



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

Draft Agenda

Wednesday, November 7, 2018 3:00 p.m.

City Hall Council Chambers

- I. Call to Order/Welcome – Council Member Mike Laster, Chair**
- II. Single Family**
- a) **New Home Development Program Master Contractor Agreement De-Obligation**
HCDD requests City Council approval of an ordinance authorizing the de-obligation of \$6,665,326.00 in Community Development Block Grant (CDBG) funding from the Master Contractor Agreements under the City of Houston New Home Development Program. (All Districts)
- b) **CDBG Substantial Amendment to 2013, 2015, 2016, 2017 and 2018 Annual Action Plans**
The Housing and Community Development Department (HCDD) requests City Council approval of an Ordinance authorizing Substantial Amendments to the 2013, 2015, 2016, 2017 and 2018 Annual Action Plan budgets to move \$12,256,284.58 from the Single-Family Development – New Construction Activity to the Single Family Home Repair Activity. (All Districts)
- c) **CDBG Home Repair Program Master Contractor Agreement Allocation**
HCDD requests City Council approval of an Ordinance authorizing the allocation of \$10,098,907.00 in CDBG funding to the Master Contractor Agreements under the City of Houston Home Repair Program. (All Districts)
- d) **De-Appropriating TIRZ funding from the Single-Family Home Repair Program and Re-Appropriating it to the New Home Development Program**
HCDD requests City Council approval of an ordinance authorizing the de-appropriation of \$9,935,050.00 in Tax Increment Reinvestment Zone Affordable Housing Set Aside (TIRZ) funding from the Single Family Home Repair Program Master Contractor Agreements with the re-appropriation to the New Home Development Program Master Contractor Agreements. (All Districts)
- Tom McCasland, Director, HCDD
 - Laurie Vignaud, Assistant Director, HCDD

III. Multifamily

a) **Multifamily Disaster Recovery Guidelines**

HCDD requests City Council approval of an ordinance adopting the attached guidelines for the Multifamily Program using Community Development Block Grant - Disaster Recovery (CDBG-DR) funds from the Texas General Land Office (GLO). (All Districts)

b) **Credit Ledger Purchase Approval – 3300 Russell St.**

HCDD requests City Council approval of an ordinance approving and authorizing a Purchase and Sale Agreement between Houston Independent School District (Seller) and the City of Houston (Purchaser) for 4.772 acres of land located at 3300 Russell Street, Houston, Harris County, Texas. (District B)

- Tom McCasland, Director, HCDD
- Ray Miller, Executive Staff Analyst, HCDD

IV. Disaster Recovery

a) **CDBG-DR Contractor Pool and Master Contractor Agreement**

HCDD requests City Council authorize and approve a Pool of Contractors to perform housing repair and construction services for Community Development Block Grant Disaster Recovery (CDBG-DR) Programs. (All Districts)

- Tom McCasland, Director, HCDD
- Mayra Bontemps, Assistant Director, HCDD

V. Public Comments

VI. Director's Comments

Tom McCasland, Director, HCDD



CITY OF HOUSTON – CITY COUNCIL

Meeting Date: 12/12/2018

ALL

Item Creation Date: 10/24/2018

Housing Committee Date: 11/7/2018

HCD18-104

New Home Development Program
Master Contractor Agreement De-Obligation

Agenda Item#: II.a.

Background:

The Housing and Community Development Department (“HCDD”) is requesting City Council approval of an Ordinance authorizing the de-obligation of \$6,665,326.00 of the \$12,256,284.58 in Community Development Block Grant (CDBG) funds originally budgeted for the Master Contractor Agreements under the City of Houston New Home Development Program.

This action is one of four related actions to ensure that different aspects of HCDD’s Single Family Program are funded appropriately and in compliance with HUD regulations.

The Single Family Program is comprised of two activities to support low- and moderate-income Houstonians: 1) new home development, and 2) home repair and reconstruction. HCDD relies on a mix of funding sources to support these activities, including Community Development Block Grant (CDBG) funding from the U.S. Department of Housing and Urban Development (HUD) and Tax Increment Reinvestment Zone Affordable Housing Set Aside (TIRZ) funding. Typically, only the home repair aspect of the program is funded with CDBG dollars because HUD does not permit its funds to be used for new construction.

On October 13, 2017, The Department of Housing and Urban Development (HUD) issued a waiver to temporarily allow existing CDBG funds to be used for new home construction to replace affordable housing stock lost due to the impact of Hurricane Harvey.

Based on a broad interpretation of the waiver, HCDD allocated \$12,256,284.58 in CDBG funds for New Home Construction, which Council approved in August 2018. But the waiver’s limits are stricter than originally interpreted and only allow new construction funded with CDBG dollars to be sold to individuals who registered with FEMA. Furthermore, all homes must be sold by June 30, 2019. These two factors severely limit who would qualify for the program.

