

# Affordable Home Development Program

September 30, 2021



CITY OF HOUSTON  
HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT



# Introductions



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# Agenda for Today's Meeting

What We Will Discuss

1

## AHDP Program

Background Info, Qualifications & Timeline

2

## Next Steps

Application Process

3

## Resources

AHDP Website and Pre-App Walkthrough

4

## Questions and Answers

# **Affordable Home Development Program (AHDP)**

# Introduction

- Financing large-scale Single-Family projects
- Increase housing stock Houston AND affordable homeownership opportunities
- Shovel ready developments
- Proposals throughout the City welcomed



# City's Affordable Home Investment

- City of Houston's Affordable Home Investment through gap financing
  - **Primary Program Purpose** – affordable homes
  - Secondary - infrastructure



# Project Pre-Assessment

**1** Will all affordable homes be ready to sell before end of 2023?

**2** Will the development have at least 40 affordable homes?

**3** Will the affordable homes be priced under \$250,000?

**4** Do you have site control or ownership?

**5** Is the project within CoH and outside the 100-year flood plain or floodways?

**6** Organizational & financial capacity to complete the project?



# Developer Qualifications

1

Developer eligibility

4

Affordable Homebuyer Eligibility

2

Good Standing

5

Project Eligibility

3

Experience

6

Fair Housing Compliance





# NEXT STEPS



# Pre-Application Project Details

1

Energy Star Compliance

2

New Home Construction

3

Resilience Standards

4

Accessibility Features and Standards

5

Market & Affordable Homes

6

Affordable Home Equivalency



# Pre-Application Required Documents

1

Development Proforma;  
Sources & Uses of  
Funds

2

Evidence of Site Control

3

Floodplain Map of the  
Proposed Site

4

Site Map

5

Compliance with all  
applicable federal and  
state requirements



# Affordability

- **Homebuyer Choice Program**
  - **\$48M in TIRZ funding**
  - **In partnership with Houston Community Land Trust**
  - **80% AMI households**
  - **Up to \$150,000 in down payment assistance if zoned to A or B rated schools**
  - **Up to \$100,000 for other households**



# Full-Application By Invitation

1

Affirmative Fair Housing Marketing Plan

4

Total homes and sale prices agreement

2

Phase 1 Environmental Site Assessment

5

Additional project requirements

3

Federal & State Compliance

6

Additional project requirements



# Timeline



1



**Rolling  
Pre-Application  
Begins**

October 1 –  
November 15

2



**Selection  
Committee &  
Invite to Apply**

November 16 – Mid-  
December

3



**Full  
Application  
Submission**

Approximately 30 days

4



**Award  
Process**

End of First Quarter 2022

**Note: All dates on slides are estimated and subject to change**



# RESOURCES

# Resources

- AHDP Website - <https://houstontx.gov/housing/ahdp.html>
- Contact us at: [AHDP@houstontx.gov](mailto:AHDP@houstontx.gov)
- HCDD Homebuyer Hub - <https://houstontx.gov/housing/homes/index.html>





# FAQS

# FAQS



- **Can applicants only submit sites in the City Limits?**  
We are only accepting applications within Houston City Limits.
  
- **What is the minimum lot size?**  
There is no minimum lot size. The development project must include a minimum of 40 Affordable Homes.



# FAQS



- **Can developers submit multiple projects in the same application, or do separate applications need to be submitted per project?**

Please submit an application for each Development Project. Each project will be evaluated on its own merit.



# FAQS



- **Is there a maximum amount of funds that a project can receive?**  
No, The City has not set a maximum amount of funds awarded to each Development Project.
- **What exactly do you mean by Single Family?**  
Single Family Homes refer to homeownership, not the style or structure of the home. We are encouraging innovative design single-family detached, townhomes, condo, etc.



# FAQS



- **If townhomes and condo developments are allowed, won't it be more like multi-family?**

We will consider condominiums and townhomes as Single-Family Developments as long as the Developer transfers the deed and sells the property to low-to-moderate-income Homebuyers.

- **Many home builders have financing means/lenders available for home buyers. Would this benefit potential home buyers, or should that be left up to the Buyer?**

Yes, Builder financing is a welcomed option for Homebuyers, as long as Homebuyers are given a choice to finance on-site or bring their financing to the deal.



# FAQS

- **If there is a \$250K price cap for an Affordable Home, would a four (4) bedroom home priced at \$278K still be considered affordable?**

We define Affordable Homes as a sales price in which a Homebuyer pays no more than thirty (30%) percent of gross income for monthly mortgage and utilities. The Affordable Homes in each Development should be sold to Homebuyers with Area Median Income of 120% or below as calculated by HUD.

This calculation changes annually; therefore, the sales price of the Affordable Homes should be listed based on the affordability of the low-to-moderate income Homebuyers at the time of sale.

**Q&A**

# **UPCOMING OPPORTUNITIES**



# HSFD NOFAs

- \$60M total for two NOFAs
- City Owned Land
  - Near Northside
- Gap Financing
- Website -

<https://recovery.houstontx.gov/hsfdp/>

