which will govern the work executed between the City and Towne Park Development (Leland Woods); and (2) the appropriation of \$812,630.00 in Tax Increment Reinvestment Zone (TIRZ) funds for sewer line gap funding for the work to be performed under the Contractor Agreement.

As of April 23, 2019, Houston Public Works-Houston Permitting Center (HPW-HPC) has approved Towne Park Development's (Leland Woods) Developer Participation Contracts (DPC) of \$233,962.00 and the project is being permitted for construction. The project has an Infrastructure (Sanitary Sewer Line) gap funding estimated at \$1,046,592.00. HPW has approved a DPC contribution of \$233,962.00 towards the \$1,046,592.00 sewer line gap funding, this places the sewer line gap funding at \$812,630.00.

HCDD is requesting the approval of the Contractor Agreement and to provide the gap funding of \$812,630.00 to meet Towne Park Development's (Leland Woods) financial needs to develop the project in support of affordable housing.

No fiscal note is required on grant items.

The Housing and Community Affairs Committee reviewed this item on June 18, 2019.

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Tom McCasland, Director

### **Amount of Funding:**

\$812,630.00 – Tax Increment Reinvestment Zone (TIRZ)

### **Contact Information:**

Roxanne Lawson

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**CITY OF HOUSTON – CITY COUNCIL**

Meeting Date: 6/26/2019

All Districts

Item Creation Date: 5/31/2019

Housing Committee Date: 6/18/2019

HCD19-61

New Home Development Program

Master Contractor Agreement Additional Funding

Agenda Item: VII.d.

**Background:**

The Housing and Community Development Department (HCDD) requests Council approval of an Ordinance authorizing additional funds of \$6,500,000.00 in Tax Increment Reinvestment Zone (TIRZ) funding to the Master Contractor Agreements under the City of Houston New Home Development Program (NHDP) for new construction services. This additional funding will allow the NHDP to build new construction homes for sale to persons who qualify for participation in the NHDP. Program income is an estimated average of \$102,500.00 per unit once the home is sold.

On August 8, 2018, by Ordinance No. 2018-612, City Council approved the use of a Master Contractor Agreement for the City of Houston New Construction Program and authorized the Mayor to execute a Master Contractor Agreement with each of the following contractors: SLSCO, LTD.; PMG CONSTRUCTION, INC; THE BAPTISTE GROUP LLC; DSW HOMES, LLC; HOUSTON HABITAT FOR HUMANITY, INC; CROWN RIDGE BUILDERS, LLC; THOMPSON CONSTRUCTION GROUP, INC; BURGHLI INVESTMENTS INC dba BURGHLI HOMES; MAYBERRY HOMES, INC; REBUILDING TOGETHER - HOUSTON; JAMES W. TURNER CONSTRUCTION, LTD.; and BYRDSON SERVICES LLC dba EXCELLO HOMES.

Currently, funding for the City of Houston's HRP Master Contractor Agreements totals \$13,935,050.00 through the following Ordinances:

<b>Date</b>	<b>Ordinance No.</b>	<b>Funding Source</b>	<b>Amount</b>
November 28, 2018	2018-937	TIRZ	\$9,935,050.00
May 1, 2019	2019-328	TIRZ	\$4,000,000.00
		Totals	\$13,935,050.00

These funds will be funded under the Master Contractor Agreements through Tri-Party Agreements between the City, contractor, and Houston Land Bank (HLB) for each new construction project.

No fiscal note is required on grant items. The Housing and Community Affairs Committee reviewed this item on June 18, 2019.

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Tom McCasland, Director

**Amount of Funding:**

\$6,500,000.00 - Tax Increment Reinvestment Zone (TIRZ)

**Prior Council Action:**

10/4/2017 (O) 2017-759; 11/1/2017 (O) 2017-860; 8/8/2018 (O) 2018-612; 11/27/2018 (O) 2018-937

**Contact Information:**

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## CITY OF HOUSTON – CITY COUNCIL

Meeting Date:

All Districts

Item Creation Date: 5/16/2019

HCD19-57

Harvey Homebuyer Assistance

Program Guidelines

Agenda Item: VII.e.

### **Background:**

The Housing and Community Development Department (HCDD) has made the following revisions to the Harvey Homebuyer Assistance Program Guidelines to provide additional clarity to the disaster recovery requirements.

The summary of the revisions is below:

- Replacement of 1040 income with Part 5 income determination calculation for household eligibility
- Update of the child support status requirement
- Inclusion of regular program requirements, as carried over from the regular entitlement program
- Other items as noted in the version history log

No fiscal note is required on grant items.

The Housing and Community Affairs Committee reviewed this item on June 18, 2019.