Mindful of these limits, HCDD is now seeking to align funding sources with their most appropriate use, while ensuring that both new home development and home repair have sufficient funding. The four related actions achieve these objectives in four steps:

1. HCD18-104 - NHDP Master Contractor Agreement De-Obligation: De-Obligates \$6,665,326.00 in CDBG funds from the Master Contractor Agreement for New Home Development*
2. HCD18-108 - CDBG Substantial Amendments: Reallocates \$12,256,284.58 in CDBG funds from New Home Construction to Home Repair
3. HCD18-102 – Home Repair Master Contractor Agreement Allocation: Allocates \$10,098,907.00 of CDBG funds to a Master Contractor Agreement for Home Repair (the remaining \$2 million will be used for project delivery)

4. HCD18-101 – De-appropriate/Re-appropriate \$10,098,907.00 of TIRZ Funding from Home Repair New to New Home Development

*On August 8, 2018, by Ordinance No. 2018-612, City Council approved the use of a Master Contractor Agreement for the City of New Home Development 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.

No fiscal note is required on grant items.

The Housing and Community Affairs Committee reviewed this item on November 7, 2018.

Tom McCasland, Director

Prior Council Action:

1/17/2018 (O) 2018-56

Contact Information:

Roxanne Lawson
(832) 394-6307



CITY OF HOUSTON – CITY COUNCIL

Meeting Date: 12/5/2018

District ALL

Item Creation Date: 10/23/2018

Housing Committee Date: 11/7/2018

HCD 18-108

2013, 2015, 2016, 2017, 2018 Annual Action Plans
Substantial Amendment – CDBG Budget

Agenda Item#: II.b.

Background:

The Housing and Community Development Department (HCDD) requests City Council approval of an Ordinance authorizing substantial amendments to the 2013, 2015, 2016, 2017, and 2018 Annual Action Plan budgets to move \$12,256,284.58 from the Single-Family Development - New Construction Activity to the Single-Family Home Repair Activity.

This action is one of four related actions to ensure that different aspects of HCDD's Single Family Program are funded appropriately and in compliance with HUD regulations.

On October 13, 2017, The Department of Housing and Urban Development (HUD) issued a waiver, in effect until June 30, 2019, to allow for the use of CDBG funds for new home construction to replace affordable housing lost due to the impact of Hurricane Harvey. Due to restrictions associated with implementing the program under this waiver, HCDD is seeking to deallocate the CDBG funding available for new construction activities. Instead, HCDD will re-appropriate Tax Increment Reinvestment Zone (TIRZ) Affordable Housing Set-Aside funding for the New Home Development Program Master Contractor Agreements to support the construction of affordable single-family homes.

The four related actions below achieve compliance with HUD regulations in four steps:

1. HCD18-104 - NHDP Master Contractor Agreement De-Obligation: De-Obligates \$6,665,326.00 in CDBG funds from the Master Contractor Agreement for New Home Development
2. HCD18-108 - CDBG Substantial Amendments: Reallocates \$12,256,284.58 in CDBG funds from New Home Construction to Home Repair
3. HCD18-102 – Home Repair Master Contractor Agreement Allocation: Allocates \$10,098,907.00 of CDBG funds to a Master Contractor Agreement for Home Repair (the remaining \$2 million will be used for project delivery)
4. HCD18-101 – De-appropriate/Re-appropriate \$10,098,907.00 of TIRZ Funding from Home Repair New to New Home Development

In accordance with HUD's Citizen Participation Plan regulations, the City is required to amend components of its Consolidated Plan/Annual Action Plan for a variety of reasons, including when a reallocation of funds increases or decreases the budget of an activity by more than 25%. The following amendments to the CDBG budget are necessary to reallocate funds for Single-Family Home Repair.

No fiscal note is required on grant items.

The Housing and Community Affairs Committee reviewed this item on November 7, 2018.

Community Development Block Grant		
Activity	Delete/Decrease	Add/Increase
The Program Year 2013 Budget is Amended as follows:		
Single-Family Development – New Construction	(\$252,065.98)	
Single-Family Housing		\$252,065.98
The Program Year 2015 Budget is Amended as follows:		
Single-Family Development- New Construction	(\$10,792.46)	
Single-Family Home Repair		\$10,792.46
The Program Year 2016 Budget is Amended as follows:		
Single-Family Development – New Construction	(\$2,630,577.39)	
Single-Family Home Repair		\$2,630,577.39
The Program Year 2017 Budget is Amended as follows:		
Single-Family Development – New Construction	(\$4,074,048.75)	
Single-Family Home Repair		\$4,074,048.75
The Program Year 2018 Budget is Amended as follows:		
Single Family Home Development – New Construction	(\$5,288,800.00)	
Single Family Home Repair		\$5,288,800.00
Total CDBG Budget Changes:	(\$12,256,284.58)	\$12,256,284.58

Tom McCasland, Director

Prior Council Action:

04/30/2013 (O) 2013-353;
04/21/2015 (O) 2015-338;
05/03/2016 (O) 2016-340;
07/25/2017 (O) 2017-516;
05/29/2018 (O) 2018-430;
06/12/2018 (O) 2018-457

Contact Information:

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CITY OF HOUSTON – CITY COUNCIL

Meeting Date: 12/12/2018

ALL

Item Creation Date: 10/24/2018

Housing Committee Date: 11/7/2018

HCD18-102

Home Repair Program Master Contractor Agreement Allocation

Agenda Item#: II.c.

