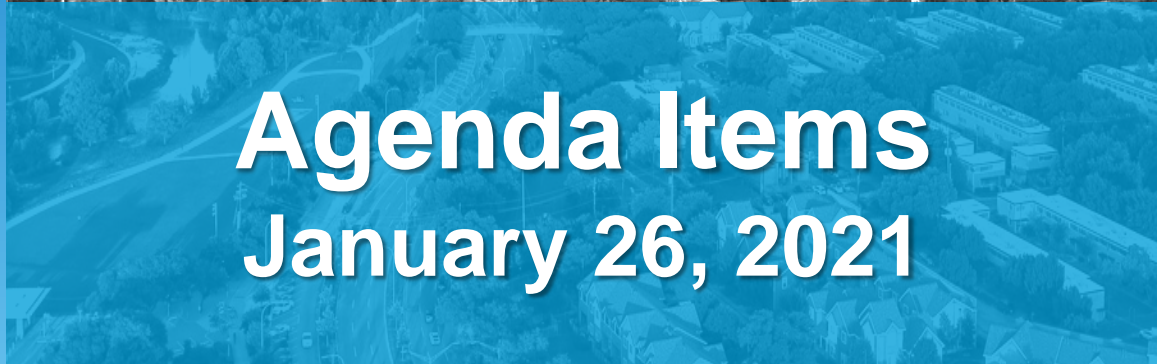


Housing & Community Affairs Committee



Agenda Items January 26, 2021



@HoustonHCDD

HCDD Agenda

- I. Welcome/Call to Order
- II. BakerRipley - CARES Act Round II Report
- III. Economic Development
- IV. Single Family
- V. Homeowner Assistance Program (HoAP)
- VI. Public Services
- VII. Planning & Grants Management
- VIII. Director's Comments
- IX. Public Comments



II. BakerRipley

Report on Round II of Cares Act

This item has been pulled from today's agenda.



III. Economic Development

Harvey Economic Development Program (All Districts)

The Housing and Community Development Department (HCDD) recommends City Council approval of an Ordinance authorizing the selection of a Community Development Financial Institution (CDFI), as a Grantee to administer the Community Development Block Grant – Disaster Recovery 2017 (CDBG-DR17) Harvey Economic Development Program (HEDP), a \$4,250,000.00 revolving loan program for small construction-sector businesses.

The primary purpose of this program is to facilitate economic development by providing access to capital for eligible Houston small construction contractors. An additional benefit of the HEDP is to support the creation of jobs for Houston area residents.



III. Economic Development

Harvey Economic Development Program (All Districts)

By creating access to capital for small contractors, HCDD aims to:

- 1.) Support Houston's construction-industry small businesses, which were disproportionately impacted by Hurricane Harvey,
- 2.) Address disparities in access to capital and,
- 3.) Support small business development

The Grantee will receive a \$4,250,000.00 in CDBG-DR funds to administer the Dream Fund Program. Of this total grant, \$3,000,000.00 is allocated for the revolving loan fund, with the remainder to be utilized for an interest buy-down of the fund, programmatic support, and administration.



III. Economic Development

Harvey Economic Development Program (All Districts)

The Grantee will administer the Dream Fund in partnership with the City of Houston, (City) including but not limited to: outreach, application review, determination of applicant eligibility in relation to program guidelines and prevailing regulations, technical assistance to program applicants, the facilitation of an interest buy-down, and reporting. The CDFI partner will also undertake objective underwriting using applicants' financial reports including cash flow, profit and loss statements, balance sheets, and debt-to-equity ratio reports.

The fund's credit structure shall incorporate the use of two credit facilities extended to qualified contractors: a Line of Credit of \$150,000.00 maximum to support cash flow needs, and a Term Loan of \$50,000.00 maximum for working capital needed for hiring, equipment and other resources necessary for supporting incremental



III. Economic Development

Harvey Economic Development Program (All Districts)

The fund's credit structure shall incorporate the use of two credit facilities extended to qualified contractors: a Line of Credit of \$150,000.00 maximum to support cash flow needs, and a Term Loan of \$50,000.00 maximum for working capital needed for hiring, equipment and other resources necessary for supporting incremental work.

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), HUD's direct recipient of Hurricane Harvey CDBG-DR17 funds. The HEDP Dream Fund Program is projected to launch in the first quarter of 2021.



IV. Single Family Houston Land Bank (All Districts)

HCDD recommends Council approval of an Ordinance authorizing the appropriation of \$1,400,000.00 in Tax Increment Reinvestment Zone (TIRZ) funds, for the Houston Land Bank (HLB) to acquire land that will be available to develop affordable housing via HCDD's New Home Development Program.

The funds will be used to further support the Mayor's priorities of increased single-family home development and Complete Communities.

The HLB has expanded its scope beyond the acquisition of single tax-delinquent properties to include strategic acquisitions, and larger parcels that can accommodate a larger number of homes.



