



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

Tuesday, May 15, 10:00 AM
City Hall Council Chambers

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

II. Public Facilities

a) **Recenter Hope Harbor Construction**

Approval of a total of \$4,000,000.00 in Affordable Housing Bond funds and TIRZ funds for the construction of a supportive housing facility. (District D)

b) **Avenue Center Community Hub**

Approval of a total of \$6,000,000.00 in Economic Development Initiative funds and Section 108 loan funds for the construction of a community services hub. (District H)

- Tom McCasland, Director, Housing and Community Development Department
- Ana Patino-Martinez, Division Manager, Housing and Community Development Department

III. Single Family

a) **New Home Development Program**

Approval of an ordinance allocating \$19,184,196.04 in TIRZ funding and \$6,665,326.00 in CDBG funding for the new Home Development Program, approving program guidelines, and approving tri-party agreements and revised master contractor agreements. (All Districts)

b) **Amendment to LARA Bylaws and Certificate of Formation**

Approval of revised Bylaws and Certificate of Formation and changing LARA's name to Houston Land Bank. (All Districts)

c) **Funding for HHFC Housing Corp.**

Approval of an ordinance appropriating \$1,000,000.00 in TIRZ funds for startup operations, management, homeownership activities and long-term stewardship of a community land trust. (All Districts)

- Tom McCasland, Director, Housing and Community Development Department
- Laurie Vignaud, Assistant Director, Housing and Community Development Department

IV. Multifamily

a) **Pleasant Hill Village Rehabilitation**

Approval of a contract amendment changing contract terms and granting \$3,017,201.06 in TIRZ funding for a limited scope rehabilitation to address critical deferred maintenance issues. (District B)

- Tom McCasland, Director, Housing and Community Development Department
- Ray Miller, Executive Staff Analyst, Housing and Community Development Department

V. Director's Comments

Tom McCasland, Director, Housing and Community Development Department

- CDBG Disaster Recovery Action Plan
- Monthly Report



CITY OF HOUSTON – CITY COUNCIL

Meeting Date: 5/23/2018

District D

Item Creation Date: 4/24/2018

HCD 2018-48

Recenter Hope Harbor

Agenda Item: II.a.

Background:

The Housing and Community Development Department requests council approval of a contract between the City of Houston (City) and The Men’s Center Inc. (d/b/a Recenter), to appropriate and allocate \$3,394,207.00 of Affordable Housing bond funds and \$605,793.00 in TIRZ (2409) funds for the construction of a supportive housing facility to be located at 3809 Main Street.

Recenter will construct a five-story, 50,573 square-foot (SF) building, Hope Harbor, that will provide supportive housing for low and moderate-income men and women recovering from substance abuse. The first two floors of the building will contain office and program space with a 1,400 SF community meeting room that can be divided to conduct Recenter’s programs and services, which include the hosting of 40+ 12-Step weekly meetings, mental health and physical wellness services, and employment and educational guidance assistance such as computer training, money management, vocational counseling and job readiness training.

The upper three floors will contain 62 single-occupancy residential units at 300 SF each, with a private bathroom and kitchenette in each unit, and shared laundry and living rooms on each floor, with designated sick rooms for incoming residents. The facility will also include a computer room, private terrace and produce garden, and access to a large dining hall for resident use.

Sources		Uses	
Harris County – CDBG-DR/ HOME	\$13,202,371.93	Acquisition	\$617,364.52
HCD – Affordable Housing Bonds	\$3,394,207.00	Hard Costs	\$16,745,003.00
HCD - TIRZ	\$605,793.00	Soft Costs	\$3,014,054.00
Recenter	\$127,123.19	NMTC Fees and Closing	\$1,187,637.00
NMTC	\$4,234,563.40		
Total	\$21,564,059.00	Total	\$21,564,059.00

There is no estimated impact to the operating and maintenance costs as a result of this CIP project. Therefore, no Fiscal Note is required as stated in the Financial Policy Ord. 2014-1078. The Housing and Community Affairs Committee reviewed this item on May 15, 2018.

Tom McCasland, Director

Amount of Funding

\$3,394,207.00

Housing Bonds – Fund 4501

\$605,793.00

Tax Increment Reinvestment Zone (TIRZ) - Fund 2409

Prior Council Action:

N/A

Contact Information:

Roxanne Lawson

(832) 394-6307



CITY OF HOUSTON – CITY COUNCIL

Meeting Date: TBD

District H

Item Creation Date: 4/27/2018

HCD 2018-47

Avenue Center

Agenda Item #: II.b.

Background:

The Housing and Community Development Department (HCDD) requests council approval of a contract between the City of Houston and Avenue Community Development Corporation (Avenue CDC) granting \$4,500,000.00 in Economic Development Initiative funds and \$1,500,000.00 Section 108 loan funds to construct a 31,016-square foot community hub called Avenue Center.