Background:

The Housing and Community Development Department (“HCDD”) is requesting City Council approve an Ordinance authorizing the allocation of \$10,098,907.00 in CDBG funding to the Master Contractor Agreements under the City of Houston Home Repair Program.

On January 24, 2018, by Ordinance No. 2018-56, City Council approved the use of a Master Contractor Agreement for the City of Houston Home Repair 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.

HCDD is now seeking to increase funding available for use by the above-named contractors in performing home repair and reconstruction services to eligible low- and moderate- income homeowners, through the allocation of an additional \$10,098,907.00 in CDBG funding for use under the Home Repair Program Master Contractor Agreements.

This action is one of four related actions to ensure that different aspects of HCDD’s Single Family Program are funded appropriately and maintain compliance with HUD regulations.

On October 13, 2017, The Department of Housing and Urban Development (HUD) issued a waiver, in effect until June 30, 2019, to allow for the use of CDBG funds for new home construction to replace affordable housing lost due to the impact of Hurricane Harvey. Due to restrictions associated with implementing the program under this waiver, HCDD is seeking to deallocate the CDBG funding available for new construction activities. Instead, HCDD will re-appropriate Tax Increment Reinvestment Zone (TIRZ) Affordable Housing Set-Aside funding for the New Home Development Program Master Contractor Agreements to support the construction of affordable single-family homes.

The four related actions achieve compliance with HUD regulations in four steps:

1. HCD18-104 - NHDP Master Contractor Agreement De-Obligation: De-Obligates \$6,665,326.00 in CDBG funds from the Master Contractor Agreement for New Home Development
2. HCD18-108 - CDBG Substantial Amendments: Reallocates \$12,256,284.58 in CDBG funds from New Home Construction to Home Repair
3. HCD18-102 – Home Repair Master Contractor Agreement Allocation: Allocates \$10,098,907.00 of CDBG funds to a Master Contractor Agreement for Home Repair (the remaining \$2 million will be used for project delivery)

4. HCD18-101 – De-appropriate/Re-appropriate \$10,098,907.00 of TIRZ Funding from Home Repair New to New Home Development

On February 7, 2018, by Ordinance No. 2018-84, City Council approved the allocation of \$8,200,000.00 in CDBG funds and \$10,800,000.00 in CDBG-DR15 funds.

These funds will be allocated under the Master Contractor Agreements through a Tri-Party Agreement between the City, contractor, and homeowner, for each home rehabilitation or reconstruction project. The total of all Tri-Party Agreement Amounts will not exceed the allocated funding available. Each Tri-Party Agreement will not exceed \$200,000.00.

No fiscal note is required on grant items. The Housing and Community Affairs Committee reviewed this item on November 7, 2018.

Tom McCasland, Director

Prior Council Action:

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

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

Contact Information:

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CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 11/28/2018

ALL Districts

Item Creation Date: 10/21/2018

Housing Committee Date: 11/7/2018

HCD18-101

De-Appropriate/Re-Appropriate TIRZ Affordable Housing
Set-Aside funding from the Single-Family Home Repair Program
to the New Home Development Program

Agenda Item#: II.d.

Background:

The Housing and Community Development Department ("HCDD") requests that City Council approve an ordinance authorizing the re-appropriation of \$9,935,050.00 in Tax Increment Reinvestment Zone Affordable Housing Set Aside (TIRZ) funding from the Single Family Home Repair Program Master Contractor Agreements to the New Home Development Program Master Contractor Agreements.

This action is one of four related actions to ensure that different aspects of HCDD's Single Family Program are funded appropriately and maintain compliance with HUD regulations.

On October 13, 2017, The Department of Housing and Urban Development (HUD) issued a waiver, in effect until June 30, 2019, to allow for the use of CDBG funds for new home construction to replace affordable housing lost due to the impact of Hurricane Harvey. Due to restrictions associated with implementing the program under this waiver, HCDD is seeking to deallocate the CDBG funding available for new construction activities. Instead, HCDD will re-appropriate Tax Increment Reinvestment Zone (TIRZ) Affordable Housing Set-Aside funding for the New Home Development Program Master Contractor Agreements to support the construction of affordable single-family homes.