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Tom McCasland, Director

### **Amount of Funding:**

\$23,688,328.00 - Community Development Block Grant Disaster Recovery - Fund 5000

### **Contact Information:**

Roxanne Lawson

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## CITY OF HOUSTON – CITY COUNCIL

Meeting Date: 7/24/2019

District B

Item Creation Date: 5/31/2019

Housing Committee Date: 6/18/2019

HCD19-69

CHDO Single-Family HOME Development Program

Houston Area Community Development Corporation (HAUCDC)

Agenda Item#: VII.f.1

### **Background:**

The Housing and Community Development Department (HCDD) recommends Council approval of an Ordinance authorizing a performance-based Second Lien Construction Financing Loan Agreement for up to \$1,301,000.00 funding between Houston Area Community Development Corporation (HAUCDC) and Allegiance Bank, using Federal HOME Investment Partnerships Program (HOME) funding to assist in the development of six (6) affordable single-family developments with options for one (1) accessory housing in the context of an Elder Cottage Housing Opportunity (ECHO) unit in the Acres Home Super Neighborhood. Construction period financing for each unit will be structured as a zero percent interest loan with a twelve (12) month term.

HCDD conducted a Request for Proposals (RFP), Community Housing Development Organization (CHDO) Single Family Home Development (Solicitation T28889) for CHDO Developers. HAUCDC was one of four CHDO Developers selected; a 501(c)3 corporation certified as a CHDO by the City of Houston. Since 2013, HAUCDC has revitalized neighborhoods and communities by acquiring over 75 abandoned, damaged or neglected homes in the Greater Houston Area and then selling to a veteran or low-income family. HAUCDC has constructed and sold new homes as well.

The City of Houston, HCDD is promoting the CHDO Single-Family HOME Development Program with CHDOs that will develop, and market affordable sustainable resilient ENERGY STAR certified single-family homes. The designs of each home will encompass: (1) elevated foundations; (2) Energy STAR certification; (3) FORTIFIED HOME Hurricane Standards [systems and components]; and (4) embrace sustainable landscape design principles. Each new home construction will receive at least \$15,000.00 of added-value resiliency enhancements.

Eligible homebuyers will have a household income below 80% of the Area Medium Income and this purchase will serve as their primary residence. To ensure affordability, the City will impose recapture provisions established under HOME regulations at CFR §92.54(a)(5)(ii). The Houston Land Bank has set-aside a total of twenty (20) lots that will be sold to three CHDO Developers for \$1.00 based on the program requirements. All CHDO net proceeds are returned to the City, provided that, at the City's specific instruction, all or a portion of the CHDO proceeds may be applied, at closing, to fund direct homebuyer assistance in the form of a pass-through. The Developer's fee is set at 15% of the total development cost. Prior to the start of construction of each home, a household commitment contract must be executed with a mortgage-qualified homebuyer.

This Ordinance is one of three covering the development of a total of 20 single family affordable homes. The Cost Projections and Funding Sources & Uses for the entire Program are the following:

### **Cost Projections**

Quantity	Description	Cost Per Unit	Cost Allocation
Design A 12 Units	1300 – 1400 Sq. Ft, 3 Bedrooms, 2 Baths & Attached Garage	\$160,000.00	\$1,860,000.00
Design B 8 Units	1500 – 1600 Sq. Ft, 4 Bedrooms 2½ Baths & Attached Garage	\$185,000.00	\$1,480,000.00
ECHO Option 3 Units	750 – 800 Sq. Ft., 1 Bedroom and 1 Bathroom	\$78,000.00	\$234,000.00

## Funding: Sources & Uses

Sources of Funds		Uses of Funds	
HOME Program	\$4,515,000.00	12 Design A: Hard & Soft Cost	\$1,860,000.00
Wells Fargo Priority Market	200,000.00	8 Design B: Hard & Soft Cost	1,480,000.00
Complete Communities Improvement Fund	100,000.00	3 ECHO Options	234,000.00
		Resiliency Added-Value Features	288,250.00
		CHDO Developer's Fees (15%)	581,100.00
		Real Estate Sales Commissions (5%)	193,700.00
		Houston Redevelopment Authority*	11,750.00
		Reserves	166,200.00
	<b>\$4,815,000</b>		<b>\$4,815,000.00</b>

\***NOTE:** The Houston Redevelopment Authority (HRA) serves as the fiscal sponsorship for the grants provided by Wells Fargo Bank for the CHDO Single Family Development Program; namely, the Wells Fargo Priority Market and Complete Communities Improvement Fund. HRA will charge \$11,750.00 for administration and audit fees.

The Director has the authority to reassign property development among CHDO participants based on performance.