Avenue Center will be located within the Enhanced Enterprise Community (EEC) boundaries of Near Northside and will house community programs such as homebuyer education classes, resident leadership development, a primary health care clinic, an early childhood development program, and a high school educational enrichment and drop-out prevention program. Services offered at Avenue Center will be accessible to approximately 18,465 low-to-moderate income persons.

Avenue CDC’s mission is to build affordable homes and strengthen the community. Avenue was founded in 1991 by a group of neighbors who wanted to develop affordable housing, preserve historic buildings, and revitalize the Old Sixth Ward, a National Register Historic District in the shadow of downtown Houston. The organization has a long-standing history with HCDD that includes three housing developments and dozens of single family homes partially financed by HCDD.

Avenue CDC was selected from the first round of RFPs. The total cost to design, build, and equip Avenue Center is \$10,407,444.00. This project is pending approval from the US Department of Housing and Urban Development.

Sources	Amount	Uses	Amount
Avenue (equity investment)	\$1,619,563.00	Land	\$1,619,563.00
COH HCDD (EDI Grant)	\$4,500,000.00	Hard Costs	\$6,680,744.00
COH HCDD (Section 108)	\$1,500,000.00	Soft Costs	\$1,578,160.00
Capital Campaign	\$2,787,881.00	Furnishings, Fixtures, Equipment	\$410,000.00
		Financing Cost	\$39,250.00
		Reserves	\$79,727.00
Total	\$10,407,444.00	Total	\$10,407,444.00

The Housing and Community Affairs Committee reviewed this item on May 15, 2018.

Tom McCasland, Director

Amount of Funding

\$4,500,000

Economic Development Initiative (EDI) - Fund 5000

\$1,500,000
Section 108 - Fund 5000

Prior Council Action:
N/A

Contact Information:
Roxanne Lawson
(832) 394-6307



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 5/23/2018

ALL Districts

Item Creation Date: 4/2/2018

Housing Committee Date: 5/15/2018

HCD 2018-40

Guidelines, Contractor Pool and Funding for
New Home Development Program

Agenda Item#: III.a.

Background:

The Housing and Community Development Department ("HCDD") is requesting that City Council approve an Ordinance that will authorize and approve: (1) the New Home Development Program and the New Home Development Program Guidelines; (2) the form of Master Contractor Agreement to be executed by the City of Houston, Texas ("City") and the Mayor; (3) the use of the New Home Development Program Tri-Party Agreement (a "Tri-Party Agreement") and authorize the Mayor to execute the Tri-Party Agreement between the City, a Contractor listed above and the Land Assemblage Redevelopment Authority (LARA), dba Houston Land Bank ("HLB") as the owner of the land on which the home is to be constructed or the owner of a lot who qualifies for the New Home Development Program and who has exchanged the lot on which his home was located for a lot owned by HLB; and (4) the allocation of \$19,184,196.04 of Tax Increment Reinvestment Zone (TIRZ) funds and \$6,665,326.00 in Community Development Block Grant (CDBG) funds to the aforementioned agreements.

The City of Houston Request for Proposal (RFP) for Housing Rehabilitation and Construction Services for Single Family Homes Solicitation Number: S67-T26361, issued on August 25, 2017 and revised on September 19, 2017, solicited proposals to perform rehabilitation, reconstruction, and/or new construction services for single family homes. The RFP provides for a three (3) year contract term, with two (2) one-year options to renew, for a maximum five-year contract term for Housing Rehabilitation and Housing Construction Services for HCDD. The City selected through this RFP process the 12 contractors listed above, to undertake projects in the New Home Development Program. Pursuant to Ordinance 2018-56, as amended by Ordinance 2018-84, the same contractors were previously selected through the RFP process to undertake projects for the Home Repair Program.

HCDD is requesting that City Council authorize and approve the New Home Development Program Guidelines. While new housing construction is typically prohibited using CDBG funds, HCDD received notification regarding waiver of this restriction from the U.S. Department of Housing and Urban Development (HUD) on October 13, 2017. This waiver (in effect until June 30, 2019), enables the City to use CDBG to fund new housing construction to replace affordable housing units that were lost due to the impacts of Hurricane Harvey.

HCDD is requesting that City Council authorize and approve authorize and approve the form of Master Contractor Agreement to be executed by the City of Houston, Texas ("City") and the Mayor by each of the following contractors (a "Contractor"): 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. The Director of HCDD may terminate the contract at any time upon 30-days written notice to the contractor.

HCDD is requesting City Council authorize and approve the use of a form of Tri-Party Agreement for the New Home Development Program and authorize the Mayor to execute the Master Contractor Agreements and the Tri-Party Agreements between the City and the above-named contractors. The Director of HCDD may have

the flexibility to move funding between contractors based upon the job performance scorecard.