The four related actions below will ensure HCDD stays in compliance with HUD regulations in four steps:

1. HCD18-104 - NHDP Master Contractor Agreement De-Obligation: De-Obligates \$6,665,326.00 in CDBG funds from the Master Contractor Agreement for New Home Development
2. HCD18-108 - CDBG Substantial Amendments: Reallocates \$12,256,284.58 in CDBG funds from New Home Construction to Home Repair
3. HCD18-102 – Home Repair Master Contractor Agreement Allocation: Allocates \$10,098,907.00 of CDBG funds to a Master Contractor Agreement for Home Repair (the remaining \$2 million will be used for project delivery)
4. HCD18-101 – De-appropriate/Re-appropriate \$10,098,907.00 of TIRZ Funding from Home Repair New to New Home Development

Ordinance No. 2018-56, on January 24, 2018, appropriated \$10,000,000 of TIRZ funding for use under the Master Contractor Agreements for the Single Family Home Repair Program (HRP).

HCDD is now requesting the de-appropriation of \$9,935,050.00 of this funding from the HRP Master Contractor Agreements, previously executed between the City and each of the following 12 contractors, and the allocation of these funds to the Master Contractor Agreements for the New Home Development Program (NHDP), for these same contractors. These changes are noted in the table below.

VENDOR	VENDOR #	CONTRACT #	ORIGINAL HRP AMOUNT	HRP DEALLOCATION	REMAINING HRP AMOUNT	NHDP ALLOCATION AMOUNT
SLSO, Ltd.	148376	4600014684	\$833,333.33	(\$833,333.33)	\$0.00	
The Baptiste Group	152911	4600014685	\$833,333.33	(\$833,333.33)	\$0.00	
DSW Homes, LLC	136956	4600014686	\$833,333.33	(\$833,333.33)	\$0.00	
Houston Habitat for Humanity	116676	4600014687	\$833,333.33	(\$833,333.33)	\$0.00	
Crown Ridge Builders, LLC	153206	4600014688	\$833,333.33	(\$833,333.33)	\$0.00	
James W. Turner Construction, Ltd. (JWTC)	150505	4600014689	\$833,333.33	(\$833,333.33)	\$0.00	
Rebuilding Together Houston	137266	4600014690	\$833,333.33	(\$833,333.33)	\$0.00	
Mayberry Homes, Inc.	141253	4600014691	\$833,333.33	(\$833,333.33)	\$0.00	
Thompson Construction Group, Inc.	153056	4600014692	\$833,333.33	(\$768,383.33)	\$64,950.00	
Burghli Homes	127522	4600014693	\$833,333.33	(\$833,333.33)	\$0.00	
Byrdson Services LLC	131234	4600014695	\$833,333.33	(\$833,333.33)	\$0.00	
PMG Construction Inc.	154015	4600014698	\$833,333.37	(\$833,333.37)	\$0.00	
TOTAL			\$10,000,000.00	(\$9,935,050.00)	\$64,950.00	\$9,935,050.00

The 12 above-mentioned contractors were selected through a request for proposal (RFP) process for housing rehabilitation and/or construction services for existing single-family homes and rehabilitation, reconstruction, and new construction of single family homes (solicitation number: S67-T26361), issued on August 25, 2017 and revised on September 19, 2017.

The Director or Designee has the flexibility to move funding between contractors based upon their job performance scorecard and may terminate a contractor at will, with five days prior notice.

No fiscal note is required on grant items. The Housing and Community Affairs Committee reviewed this item on November 7, 2018.

Tom McCasland, Director

Prior Council Action:

1/24/2018 (O) 2018-56

Contact Information:

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CITY OF HOUSTON – CITY COUNCIL

Meeting Date: 12/5/2018

Item Creation Date: 10/24/2018

District: ALL

HCD18-109

Disaster Recovery (DR-17) Multifamily

Rental Program Guidelines

Agenda Item #: III.a.

Background:

The Housing and Community Development Department (HCDD) requests that City Council approve 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). These guidelines will provide the broad outline of what HCDD's Multifamily Rental Programs will cover.

The shortage of affordable rental housing units available to meet the needs of renters in Houston was exacerbated by Hurricane Harvey. The Multifamily Program will address the direct and indirect impacts of Hurricane Harvey on Houston's affordable rental housing stock. To that end, the Multifamily Program aims to facilitate development of new multifamily rental housing, the acquisition and/or rehabilitation of flood-damaged multifamily rental housing, and strategic land acquisition for multifamily development to address this shortage and meet the needs of disaster impacted rental households, including those in public housing.

The goals and objectives of the Multifamily Program are designed to address the unmet needs for affordable rental households and residents of public housing to include extremely low, very low, low and moderate-income renters as outlined in the action plan.