IV. Single Family

Houston Land Bank (All Districts)

On October 4, 2017, by Ordinance No. 2017-759, Council approved an appropriation of \$10,000,00.00 in TIRZ Affordable Housing funding for land acquisition.

On August 29, 2018, by Ordinance No. 2018-692, Council approved the allocation of \$5,000,000.00 of the \$10,000,000.00 to the HLB.

On September 4, 2019, by Ordinance No. 2019-674, Council approved the First Amendment to the Land Assembly and Development Grant and First Amendment to the Acquisition and Development Agreement to allocate an additional \$5,000,000.00 from the TIRZ Affordable Housing Fund for acquisition and development of affordable housing.



IV. Single Family Houston Land Bank (All Districts)

On April 1, 2020, by Ordinance No. 2020-279 Council approved an Amended Acquisition and Development Agreement.

On April 22, 2020, by Ordinance No. 2020-330 Council approved a Second Amendment to the Land Assembly and Development Grant Agreement.

The HLB has closed on nine properties totaling 5.8 acres and has three other properties under contract.

HCDD is now requesting this additional appropriation to further support acquisition of land via the Houston Land Bank to support affordable housing.



V. Homeowner Assistance Program

TIRZ Appropriation (All Districts)

HCDD recommends Council approval of an Ordinance authorizing an Interlocal Agreement between the City of Houston (City) and the Texas General Land Office (GLO), appropriating a total of \$1,026,000.00 of TIRZ Affordable Housing Funds to the GLO to assist 54 Houston homeowners.

These funds will pay for a third additional bedroom for the 54 homeowners (who had at least a three-bedroom home prior to Hurricane Harvey), ensuring they fully recover.



V. Homeowner Assistance Program

TIRZ Appropriation (All Districts)

On September 29, 2020, Council approved Ordinance No. 2020-826, which adopted \$3,000,000.00 of TIRZ Affordable Housing Funds for Hurricane Harvey single-family Disaster Recovery activities including, but not limited to family gap funding for participants whose pre-Harvey home had three bedrooms but have been limited by the GLO's guidelines to two bedrooms; rehabilitation; reconstruction; reimbursement; and temporary relocation assistance.

The \$1,026,000.00 will be appropriated from this previously allocated \$3,000,000.00 TIRZ Affordable Housing Funds.

Funding for this item is included in the FY2021 Adopted Budget.



VI.a. Public Services

SEARCH (All Districts)

HCDD recommends Council approval of an Ordinance authorizing a Second Amendment to a Contract between the City of Houston (City) and SEARCH Homeless Services, Inc. (SEARCH) to continue providing Mobile Outreach/Welcome Center and Housing Case Management services for up to 800 homeless individuals and families living in Houston.

This Second Amendment provides up to \$750,000.00 consisting of \$400,000.00 in Texas Homeless Housing Services Program (HHSP) and \$350,000.00 in TIRZ Affordable Housing funds.



VI.a. Public Services

SEARCH (All Districts)

SEARCH's **Mobile Outreach** team travels throughout Houston providing interventions, assessments and referrals to services for homeless persons living on the streets, and other places not meant for human habitation.

Located at 2015 Congress Avenue in Houston, **The Welcome Center** is a day shelter that engages clients and serves as a point of entry for a continuum of services that facilitate movement toward stabilized employment, housing, and self-sufficiency.

The **Housing Case Management** program is designed to provide housing and supportive services on a long-term basis to formerly homeless individuals and families to assist them in achieving housing stability.



VI.a. Public Services

SEARCH (All Districts)

Services include on-the-spot housing assessments, and referrals to medical and mental healthcare, and substance abuse services. Clients have access to mainstream services like Harris Health's Gold Card and SNAP food stamps programs.

HCDD conducted a Request for Proposals (RFP) for Public Services contracts for fiscal year 2019 with a one-year renewal option for fiscal year 2020. SEARCH was one of the agencies selected.

The initial Contract was effective November 1, 2018 through October 31, 2019 and the First Amendment provided funding through October 31, 2020. The contract was administratively extended through February 28, 2021. This Second Amendment provides funding through February 28, 2022.



VI.a. Public Services

SEARCH (All Districts)

As of December 2020, SEARCH has served 1,079 clients, utilizing approximately 79% of funding. There were no findings on the annual compliance monitoring.

Category	Total Contract Services	Percent
Administrative	\$28,734.19	3.83%
Program Services	\$721,265.81	96.17%
Total	\$750,000.00	100%



VI.b. Public Services

Houston HELP (All Districts)

HCDD recommends Council approval of an Ordinance authorizing a Second Amendment to the Contract between the City of Houston and Houston Help, Inc., providing \$368,551.00 of federal Housing Opportunities for Persons with AIDS (HOPWA) funds to finance the operation of a 50-unit HOPWA community residence with supportive services to very low income households affected by HIV/AIDS.