No fiscal Note is required on grant Items. The Housing and Community Affairs Committee reviewed this item on June 18, 2019.

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Tom McCasland, Director

### **Amount of Funding:**

\$4,515,000.00 HOME Investment Partnerships Program (Federal)

\$200,000.00 Wells Fargo Priority Market (Grant)

\$100,000.00 Complete Communities Improvement Fund (Grant)

### **Contact Information:**

Roxanne Lawson

(832) 394-6307





## CITY OF HOUSTON – CITY COUNCIL

Meeting Date: 7/24/2019

District B

Item Creation Date: 5/31/2019

Housing Committee Date: 6/18/2019

HCD19-67

CHDO Single-Family HOME Development Program  
Change Happens Community Development Corporation  
Agenda Item: VII.f.2

### **Background:**

The Housing and Community Development Department (HCDD) recommends Council approval of an Ordinance authorizing a performance-based Second Lien Construction Financing Loan Agreement up to \$1,523,000.00 funding between Change Happens Community Development Corporation and Frost Bank, using Federal HOME Investment Partnerships Program (HOME) funding to assist in the development of at least seven (7) affordable single-family developments with options for one (1) accessory housing in the context of an Elder Cottage Housing Opportunity (ECHO) unit in the Settegast Super Neighborhood. Construction period financing for each unit will be structured as a zero percent interest loan with a twelve (12) month term.

HCDD conducted a Request for Proposals (RFP), Community Housing Development Organization (CHDO) Single Family Home Development (Solicitation T28889) for CHDO Developers. Change Happens CDC was one of four CHDO Developers selected; a 501(c)3 corporation certified as a CHDO by the City of Houston that has partnered with Victory Custom Homes to provide consultation for the construction of the new homes to be developed. Since 2003, Change Happens CDC has been renovating and leasing affordable single-family homes in the Third Ward. In addition, the Headquarters for Change Happens CDC provides a venue for numerous valuable community services.

The City of Houston, HCDD is promoting the CHDO Single-Family HOME Development Program with CHDOs that will develop, and market affordable sustainable resilient ENERGY STAR certified single-family homes. The designs of each home will encompass: (1) elevated foundations; (2) Energy STAR certification; (3) FORTIFIED HOME Hurricane Standards [systems and components]; and (4) embrace sustainable landscape design principles. Each new home construction will receive at least \$14,400.00 of added-value resiliency enhancements.

Eligible homebuyers will have a household income below 80% of the Area Medium Income and this purchase will serve as their primary residence. To ensure affordability, the City will impose recapture provisions established under HOME regulations at CFR §92.54(a)(5)(ii). The Houston Land Bank has set-aside a total of twenty (20) lots that will be sold to three CHDO Developers for \$1.00 based on the program requirements. All CHDO net proceeds are returned to the City, provided that, at the City's specific instruction, all or a portion of the CHDO proceeds may be applied, at closing, to fund direct homebuyer assistance in the form of a *pass-through*. The Developer's fee is set at 15% of the total development cost. Prior to the start of construction of each home, a household commitment contract must be executed with a mortgage-qualified homebuyer.

This Ordinance is one of three covering the development of a total of 20 single family affordable homes. The Cost Projections and Funding Sources & Uses for the entire Program are the following:

### **Cost Projections**

Quantity	Description	Cost Per Unit	Cost Allocation
Design A 12 Units	1300 – 1400 Sq. Ft, 3 Bedrooms, 2 Baths & Attached Garage	\$160,000.00	\$1,860,000.00
Design B 8 Units	1500 – 1600 Sq. Ft, 4 Bedrooms 2½ Baths & Attached Garage	\$185,000.00	\$1,480,000.00
ECHO Option 3 Units	750 – 800 Sq. Ft., 1 Bedroom and 1 Bathroom	\$78,000.00	\$234,000.00

## Funding: Sources & Uses

Sources of Funds		Uses of Funds	
HOME Program	\$4,515,000.00	12 Design A: Hard & Soft Cost	\$1,860,000.00
Wells Fargo Priority Market	200,000.00	8 Design B: Hard & Soft Cost	1,480,000.00
Complete Communities Improvement Fund	100,000.00	3 ECHO Options	234,000.00
		Resiliency Added-Value Features	288,250.00
		CHDO Developer's Fees (15%)	581,100.00
		Real Estate Sales Commissions (5%)	193,700.00
		Houston Redevelopment Authority*	11,750.00
		Reserves	166,200.00
	<b>\$4,815,000.00</b>		<b>\$4,815,000.00</b>

\***NOTE:** The Houston Redevelopment Authority (HRA) serves as the fiscal sponsorship for the grants provided by Wells Fargo Bank for the CHDO Single Family Development Program; namely, the Wells Fargo Priority Market and Complete Communities Improvement Fund. HRA will charge \$11,750.00 for administration and audit fees.