The Multifamily Program will also aim to rehabilitate or reconstruct damaged affordable multifamily properties resulting from the storm's impact, but also financing new construction in areas that promote higher standards of environmental and economic resiliency.

Finally, the Multifamily Program will put an emphasis on serving the homeless population through creating permanent supportive housing as well as housing for special needs populations.

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.

No fiscal note is required on grant items. The Housing & Community Affairs Committee reviewed this item on November 7, 2018.

Tom McCasland, Director

Contact Information:

Roxanne Lawson, (832) 394-6307



Disaster Recovery (DR-17 Harvey) Multifamily Rental Program (Multifamily Program)



MULTIFAMILY PROGRAM TERM SHEET

Guidelines Summary

The Housing and Community Development Department (HCDD) requests that City Council approve an ordinance adopting the attached guidelines for the 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 Houston's affordable rental housing stock. The shortage of affordable rental housing units available to meet the needs of renters in Houston was exacerbated by Hurricane Harvey.

Program Priorities

Funding priorities have been established for applicants with proposals to finance new construction, reconstruction, renovation and acquisition activities prioritizing the following areas and housing types:

- Meet the unmet needs for public housing and affordable households outlined in the Needs Assessment and Local Action Plan for Disaster Recovery: Hurricane Harvey
- Rehabilitate or reconstruct damaged affordable multifamily properties resulting from the storm's impact
- Concentrate financing for new construction within the following areas that promote higher standards of environmental and economic resiliency:
 - i. Complete Communities and other Community Reinvestment Areas (CRA) (e.g. Tax Increment Reinvestment Zones)
 - ii. Areas of low poverty concentration and high performing schools
 - iii. Areas experiencing high rental costs that cause displacement of Low and Moderate Income (LMI) households
 - iv. Transit Oriented Developments (TOD) that promote access to mass transportation options
- Permanent Supportive Housing and/or housing serving special needs populations that include, but not limited to homeless housing, housing for people with disabilities and Section 811.
- Preservation of existing affordable multifamily housing

Eligible Activities

Below is a list of activities which are eligible for funding:

1. **Rehabilitation** of properties damaged from Hurricane Harvey or rehabilitate units not damaged by the disaster.
2. **New construction of properties.**
3. **Demolition as part of rehabilitation and reconstruction** which will serve to reduce density, if appropriate, making the property more manageable.
4. **Acquisition of existing multifamily properties to preserve or create affordable units.**
5. **Acquisition of land for multifamily properties.** Land acquisition must be in conjunction with new construction.
6. **Refinance** - Loans for refinancing existing debt are eligible under CDBG if determined that this type of assistance is necessary to achieve local community development objectives. This refinance must be part of a rehabilitation project and continued affordability -- CDBG does not permit refinance only projects.

Program Summary

1. **Allocation Amount:** \$321,278,580
2. **Maximum Award:** Lesser of 50% of total development costs or \$25,000,000 per development.
3. **Eligible Applicants:** Property owners acting individually or as participants in a limited partnership (LP) or limited liability corporation (LLC):
 - i. For-profit developers/ borrowers
 - ii. Public housing authorities
 - iii. Units of local governments
 - iv. Not-for-profit developers/ borrowers
4. **Development Eligibility Criteria and Thresholds**
 - a. Development must be located within the city limits of Houston.
 - b. Development must meet CDBG-DR eligibility requirements.
 - c. Multifamily rental development is eight or more rental units under common ownership.
 - d. Development within the floodway is prohibited.
 - e. Proposed new construction located in the 100-year floodplain, as identified on the most current Federal Emergency Management Agency (FEMA) Flood Maps, must comply with 24 CFR Part 55.
 - f. CDBG requirements state at a minimum, 51% of the units rehabilitated or developed will be reserved for 20 years of an affordability period for low- and moderate-income households earning 80% or less of the Area Median Family Income (AMFI) at affordable rents. HCDD will impose additional affordability requirements that will be outlined in the guidelines.
 - g. All units to be occupied by LMI households must have similar finishes and access to the same amenities as any market rate (non-LMI) units.
 - h. Developments must accept Section 8 Housing Choice Rental Vouchers during the compliance period.
 - i. Federal flood disaster assistance will not be provided for repair, rehabilitation, new construction or reconstruction in the case of an owner was conditioned to have obtained flood insurance under applicable Federal law and subsequently failed to obtain and maintain flood insurance as required under applicable Federal law on such property.
 - j. All awarded applications will be evaluated through an environmental and Affirmatively Furthering Fair Housing (AFFH) review.
 - k. The project costs must be reasonable and typical in the current marketplace for projects of similar scope.
 - l. The project must comply with all applicable federal and state requirements.
 - m. The project must address identified impediments to fair housing choice.
5. **National Objective:** Low- and moderate-income households
6. **Property Types:** Eight or more rental units under common ownership.
7. **Project Selection:** Projects will be selected through an application or request for proposal (NOFA) process or subrecipient award. The application or RFP will clearly establish the process and acceptance period, threshold criteria, selection criteria, and the award process. Selected projects must be completed within 18 months of the effective date of the contract, unless otherwise extended by GLO.
8. **Timeframe:** The proposed program start date is immediately after HUD's approval of this action plan amendment. The proposed end date is 5 years from the program start date.