Supportive services include comprehensive case management, child care and life skills training. Operating costs include, but are not limited to property management, utilities, and property insurance. HOPWA funds are providing approximately 39% of the cost of this project.



VI.b. Public Services

Houston HELP (All Districts)

HCDD conducted a Request for Proposals (RFP) for HOPWA services in FY2019 with the option to renew in one-year increments. Houston Help, Inc. was one of the providers selected.

The initial contract period was March 1, 2019 – February 29, 2020, with a one-month administrative extension through March 31, 2020. The First Amendment period was April 1, 2020 – February 28, 2021.

This Second Amendment provides funding from March 1, 2021 – February 28, 2022.



VI.b. Public Services

Houston HELP (All Districts)

As of December 2020, Houston Help, Inc. has served 155 clients, utilizing approximately 88% of funding. There were no findings on the annual compliance monitoring. Houston Help, Inc. began receiving HOPWA funds through the City in 1998.

Category	Total Contract Amount	Percent
Administrative	\$4,733.00	1%
Supportive Services	\$73,669.00	20%
Operating Costs	\$290,149.00	79%
Total	\$368,551.00	100%

VI.c. Public Services

Volunteers of America Texas, Inc. (All Districts)

HCDD recommends Council approval of an Ordinance authorizing a partial release of lien and amendments to the Deed of Trust, Security Agreement and Financing Statement, First Amendment to Agreement and Land Use Restriction, and First Amendment to Memorandum of Agreement and Land Use Restriction (collectively “Partial Release and Amendment”) between the City of Houston (City) and Volunteers of America Texas, Inc. (VOATX), to:

- (1) Partially release 0.7789 acres, being a portion of the Property (as defined and described in the Deed of Trust and the Restrictive Covenants), which were erroneously encumbered by said instruments; and
- (2) Correct a typographical error as to VOATX’s corporate legal name.

VI.c. Public Services

Volunteers of America Texas, Inc. (All Districts)

1. The City releases the Property described in (a) EXHIBIT “A” of the Deed of Trust (defined below) from the lien created and (b) Exhibit “A” of the Restrictive Covenants (defined below) Memorandum from the encumbrance created, as well as the corresponding land described in or attached to the Restrictive Covenants Agreement from the terms, provisions, and conditions contained in said agreement, in each case insofar and only insofar as to the following described property:



VI.c. Public Services

Volunteers of America Texas, Inc. (All Districts)

0.7789 acres of land of land located in the H.&T.C. Railroad Company Survey, Abstract No. 1104, being out of and a part of Lots 30 and 31 of Garden Acres, a Subdivision according to the map or plat thereof recorded in Volume 9, Page 38 of the Harris County Map Records, also being a portion of that certain tract of land conveyed to Volunteers of America Texas, Inc. by Warranty Deed in Harris County Clerk's File No. T221184, as more particularly described in EXHIBIT "1" and depicted in EXHIBIT "2" hereto.

2.The parties correct a typographical error in the Deed of Trust (and other loan documents) and the Restrictive Covenants: all references to "VOLUNTEERS OF AMERICA, TEXAS, INC." in the Deed of Trust (and other loan documents) and the Restrictive Covenants shall be replaced by "VOLUNTEERS OF AMERICA TEXAS, INC."



VII. Planning & Grants Management

Code of Ordinances Amendment (All Districts)

HCDD recommends Council approval of an Ordinance amending the Code of Ordinances Chapter 15, Article 1, Section 15-1 to create an exception to allow City of Houston (City) employees to participate in certain City assistance programs available to the general public, such as homeowner assistance programs HCDD manages, when the employee otherwise meets the program's eligibility requirements.

Many of the City's assistance programs require the program participants to enter into an Agreement, such as a grant agreement or a forgivable loan with the City.



VII. Planning & Grants Management

Code of Ordinances Amendment (All Districts)

Section 15-1(a), Code of Ordinances states: "It shall be against the public policy of the city as expressed by the city council for any employee of the city to bid on or to be awarded any contract being let by the city or to be pecuniarily interested, directly or indirectly, in any contract let by the city, or in any work done by the city, or in any matter wherein the rights or liabilities of the city are or may be involved."

Although it was not the City's intent to exclude these employees from assistance for which they are eligible, this language could be construed to prohibit City employees who participate in City assistance programs from entering into an agreement with the City to accept the assistance, as does any member of the general public.



VII. Planning & Grants Management

Code of Ordinances Amendment (All Districts)

To remedy this matter, HCDD recommends a Code Amendment excepting these employees from the prohibition on entering into or having an interest in a City Contract through which participants receive City assistance.

HCDD further recommends amending the Code of Ordinances, Chapter 15, Article 1, Section 15-1 to eliminate the argument that a City employee's execution of or interest in a Contract with the City under an assistance program violates City policy.

This Amendment will additionally place the City in a better position to seek waivers from the United States Department of Housing and Urban Development (HUD).