HCDD is requesting City Council authorize and approve the allocation of \$19,184,196.04 of TIRZ funds and \$6,665,326.00 in CDBG funds for the New Home Development Program.

This item was presented to the Housing and Community Affairs Committee on May 15, 2018.

Tom McCasland, Director

Funding Amount:

\$19,184,196.04 (TIRZ)

\$6,665,326.00 (CDBG)

Prior Council Action:

1/17/2018, (O) 2018-56

2/7/2018, (O) 2018-84

Contact Information:

Roxanne Lawson

(832) 394-6307



CITY OF HOUSTON – CITY COUNCIL

Meeting Date: [Click here to enter a date](#)
District ALL

Item Creation Date: [Click here to enter a date](#)

HCD 2018-51

LARA Bylaws and Certificate of Formation

Agenda Item #: III.b.

Background:

The Housing and Community Development Department (HCDD) requests approval of an ordinance authorizing and approving a revised Certificate of Formation (Certificate) and bylaws for the Land Assemblage Redevelopment Authority (LARA).

On October 27, 1999, City Council approved LARA's creation as a local government corporation by Resolution No. 99-59. LARA was originally created to acquire and convey tax-foreclosed properties to developers of affordable single-family homes to be sold to qualified low-income purchasers.

The proposed revisions to LARA's Certificate and bylaws seek to (1) change the organization's name to the Houston Land Bank in order to create a broader public understanding of the organization's role, (2) expand the organization's capacity and mission to support the strategic acquisition of properties throughout Houston, and (3) alter the bylaws' format to mirror the Houston First model. The City requires Council approval for these changes.

The Housing and Community Affairs Committee reviewed this item on May 15, 2018.

Tom McCasland, Director

Prior Council Action:

10-27-99, (R) 99-59
09-25-02, (O) 02-911
10-29-03, (O) 03-65
11-11-03, (O) 03-1018
09-14-05, (O) 05-1073

Amount of Funding:

N/A

Contact Information:

Roxanne Lawson
832-394-6307



CITY OF HOUSTON – CITY COUNCIL

Meeting Date: [Click here to enter a date](#)
District ALL

Item Creation Date: [Click here to enter a date](#)

HCD 2018-52

HHFC Housing Corporation

Agenda Item #: III.c.

Background:

The Housing and Community Development Department (HCDD) requests approval of an ordinance authorizing and approving a contract between the City of Houston and HHFC Housing Corporation granting \$1,000,000.00 in Tax Increment Reinvestment Zone (TIRZ) 2409 funds to support startup operation, management, homeownership, and land stewardship activities for the Houston Community Land Trust (HCLT). HHFC Housing Corporation is non-profit entity owned by the Houston Housing Finance Corporation (HHFC).

Community Land Trusts (CLTs) are community-based organizations whose missions include permanent stewardship of land for community benefit and perpetual preservation of the quality and affordability of housing and other improvements located on that land. Many CLTs make it possible for limited-income households to own homes on land that is leased from the CLT through long-term (typically 99-year), renewable ground leases. Each CLT homeowner receives deed and title to his or her home and leases the land on which the home sits from the CLT. In exchange for financial assistance provided to enable them to purchase a home they would not otherwise be able to afford, CLT homeowners agree to limit the price at which they can sell their homes, so that the home remains affordable to future limited-income households without requiring the investment of additional public or private subsidies to make the homes affordable again.

HCLT was incorporated on May 2, 2018 as a mechanism to preserve home affordability, prevent displacement, increase economic diversity and housing choice, and protect and leverage municipal housing resources within Houston. Prior to HCLT's creation, HCDD solicited feedback from city leaders and community stakeholders. Based on the recommendation of the City's legal department, HCLT was incorporated by HHFC.

This proposed funding will support the start-up operations and initial acquisitions of HCLT and is anticipated to be a one-time payment. Once established, HCLT should be a self-sustaining entity funded in part by fees from ground leases. HCLT will initially focus acquisition activities on homes constructed or repaired through HCDD programs. Participation in the trust will not be mandatory for existing homeowners seeking repairs through a HCDD program.

The Housing and Community Affairs Committee reviewed this item on May 15, 2018.

Tom McCasland, Director

Prior Council Action:

N/A

Amount of Funding:

\$1,000,000.00 – TIRZ 2409

Contact Information:

Roxanne Lawson
832-394-6307



CITY OF HOUSTON – CITY COUNCIL

Meeting Date: TBD

District B

Item Creation Date: 4/30/2018

HCD 18-50

Pleasant Hill Village Limited Scope Renovation

Agenda Item #: IV.a.