Financing Terms

1. Awards disbursed as non-amortizing loans
2. 1.00% interest only subject to available cash flow
3. Partial loan repayment at event of sale or cash-out refinance and balance forgiven at maturity
4. Award is in subordinate lien position to senior lenders, but affordable covenants is in first lien position

Affordability Restrictions

1. Minimum 20-year affordability period
2. A minimum 51% of the units to be restricted to low income residents based on the following criteria:
 - a. 10% of the restricted units restricted at households and rents at 30% AMI
 - b. 20% of the restricted units restricted at households and rents at 50% AMI
 - c. 40% of the restricted units restricted at households and rents at 60% AMI
 - d. 30% of the restricted units restricted at households and rents at 80% AMI

Regulatory Requirements

- Affirmatively Furthering Fair Housing (AFFH)
- Accessibility (504) – ADA 2010
- Environmental Review
- Davis-Bacon Labor Standards
- Green Building Standards
- Fair Labor Standards Act of 1938, as amended
- Resilience Performance Standards
- HUD Section 3
- Minority-owned or Women-owned Small Business Enterprises (MWSBE)
- Equal Employment Opportunity
- Fair Housing
- Limited English Proficiency
- Uniform Act/Uniform Relocation Act (URA)
- Access to Records (State – City)
- Audit Requirements
- Fraud, Waste, and Abuse
- Conflict of Interest and Confidentiality
- Privacy

District B

CUIC ID# 25 DW 38

HCD 18-80

Credit Ledger Purchase Approval for 3300 Russell St.

Agenda Item #III.b.

Background:

RECOMMENDATION: Approve and authorize a Purchase and Sale Agreement between Houston Independent School District (Seller) and the City of Houston (Purchaser) for 4.772 acres of land located at 3300 Russell Street, Houston, Harris County, Texas, for Housing and Community Development Department (HCDD).

SPECIFIC EXPLANATION: On April 4, 2000, by Ordinance 2000-0362, City Council authorized a Ledger Agreement between the City of Houston and Houston Independent School District (HISD) to establish a procedure for exchanging and transferring properties between each party without an actual exchange of cash for each transaction. Upon conveyance of the property, the appraised value of the property shall be used to establish a credit balance in the credit account.

Pursuant to the Ledger Agreement, the City desires to purchase 4.772 acres of land located 3300 Russell Street, at the southeast corner of Russell Street and Sayers Street. The property was home for Scott Elementary School but has since been razed. This property is across Russell Street from COH Tuffly Park. The appraised value of \$436,500.00 will be credited to the HISD Credit Account.

HISD has declared the property surplus and will convey the land to the City subject to the following restrictions and conditions:

(a) The property, or any part thereof, shall not be used in the operation of, or in conjunction with, any school or other institution of learning, study or instruction which discriminates against any person because of his race, color or national origin, regardless of whether such discrimination be effected by design or otherwise.

(b) The property, or any part thereof, shall not be used in the operation of, or in conjunction with, any school or other institution of learning, study or instruction which creates, maintains, reinforces, renews or encourages, or which tends to create, maintain, reinforce, renew or encourage, a dual school system.

The Restrictions and conditions are covenants running with the property for a period of fifty (50) years from the date the City acquires the property.

Accordingly, Housing and Community Development recommend approval of the Purchase and Sale Agreement between Houston Independent School District (Seller) and the City of Houston (Purchaser) for the purchase of the above-described property on behalf of HCD.

OPERATING BUDGET FISCAL NOTE: Funding for the purchase price is provided for by Ledger Agreement. Estimated closing costs, not to exceed \$12,700.00, will be paid by Housing and Community Development Department of the City of Houston.

WBS No: Not applicable as acquisition is by Ledger Agreement credit account.