VII. Planning & Grants Management

Code of Ordinances Amendment (All Districts)

For many HUD- sponsored programs, the federal regulations indicate that a conflict of interest exists for any person who is an employee, agent or consultant of any designated public agencies, or of subrecipients that are receiving federal funds to receive assistance from said funds or participate in programs funded by federal dollars.

However, the regulations also allow the City to seek a waiver of conflicts of interest from HUD, after there is a public disclosure of the conflict and an opinion of the recipient's attorney, that the interest for which the exception is sought would not violate State or local law.



VII. Planning & Grants Management

Code of Ordinances Amendment (All Districts)

HCDD will implement safeguards for employee participation in assistance programs for which they, like the general public, are eligible to participate.

Safeguards will include restricting the employee from determining the program eligibility for the employee or certain family members, as stated in the Amendment, and allowing eligible employees to participate only after public disclosure of the potential conflict of interest, where required by law, and with written approval from the City's Legal Department.

DIRECTOR'S COMMENTS

Consolidated Appropriations Act

Emergency Rental Assistance (All Districts)

HCDD recommends Council approval of an Ordinance authorizing the creation of the Consolidated Appropriations Act 2021 (CAA 2021) fund account for HCDD. On December 27, 2020, the Consolidated Appropriations Act (CAA) 2021 was signed into U.S. law to provide economic relief pertaining to the COVID-19 pandemic.

Pursuant to CAA 2021, the U.S. Department of Treasury has disbursed funding to the City of Houston to provide an Emergency Rental Assistance program for Houstonians affected by COVID-19.

HCDD will use the CAA 2021 funds to administer the fiscal matters related to the Emergency Rental Assistance program, and to establish the sources and uses of the funds therein. Further, a separate interest-bearing account will be required for the tracking of awards received by the City of Houston.



New GLO Subrecipient Agreement (All Districts)

HCDD recommends Council approval of an Ordinance authorizing a new Subrecipient Agreement between the City of Houston (City) and the Texas General Land Office (GLO) allocating a total of \$835,087,843.00 in Hurricane Harvey Community Development Block Grant- Disaster Recovery (CDBG-DR17) funds to the City.

These funds will be used for Hurricane Harvey recovery efforts primarily related to housing.



New GLO Subrecipient Agreement (All Districts)

This new Subrecipient Agreement is contingent upon the United States Department of Housing and Urban Development's (HUD) approval of the State of Texas Plan for Disaster Recovery: Hurricane Harvey-Round 1 - Amendment 8 (APA 8).

On the date HUD approves APA 8, this Subrecipient Agreement will become effective and the City's prior Subrecipient Agreement No. 19-147-001-B489 and related agreement with the GLO regarding the use of the City's portion of the CDBG-DR funds for Hurricane Harvey- Round 1 shall automatically expire.



New GLO Subrecipient Agreement (All Districts)

The budget reflected in Subrecipient Agreement No. 19-147-001-B489 will be reduced to a total of \$835,087,843.00 in the new Subrecipient Agreement.

The new Subrecipient Agreement will reflect this updated budget and will supersede Subrecipient Agreement No. 19-147-001-B489.



New GLO Subrecipient Agreement

(All Districts)

In APA 8, if approved by HUD, the City's estimated budget of \$835,087,843.00 of CDBG-DR17 funds will be distributed among the following activities:

Activities	Budget
Homeowner Assistance Program	\$ 82,184,209.00
Single Family Development Program	\$ 60,000,000.00
Multifamily Rental Program	\$ 450,050,472.00
Small Rental Program	\$ 25,000,000.00
Homebuyer Assistance	\$ 33,688,328.00
Buyout Program	\$ 55,800,000.00
Public Service	\$ 60,000,000.00
Economic Revitalization	\$ 30,264,834.00
Planning	\$ 23,100,000.00
Houston Administration	\$ 15,000,000.00
Total	\$ 835,087,843.00