The Director has the authority to reassign property development among CHDO participants based on performance.

No fiscal Note is required on grant Items. The Housing and Community Affairs Committee reviewed this item on June 18, 2019.

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Tom McCasland, Director

### **Amount of Funding:**

\$4,515,000.00 HOME Investment Partnerships Program (Federal)

\$200,000.00 Wells Fargo Priority Market (Grant)

\$100,000.00 Complete Communities Improvement Fund (Grant)

### **Contact Information:**

Roxanne Lawson

(832) 394-6307



**CITY OF HOUSTON – CITY COUNCIL**

Meeting Date: 7/24/2019

District B

Item Creation Date: 5/31/2019

Housing Committee Date: 6/18/2019

HCD19-66

CHDO Single-Family HOME Development Program

A Caring Safe Place, Inc. (ACSP)

Agenda Item: VII.f.3

**Background:**

The Housing and Community Development Department (HCDD) recommends Council approval of an Ordinance authorizing a performance-based Second Lien Construction Financing Loan Agreement for up to \$1,523,000.00 funding between A Caring Safe Place, Inc. (ACSP) and Houston Local Initiatives Support Corporation and Capital Plus Financial, using Federal HOME Investment Partnerships Program (HOME) funding to assist in the development of seven (7) affordable single-family developments with options for accessory housing in the context of an Elder Cottage Housing Opportunity (ECHO) unit in the Settegast Super Neighborhood. Construction period financing for each unit will be structured as a zero percent interest loan with a twelve (12) month term.

HCDD conducted a Request for Proposals (RFP), Community Housing Development Organization (CHDO) Single Family Home Development (Solicitation T28889) for CHDO Developers. ACSP was one of four CHDO Developers selected. ACSP is a 501(c)3 corporation certified as a CHDO by the City of Houston that has partnered with Houston Habitat for Humanity for the design and construction of their affordable single-family homes. ACSP was founded in 1997, has developed a multi-family development and provides community supportive residence for a specialized population that benefits from ACSP's 20 years of high performance.

The City of Houston, HCDD is promoting the CHDO Single-Family HOME Development Program with CHDOs that will develop, and market affordable sustainable resilient ENERGY STAR certified single-family homes. The designs of each home will encompass: (1) elevated foundations; (2) Energy STAR certification; (3) FORTIFIED HOME Hurricane Standards [systems and components]; and (4) embrace sustainable landscape design principles. Each new home construction will receive at least \$15,000.00 of added-value resiliency enhancements.

Eligible homebuyers will have a household income below 80% of the Area Medium Income and this purchase will serve as their primary residence. To ensure affordability, the City will impose recapture provisions established under HOME regulations at CFR §92.54(a)(5)(ii). The Houston Land Bank has set-aside a total of twenty (20) lots that will be sold to three CHDO Developers for \$1.00 based on the program requirements. All CHDO net proceeds are returned to the City, provided that, at the City's specific instruction, all or a portion of the CHDO proceeds may be applied, at closing, to fund direct homebuyer assistance in the form of a pass-through. The Developer's fee is set at 15% of the total development cost. Prior to the start of construction of each home, a household commitment contract must be executed with a mortgage-qualified homebuyer.

This Ordinance is one of three covering the development of a total of 20 single family affordable homes. The Cost Projections and Funding Sources & Uses for the entire Program are the following:

**Cost Projections**

Quantity	Description	Cost Per Unit	Cost Allocation
Design A 12 Units	1300 – 1400 Sq. Ft, 3 Bedrooms, 2 Baths & Attached Garage	\$160,000.00	\$1,860,000.00
Design B 8 Units	1500 – 1600 Sq. Ft, 4 Bedrooms 2½ Baths & Attached Garage	\$185,000.00	\$1,480,000.00
ECHO Option 3 Units	750 – 800 Sq. Ft., 1 Bedroom and 1 Bathroom	\$78,000.00	\$234,000.00

## Funding: Sources & Uses

Sources of Funds		Uses of Funds	
HOME Program	\$4,515,000.00	12 Design A: Hard & Soft Cost	\$1,860,000.00
Wells Fargo Priority Market*	200,000.00	8 Design B: Hard & Soft Cost	1,480,000.00
Complete Communities Improvement Fund	100,000.00	3 ECHO Options	234,000.00
		Resiliency Added-Value Features	288,250.00
		CHDO Developer's Fees (15%)	581,100.00
		Real Estate Sales Commissions (5%)	193,700.00
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