Prior Council Action:

Ordinance No. 2000-0362; dated April 4, 2000

Amount of Funding:

The following is the breakdown of expected costs:

\$436,500.00	Purchase Price
<u>12,700.00</u>	Estimated Closing Costs (to be paid by HCDD)
\$449,200.00	Estimated Total

DIRECTOR'S SIGNATURE/DATE:

Tom McCasland
Housing and Community Development

Contact Information:

Phone: _____



3300 Russell Street - Fact Sheet

Relationship Manager (RM)	Tina M. Vizzini	RM Phone	832 394-6217
		R M Email	Tina.vizzini@houstontx.gov
Project Name:	3300 Russell Street	Council District	B
		Council Member	Jerry Davis
Project Address	3300 Russell Street Houston, TX 77026	COH Request	Credit to HISD Ledger Agreement Credit Account for the appraised value of the property not to exceed \$436,500*
Site Type	Vacant land comprised of approximately 4.77 acres	Total Project Cost	Ledger account entry + due diligence, closing cost and post-closing annual maintenance- see below.
Owner - Seller	Houston Independent School District (HISD)	Contact Phone	713-556-9262
Contact Person	Leesa Love	Contact Email	llove@houstonhisd.org

Sources & Uses			
Sources	Amount	Uses	Amount
City of Houston Request			
Credit to HISD Ledger Account	\$436,500*	Acquisition -Ledger amount	\$436,500*
TIRZ – estimate not to exceed	\$43,500 estimate	Due diligence costs Closing related costs and Post-closing maintenance	\$43,500 estimate
Total Source of Funds:	\$480,000*	Total Project Cost:	\$480,000*

*Note- HISD appraisal value approved by GSD - \$436,500

Transaction Overview

HISD is the owner of a vacant land site comprised of approximately 4.772 acres located at 3300 Russell Street (the Site). It is across the street from City of Houston (COH) Tuffly Park Community Center in the Fifth Ward. The Site was the former Scott Elementary School which had been razed and is in the 500-year flood plain.

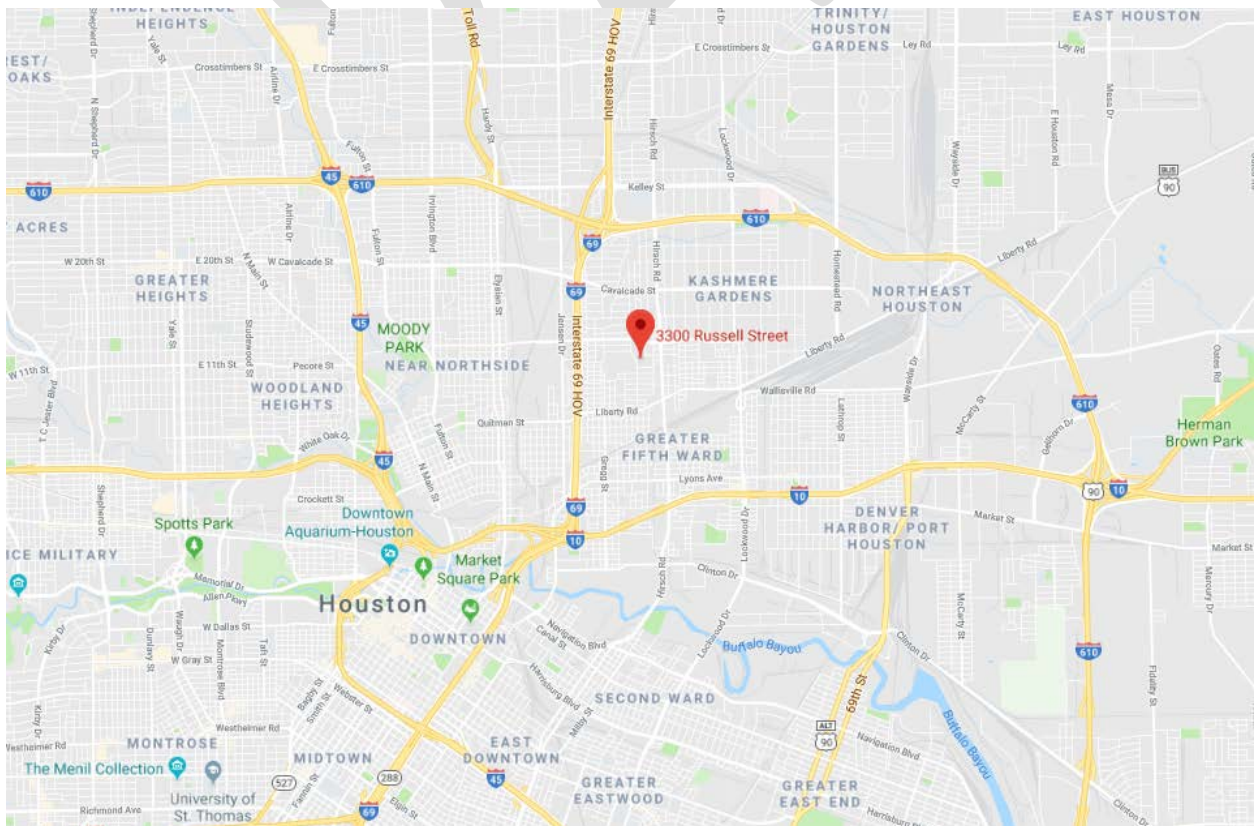
HISD has deemed the Site surplus. HISD will convey the vacant land (with its fencing) to COH (subject to any restrictions, if any) via an Interlocal Agreement in accordance with Ordinance 2000-0362, dated April 4, 2000, authorized by the City Council which created a Ledger Agreement between COH and HISD. The

