



Housing and Community Affairs Committee

Committee Members

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

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

AGENDA

Tuesday, June 14, 2016, 8:30 AM
City Hall Council Chambers

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

I. Director's Report

For review and possible authorization:

- a) HCDD Update

Presentation:

- Neal Rackleff, Director, Housing and Community Development Department

II. Public Services

For review and possible authorization:

- a) SEARCH Homeless Services - (All Districts) - An Ordinance authorizing a contract between the City of Houston and SEARCH Homeless Services providing \$133,883 in General Funds for the operation of a homeless services program

Presentation:

- Neal Rackleff, Director, Housing and Community Development Department
- Melody Barr, Deputy Assistant Director

III. Planning & Grants Management

For review and possible authorization:

- a) Affordable Housing and Investment Analysis - (All Districts) - An Ordinance authorizing a \$113,140 contract between the City of Houston and Reinvestment Fund for an Affordable Housing and Investment Analysis to facilitate identifying Complete Communities within the City and planning redevelopment projects to spark effective revitalization of those communities

Presentation:

- Neal Rackleff, Director, Housing and Community Development Department
- Brenda Scott, Deputy Director

IV. Multifamily

For review and possible authorization:

- a) Avenue Station - (District H) - An Ordinance authorizing an amendment to the original Loan Agreement between the City of Houston and Avenue Community Development Corporation (CDC) to increase the original commitment amount for construction of Avenue Station by \$481,135 in order to offset cost overruns due to project delays

Presentation:

- Neal Rackleff, Director, Housing and Community Development Department
- Joel North, Deputy Director

V. Finance

For review and possible authorization:

- a) TIRZ Appropriation - (All Districts) - An Ordinance appropriating and allocating \$3.9 million of Tax Increment Reinvestment Zone (TIRZ) Affordable Housing Funds to administer state and federal grants plus the \$178 million CDBG Disaster Recovery Round 2 grant

Presentation:

- Neal Rackleff, Director, Housing and Community Development Department
- Steven Rawlinson, Deputy Assistant Director

VI. Public Comments

Action may be taken on any or all of the above items.

Committee meetings are open to the public.

For information about this committee, contact Jonny Flores, 832.393.3015.

TO: Mayor via City Secretary

REQUEST FOR COUNCIL ACTION

16- SEARCH

SUBJECT: An Ordinance authorizing a contract between the City of Houston and SEARCH Homeless Services providing \$133,883 in General Funds for the operation of a homeless services program		Category #	Page 1 of 1	Agenda Item # <i>II.A.</i>												
FROM: Neal Rackleff, Director Housing and Community Development Department		Origination Date 6/6/16		Agenda Date												
DIRECTOR'S SIGNATURE:		Council Districts affected: All														
For additional information contact: Roxanne Lawson Phone: (832) 394-6282		Date and identification of prior authorizing Council action:														
RECOMMENDATION: Approval of an Ordinance authorizing a contract between the City of Houston and SEARCH Homeless Services providing \$133,883 in General Funds for the operation of a homeless services program																
Amount of Funding: \$133,883			Finance Budget:													
SOURCE OF FUNDING <input checked="" type="checkbox"/> General Fund <input type="checkbox"/> Grant Fund <input type="checkbox"/> Enterprise Fund																
SPECIFIC EXPLANATION:																
<p>The Housing and Community Development Department (HCDD) recommends approval of a contract between the City of Houston and SEARCH Homeless Services to fund the operational costs of SEARCH's Engagement Services Program, which provides emergency assistance to Houston's homeless population living on the streets.</p> <p>The City will grant SEARCH \$133,883 to provide services to approximately 400 individuals, including outreach and stabilization to 100 homeless individuals and essential services in its Resource Center to 300 homeless individuals. SEARCH's essential services include bus passes, lunches, clothing, blankets, job training and transportation to appointments. Other services provided by SEARCH include referring homeless individuals for substance abuse counseling, HIV education and testing, and medical and dental assistance. General Funds are used to leverage other grants and provide a comprehensive service package. Most of these activities are not eligible for federal dollars under US Department of Housing and Urban Development (HUD) program regulations.</p>																
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:30%;">Category</th> <th style="width:35%;">Total Contract Services</th> <th style="width:35%;">Percent</th> </tr> </thead> <tbody> <tr> <td>Administrative</td> <td style="text-align: center;">-</td> <td style="text-align: center;">0%</td> </tr> <tr> <td>Program Services</td> <td style="text-align: center;">\$133,883</td> <td style="text-align: center;">100%</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">\$133,883</td> <td style="text-align: center;">100%</td> </tr> </tbody> </table>					Category	Total Contract Services	Percent	Administrative	-	0%	Program Services	\$133,883	100%	Total	\$133,883	100%
Category	Total Contract Services	Percent														
Administrative	-	0%														
Program Services	\$133,883	100%														
Total	\$133,883	100%														
<p>HCDD conducted a Request for Proposals (RFP) for program year 2016. SEARCH Homeless Services was one of the providers selected. The term of this contract is from July 1, 2016 through June 30, 2017. SEARCH Homeless Services has received various funding through the City of Houston since 2000.</p> <p>This item was reviewed by the Housing and Community Affairs Committee on June 14, 2016.</p> <p>NR:JN:MB:mr</p> <p>cc: Legal Department Mayor's Office City Secretary Finance Department</p>																
REQUIRED AUTHORIZATION																
Finance Director:		Other Authorization:		Other Authorization:												