Background:

The Housing and Community Development Department (HCDD) is requesting council approval of a contract amendment approved by City Council in December 2015, which awarded Pleasant Hill Community Development Corporation (PHCDC), through conduit Fifth Ward Community Redevelopment Corporation (FWCRC), an amount of \$2,000,000 of CDBG proceeds towards a full renovation of Pleasant Hill Village. The amendment will increase the total award from \$2,000,000 to a total of \$3,017,201.06 to be distributed from TIRZ proceeds between the City of Houston and Pleasant Hill Community Apartments, LP (owned by PHCDC). The proceeds will be used towards a limited scope rehabilitation to address critical immediate repairs including HVAC replacement, roof replacement, minor interior and exterior upgrades, and electrical upgrades. The amendment will also convert a payable \$757,000 loan issued by the City of Houston in 1996, that is currently matured, to a forgivable grant.

Pleasant Hill Village is a 165-unit affordable housing project completed in January 1998. The 1.75-acre site is at 3814 Lyons Avenue in Houston, Texas in the Fifth Ward Community, about 2.5 miles northeast of downtown. A single "L" shaped four-story building contains apartments for seniors to include 20 efficiencies, 120 one-bedrooms and 25 two-bedrooms. An all bills paid complex, rents range between \$600 to \$800. All units are affordable to residents at 60% of Area Median Income and below. Sponsors for the project are PHCDC led by Rev. Harvey Clemens, Jr. PHCDC procured Kathy Payton, from (FWCRC), as a consultant.

In 1996, the Housing and Community Development Department (HCDD) partially financed the construction of Pleasant Hill Village with a repayable loan totaling \$757,000 that matured in September 2016. In December 2015, City Council approved an Amendment, Modification and Assumption Agreement to modify the \$757,000 repayable loan to a cash flow loan. The amendment, Ordinance 2015-1310, also authorized a Loan Agreement among the City of Houston and PHCDC providing for \$2,000,000 in CDBG funds for the renovation of Pleasant Hill Village Apartments. The agreement included a structure with \$4.3M of Housing Tax Credits (HTC) as well as \$5.2M of tax exempt bonds. After a prolonged underwriting period, the HTC investor did not close on its financing due to potential environmental site risks. However, HCDD's environmental review certifies the site meets its standards.

Due to the property's immediate repair needs, PHCDC requested they close on the HCDD financing without the HTC structure. PHCDC also requested an increase of the HCDD award by an additional \$1,017,20 and reduce the scope of the renovations to include HVAC replacement, roof replacement, minor interior and exterior upgrades, and electrical upgrades.

Sources & Uses			
Sources:		Uses:	
City of Houston Request (TIRZ)	\$3,017,201.06	Soft Cost	\$440,536.06
Owners Contribution	\$214,001.00	Hard Cost	\$2,790,666.00
Total Source of Funds:	\$3,231,202.06	Total Project Cost:	\$3,231,202.06

The property has significant deferred maintenance issues that present health and safety concerns for residents. Such issues have led to a 30% decrease in occupancy with up to 50 vacant units. In an effort to avoid complete functional obsolescence, HCDD recommends moving forward on the proposed limited scope renovation to address critical immediate repairs. Modifications to the December 2015 Ordinance will include:

1. Revising the contract to eliminate the HTC structure
2. Amending payment terms to an existing loan balance totaling \$757,000 issues in 1997. The existing loan terms require an initial principal payment of \$150,000 at closing of the HTC financing, monthly installments of \$2,500 and balance of \$457,000 paid at maturity (5 years after closing). Without the HTC investment the borrower is unable to make the principal reductions. The proposed amendment will convert the existing contract to a grant with no amounts will be required to be repaid. HCDD has verified the property has met the affordability covenants throughout the initial contract period.
3. Amending and increasing the \$2,000,000.00 CDBG award to \$3,017,201.06 of TIRZ proceeds.

The request will preserve approximately 115 affordable units and house up to 50 additional senior households in the Fifth Ward Community. The property is encumbered to a 40-year Land Use Restriction Agreement with Texas Department of Housing and Community Affairs (TDHCA) to conclude in 2038. PHCDC will be required to notify HCDD of its TDHCA compliance standing on an annual basis to ensure affordability. HCDD will require a "reach back" clause that if the property falls out of compliance with the TDHCA standards, the contract will be in default and all grant proceeds will become immediately payable. New terms will ease the administrative and fiscal burden placed on Pleasant Hill Village while offering them financial self-sustainability.

This item was presented to the Housing and Community Affairs Committee on May 15, 2018.

Tom McCasland, Director

Amount of Funding:

\$3,017,201.06

TIRZ (2409)

Prior Council Action:

12/22/15, (O) 2015-1310

11/12/14, (O) 2014-999

02/12/14, (O) 2014-111

06/28/96, (O) 1996-680

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