Ledger Agreement established a procedure for exchanging and transferring properties between each party without an actual exchange of cash for each transaction (the Credit Account). This also provides, if applicable, that on July 1 of each year during the existence of the Credit Account, the unused credit balance of the Credit Account on that date will be increased by six (6%) of such unused balance referred to as the Annual Increase. Upon conveyance of the Site from HSID to COH, the appraised value, not to exceed \$436,500, shall be used to establish a credit to HISD's Credit Account. City of Houston General Services Department (GSD) has requested legal assistance to prepare the appropriate documentation including an agreement between the City of Houston (COH) and HISD and will be presenting the proposed acquisition to City Council review and approval.

Proposed Development Timeline

At this time, HCDD is seizing an opportunity to secure the site before its sold to the market by HISD. However, HCDD has not evaluated the potential scope of housing type or identified any potential funding sources of funding that may be needed to subsidize the development of the property. After acquiring the site, HCDD anticipates a 12 – 18-month pre-development timetable to perform an evaluation of the scope of the project, secure a developer and identify potential funding sources.

1. HCDD will prepare an RFQ to secure resumes and list of qualifications from qualified single-family affordable housing developers. The RFQ will identify a list of developers which HCDD will solicit bids in a subsequent RFP
2. After developers are identified, HCDD will subsequently release a RFP of the site for 3300 Russell for selected developers to provide proposals to develop nearly 4.8-acre site. Proposals will be required to identify sources of funding for. HCDD will provide initial guidance regarding the amount of financing it will provide for vertical development. The selected developer will be required to cover all development costs, soft costs and carrying costs until homes are constructed. The scope of work will include:
 - a. Securing environmental clearance
 - b. Identifying the optimal single-family density that conforms with city planning code
 - c. Secure site platting approval from the Planning Department
 - d. Complete infrastructure development including grading, utility and street installation
 - e. Proposing housing design that incorporates adequate design and draining to mitigate flooding concerns within the 500-year flood plain
 - f. Proposing anticipated sales prices that conform with the HCDD's income restrictions
3. After selection of a developer, HCDD will enter a contract agreement to proceed with the "horizontal" development (plat, street, utilities, etc.)
4. After completion of the "horizontal" development and lots are delivered, the developer will proceed with the "vertical" development constructing the homes to be financed by HCDD via construction draws using HOME/CDBG-DR/TIRZ or other identified sources
5. After completion of the home, HCDD will secure and identify income-qualified home buyers and assist with securing financing
6. Proceeds from the sale of the homes will be used to pay any agreed developer costs to reimburse the developer for vertical costs and any agreed developer fees. Remaining proceeds will be used to reimburse HCDD for grant proceeds to construct the home. Any remaining difference (lot value + home costs – sale proceeds) will be left behind in the form of down payment assistance to the home owner. **It is not anticipated HCDD will realize any net proceeds resulting for the sale of the homes.**





CITY OF HOUSTON – CITY COUNCIL

Meeting Date: 11/28/2018

Item Creation Date: 10/25/2018

District: ALL

HCD18-111

CDBG-DR Contractor Pool and

Master Contractor Agreement

Agenda Item#: IV

Background:

The Housing and Community Development Department (HCDD) requests that City Council authorize an ordinance approving a pool of contractors to perform housing repair and construction services for Community Development Block Grant Disaster Recovery (CDBG-DR) Programs.

The City of Houston Request for Qualifications (RFQ) for Housing Construction and Repair Services, Solicitation Number: S72-Q26671, issued on Friday, June 22, 2018 solicited and received 35 responses to provide construction and construction management services for eligible homeowners.

Through this RFQ Process, the City will select a pool of contractors to undertake projects in three CDBG-DR Programs: Harvey Homeowner Assistance Program (HoAP), Single Family New Home Construction Program, and Harvey Recovery Small Rental (HRSR) Program.

The RFQ provides a three (3) year contract with two (2) one-year options to renew annually, for a maximum five-year contract term for Housing Construction and Repair Services for HCDD.

As the RFQ is still being evaluated, the contractors have not yet been selected. Once finalized, the results will be made public and with Council approval, a zero-dollar allocation Master Contract Agreement will be executed with each contractor.

No fiscal note is required on grant items. This item was reviewed by the Housing and Community Affairs Committee on November 7, 2018.

Tom McCasland, Director

Amount of Funding:

TBD Federal State Local - Pass Through Fund (5030)

Prior Council Action:

2018-518 (O) 6/27/2018

Contact Information:

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(832) 394-6307