TO: Mayor via City Secretary

REQUEST FOR COUNCIL ACTION

SUBJECT: An Ordinance authorizing a \$113,140 contract between the City of Houston and Reinvestment Fund for an Affordable Housing and Investment Analysis to facilitate identifying Complete Communities within the City and planning redevelopment projects to spark effective revitalization of those communities	Category #	Page 1 of 1	Agenda Item # III, A.
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FROM : Neal Rackleff, Director Housing and Community Development Department	Origination Date 06/03/16	Agenda Date
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DIRECTOR'S SIGNATURE:	Council District affected: All
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For additional information contact: Roxanne Lawson Phone: 832-394-6282	Date and identification of prior authorizing Council action:
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RECOMMENDATION: Approval of an Ordinance authorizing a \$113,140 contract between the City of Houston and Reinvestment Fund for an Affordable Housing and Investment Analysis to facilitate identifying Complete Communities within the City and planning redevelopment projects to spark effective revitalization of those communities

Amount of Funding: \$113,140.00	Finance Budget:
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SOURCE OF FUNDING General Fund Grant Fund Enterprise Fund Other
Tax Increment Reinvestment Zone (TIRZ) Affordable Housing Fund (2409)

SPECIFIC EXPLANATION: To facilitate Mayor Turner's emphasis on building Complete Communities in the City, and to inform the Housing and Community Development Department (HCDD) community revitalization effort, HCDD recommends City Council appropriate and allocate TIRZ Affordable Housing funds for a contract, not to exceed \$113,140, for an Affordable Housing and Investment Analysis. This analysis will be conducted by Reinvestment Fund, which has previously done a market value analysis of Houston.

Reinvestment Fund will provide an updated analysis of the City of Houston to help understand the strengths and weaknesses of Houston's neighborhoods. The analysis will create a data-driven analytical tool and framework for restoring market viability and wealth in specific areas within distressed neighborhoods. HCDD will receive a high-level of information and data on identifiable and specific areas that readily lend themselves to redevelopment and affordable housing investment, thus enabling the City to target funds and prioritize actions in ways that can leverage resources for affordable housing and more effectively achieve neighborhood revitalization. After the analysis is completed, HCDD will have ongoing access to use the data for future redevelopment activities.

Reinvestment Fund will also update Houston's 2013 Commercial Corridor Analysis, which includes business data and analyses of commercial activity and the presentation of business data that reflects the relationship between commercial corridor conditions and the strength of local real estate markets. This tool can be used to facilitate economic development.

Multiple factors are utilized in Reinvestment Fund's model to rate the health of neighborhoods at the census block group level. Factors include home sales price, percent owner-occupied, percent vacant, percent new construction, percent commercial, foreclosures as a percent of sales, percent public housing, population, and number of housing units.

Founded in 1985, Reinvestment Fund is a national leader in community finance, development and policy. Since 2001, the organization has completed over 30 market value analyses of numerous cities, including San Antonio, Philadelphia, Baltimore, Pittsburgh, New Orleans, Milwaukee, Indianapolis and Detroit. Reinvestment Fund has also invested in low- to moderate-income neighborhoods across the country, resulting in the creation, renovation or preservation of more than:

- 18,000 housing units
- 8,400,000 square feet of commercial space
- 550 businesses

This item was presented to the Housing and Community Affairs Committee on June 14, 2016.

NR: BS: AH

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

REQUIRED AUTHORIZATION

Finance Director:	Other Authorization:	Other Authorization:
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TO: Mayor via City Secretary REQUEST FOR COUNCIL ACTION 16 – Avenue Station

SUBJECT: An Ordinance authorizing an amendment to the original Loan Agreement between the City of Houston and Avenue Community Development Corporation (CDC) to increase the original commitment amount for construction of Avenue Station by \$481,135 in order to offset cost overruns due to project delays	Category #	Page 1 of 1	Agenda Item # <i>IV. a.</i>
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FROM: Neal Rackleff, Director Housing and Community Development Department	Origination Date 05/17/2016	Agenda Date
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DIRECTOR'S SIGNATURE:	Council District affected: District H
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For additional information contact: Roxanne Lawson Phone: 832-394-6282	Date and identification of prior authorizing Council action: 12/10/14 (o) 2014-1083
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RECOMMENDATION: Approval of an Ordinance authorizing an amendment to the original Loan Agreement between the City of Houston and Avenue CDC to increase the original commitment amount for construction of Avenue Station by \$481,135 in order to offset cost overruns due to project delays

Amount of Funding: <div style="text-align: center; font-size: 1.2em;">\$481,135</div>	Finance Budget:
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SOURCE OF FUNDING [] General Fund [X] Grant Fund [] Enterprise Fund
 Community Development Block Grant-Disaster Recovery Round 2 (CDBG-DR2)

SPECIFIC EXPLANATION:

The Housing and Community Development Department recommends Council approve an amendment to the original Loan Agreement executed December 19, 2014, between the City of Houston and Avenue CDC for the construction of Avenue Station, a 68-unit affordable housing development. The amendment will allow for a \$481,135 increase to the original \$5,500,000 commitment amount in order to fund cost overruns the project is experiencing due to project delays.