Virtual Community Office Hours



Virtual COMMUNITY OFFICE HOURS

Every Wednesday

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

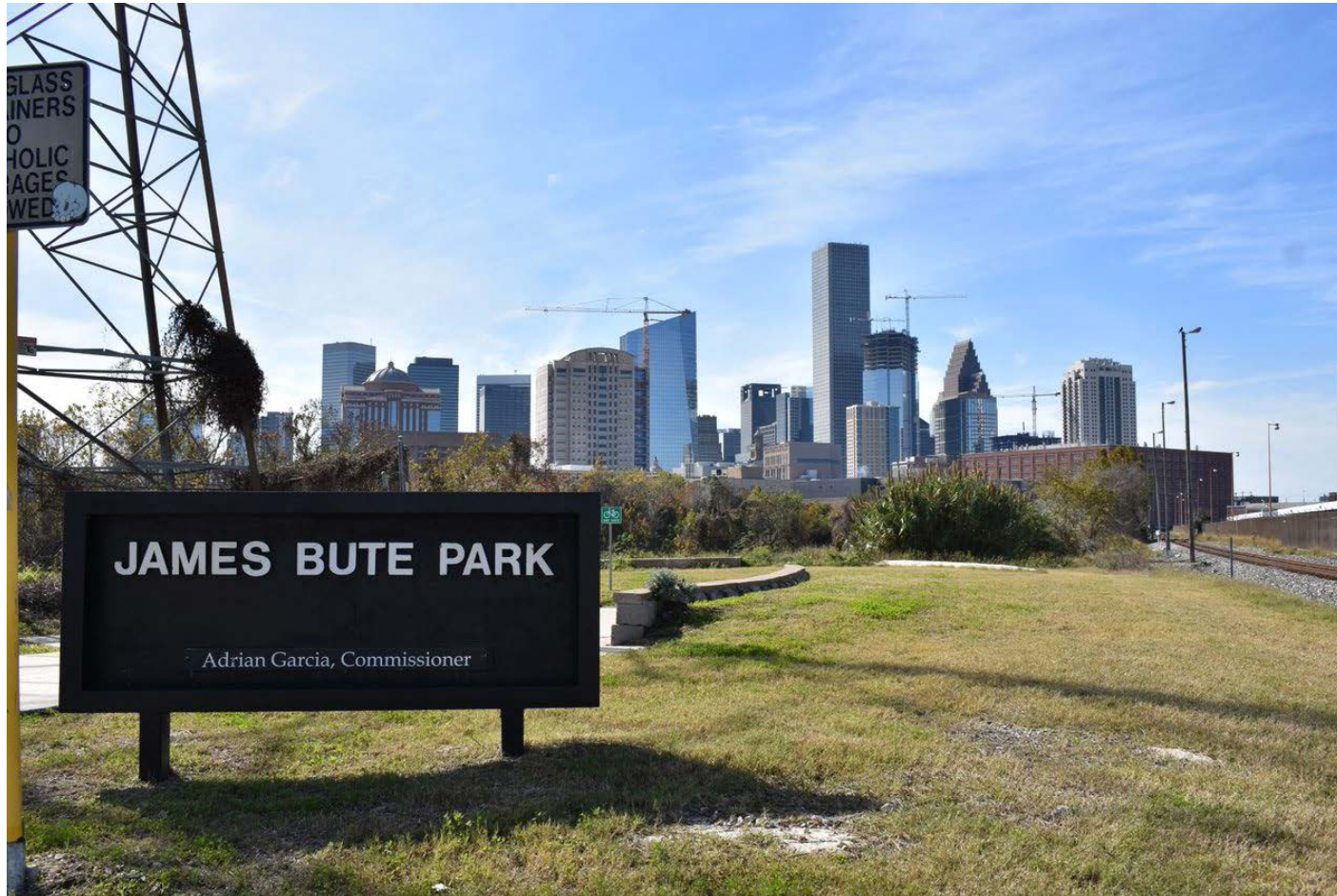
Representatives from each division will be readily available to assist with your call

Call in on the following numbers:

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



McKee City Living



McKee City Living Apartments is located on the eastern edge of Houston's Downtown Warehouse District at 650 McKee Street 77002.

McKee City Living



McKee City Living will feature a five-story building with four-stories of residential space including indoor parking & other special amenities.



McKee City Living



McKee City Living will feature 120-units of affordable-workforce housing (70 one-bedroom, 34 two-bedroom & 16 three bed-room).

McKee City Living



The property will provide residents with easy access to Buffalo Bayou.

Telomarket Grand Opening



Telomarket grocery & meat market is located at 5702 Lyons Avenue in Houston's historic 5th Ward community.

Telomarket Grand Opening



Telomarket Grand Opening Day:
January 9, 2021

Telomarket Grand Opening



Telomarket will create over 71 new jobs in the community.

Telomarket Grand Opening



The 15,000 square foot grocery store offers fresh food & produce, bakery, tortilla factory, meat department and a kitchen area for casual dining.

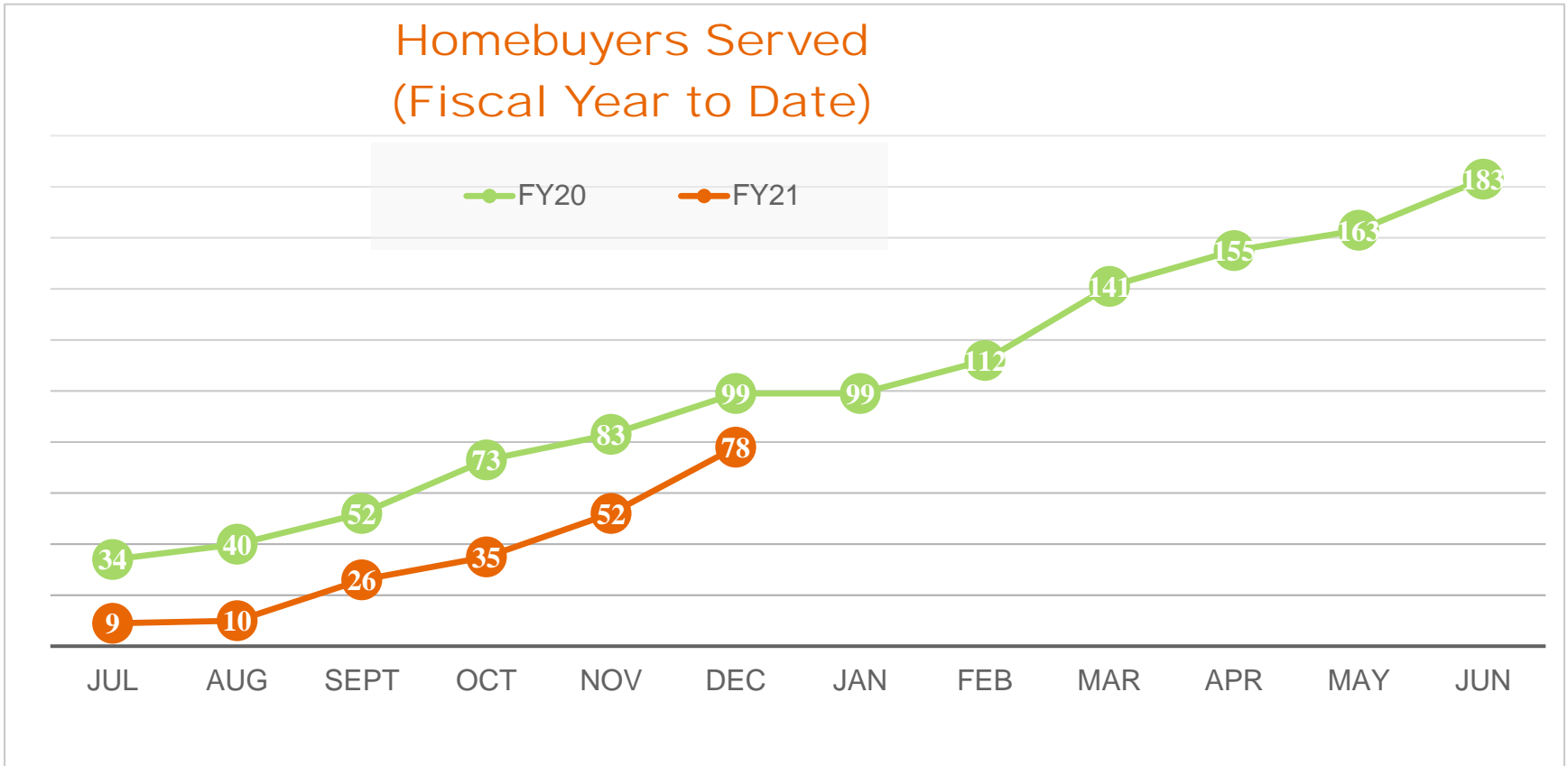
Telomarket Grand Opening



City of Houston Mayor Sylvester Turner with HCDD Public Facilities' Relationship Manager, Sheronda Ladell.

Homebuyer Assistance Program

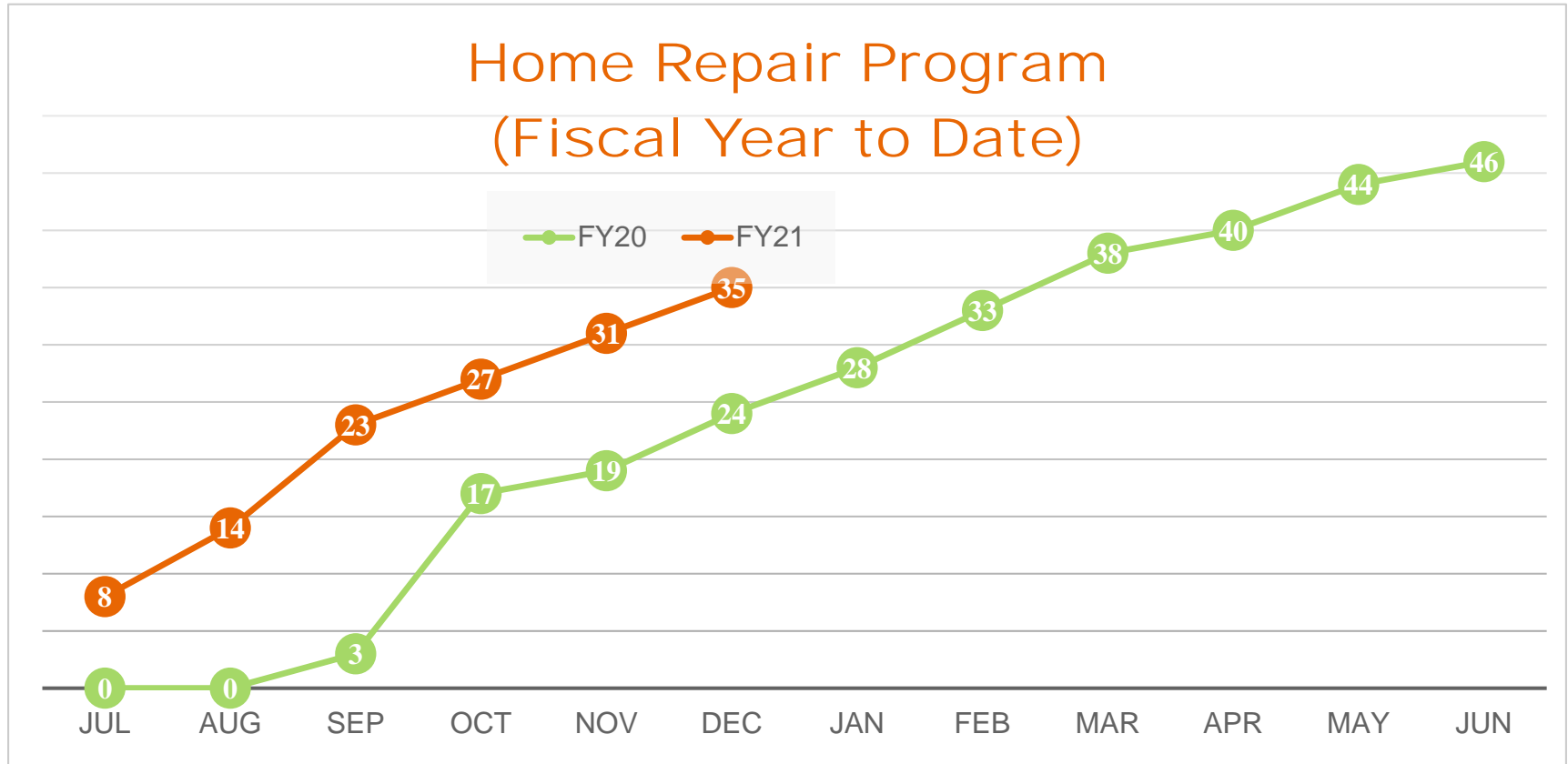
Homebuyers Served
(Fiscal Year to Date)



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



Single Family Home Repair Program

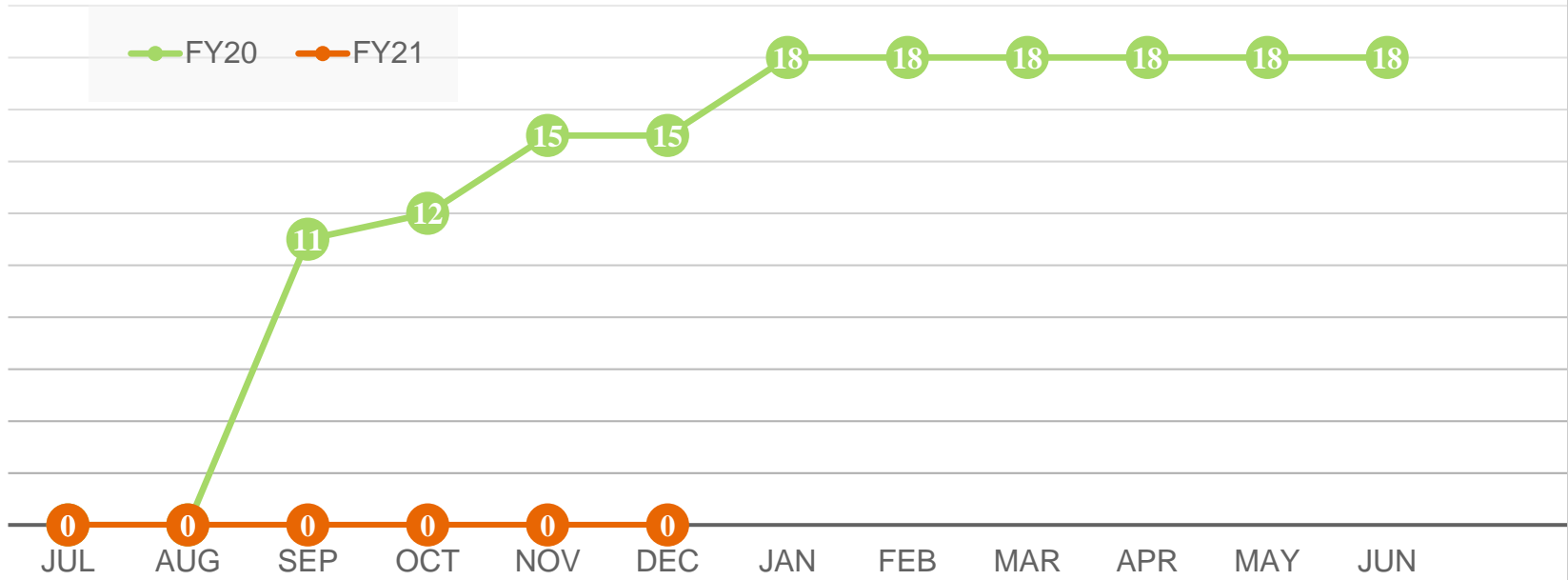


Repairs and reconstructs existing homes
for homeowners



New Home Development Program

New Home Development (Fiscal Year to Date)



NHDP builds new homes for sale at
affordable prices



Other Programs (Fiscal Year to Date)

17

Projects under construction
Multifamily (FY21)

1

Projects completed
Multifamily (FY21)

9

Projects under construction
Public Facilities (FY21)

2

Projects completed
Public Facilities (FY21)



Other Programs (Fiscal Year to Date)

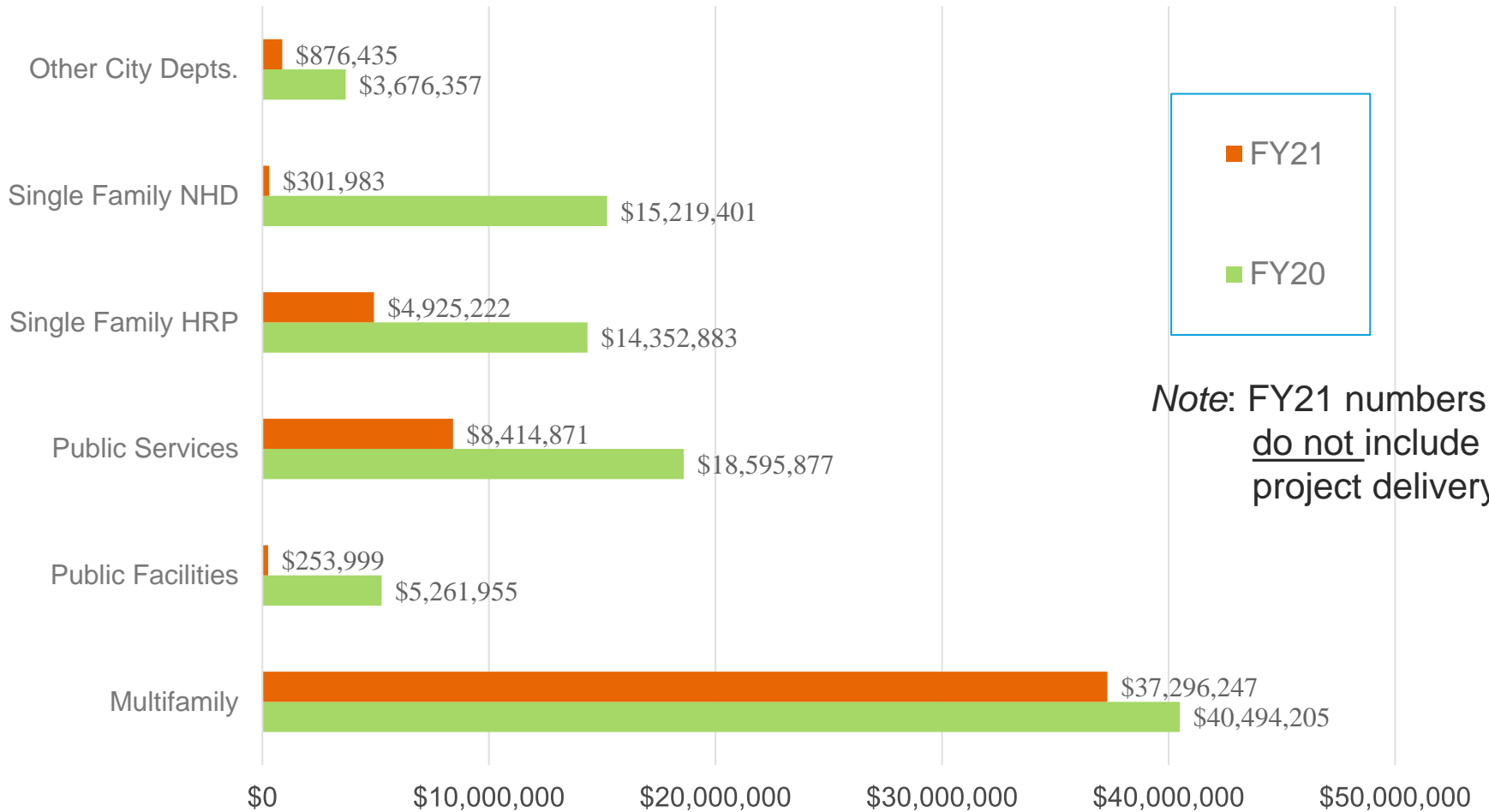
20,399

Persons Served
Public Services
(As of Nov '20)

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



Spending by Program Area FY21 (to date) vs. FY20



THANK YOU!