Avenue Station's 68 units will range from one to three bedrooms. Fifty-two units (76%) will be restricted for low-income tenants at affordable rents, and in conjunction with tax credit equity requirements, the affordability will run for a period of 30 years.

The original project completion date was January 2016, however, the delays have the new projected completion date at August 2016, approximately seven months behind schedule. The delays are attributed to the discovery of underground storage tanks, underground utility connection difficulties, inclement weather and sub-contractor issues. These delays have led to increased costs in the form of additional monthly recurring expenses, additional engineering fees, and a reduction in tax credit equity.

The other stakeholders, Capital One (senior lender) and National Equity Fund (tax credit equity provider), have indicated it is neither cost effective nor feasible to re-enter the market for new bond issuance or new debt to cover these costs. Therefore, HCDD recommends Council approve the additional funds request as this development will provide for needed quality affordable housing in the Near Northside community. The overage will be funded through CDBG Disaster Recovery 2 funds, which were anticipated for this purpose.

The developer, Avenue CDC, is a well-respected non-profit organization with a track record of developing high-quality and well-managed affordable housing communities throughout Houston. Their mission is to preserve the area's cultural, economic and historic diversity by developing affordable housing and economic opportunities.

This item was reviewed by the Housing and Community Affairs Committee on June 14, 2016.

NR: JN: RB: RM

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

REQUIRED AUTHORIZATION		
Finance Department:	Other Authorization:	Other Authorization:

TO: Mayor via City Secretary

REQUEST FOR COUNCIL ACTION

SUBJECT: An Ordinance appropriating and allocating \$3.9 million of Tax Increment Reinvestment Zone (TIRZ) Affordable Housing Funds to administer state and federal grants plus the \$178 million CDBG Disaster Recovery Round 2 grant		Category #	Page 1 of 1	Agenda Item # <u>V. a.</u>
FROM (Department or other point of origin): Neal Rackleff, Director Housing and Community Development Department		Origination Date June 6, 2016		Agenda Date
DIRECTOR'S SIGNATURE:		Council District(s) affected: All		
For additional information contact: Roxanne Lawson Phone: 832-394-6282		Date and identification of prior authorizing Council action:		
RECOMMENDATION: (Summary) Approval of an Ordinance appropriating and allocating \$3.9 million of Tax Increment Reinvestment Zone (TIRZ) Affordable Housing Funds to administer state and federal grants plus the \$178 million CDBG Disaster Recovery Round 2 grant				
Amount of Funding: \$3,900,000			Finance Budget:	
SOURCE OF FUNDING <input type="checkbox"/> General Fund <input type="checkbox"/> Grant Fund <input type="checkbox"/> Enterprise Fund				
<input checked="" type="checkbox"/> Other (Specify) TIRZ AFFORDABLE HOUSING FUND 2409				
SPECIFIC EXPLANATION:				
<p>The Housing and Community Development Department (HCDD) requests the appropriation and allocation of \$3.9 million of Tax Increment Reinvestment Zone (TIRZ) Affordable Housing Funds for the administration of the City's local, state and federally-funded homeless and affordable housing activities. These activities provide safe, quality, affordable homes for low-to moderate-income Houstonians, including our most vulnerable citizens.</p> <p>With HUD's dramatic cuts in CDBG and HOME funds to the City, 38% and 52% respectively, TIRZ Affordable Housing funds supplement administration of approximately \$42 million in federal and state programs, plus the \$178 million CDBG Disaster Recovery Round 2 (DR2) program which is providing over 1,300 new housing units for Houstonians. HCDD's application for DR2 funding pledged an 8% match using TIRZ funds. The proposed \$3.9 million appropriation funds that local match, as well as the administration of projects funded through other grants.</p> <p>While HUD grants typically allocate 10 – 20% of funds for administration costs, HCDD has received several state and federal grants that provide administration costs ranging from 0 – 5 %. These include Homeless Housing and Services Program (HHSP), Emergency Solutions Grant (ESG) and Housing Opportunities for Persons with AIDS (HOPWA). Without the ability to leverage local TIRZ funds for grant administration, the implementation of these critical programs might not fully materialize.</p> <p>This item was reviewed by the Housing and Community Affairs Committee on June 14, 2016.</p>				
NR: SR				
cc: Mayor's office City Secretary Legal Department Finance				
REQUIRED AUTHORIZATION				
Finance Director:		Other Authorization:		Other Authorization: