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

Tuesday, July 16, 2019, 10:00 AM
City Hall Council Chambers

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

II. Public Services

Coalition For the Homeless - CMI (1st Contract Amendment)
The Housing and Community Development Department (HCDD) recommends approval of a First Contract Amendment with The Coalition for the Homeless to allocate $202,243.00 in Tax Increment Reinvestment Zone funds (TIRZ) funds towards the operation of the Rapid Rehousing Case Management Intermediary (CMI) serving at least 300 homeless clients. (All Districts)

• Tom McCasland, Director, Housing and Community Development Department
• Melody Barr, Deputy Assistant Director

III. Real Estate

Purchase of 9100 Fondren Road
HCDD recommends approval of an Option Agreement for Purchase and Sale of Real Property between BRE Boardwalk Apartments LLC (Seller) not to exceed $1,500,000.00 (plus $40,000.00 for due diligence and closing costs) in DR-16 Multi-family Voluntary Buyout funds for the purchase of 9100 Fondren (formerly The Boardwalk Apartments) to reduce the risk of flooding in the area by converting the site into greenspace. (District J)

• Tom McCasland, Director, Housing and Community Development Department
• Ray Miller, Assistant Director

IV. Single Family

Additional Funding for Houston Land Bank (HLB)
HCDD recommends Council approval of an Agreement with the Houston Land Bank, granting an additional $5,000,000.00 in TIRZ Affordable Housing funds (Fund 2409) for the acquisition of properties in disaster recovery and high priority areas including the Complete Communities, for new affordable home development. (All Districts)

• Tom McCasland, Director, Housing and Community Development Department
• Anderson Stoute, Acting Deputy Assistant Director
V. Planning & Grants Management

Amendment to Update TIRZ Language
HCDD recommends Council approval of an amendment to Ordinance No. 1999-488 updating language referencing chapter 311, Section 311.01 (F) of the Tax Increment Financing Act and authorizing the establishment of certain policies and procedures relating to the City’s affordable housing programs. (All Districts)

• Tom McCasland, Director, Housing and Community Development Department
• Derek Sellers, Assistant Director

VI. Public Comments

VII. Director’s Comments
Tom McCasland, Director, HCDD

• Overview of new Multifamily Development Projects
Background:
The Housing and Community Development Department (HCDD) recommends approval of a First Contract Amendment between the City of Houston and The Coalition for the Homeless to allocate $202,243.00 in Tax Increment Reinvestment Zone funds (TIRZ) funds to finance the operation of the Rapid Rehousing Case Management Intermediary (CMI) to a minimum of 300 homeless or near homeless clients. The CMI helps homeless individuals and families achieve immediate and long-term housing stability by linking them to resources available in the community.

The Coalition will deliver the following program services:

1. Conducting a Request for Proposals process to select providers of Case Management and Housing Navigation services
2. Negotiating contracts with providers
3. Processing reimbursement requests
4. Monitoring performance and compliance with HUD regulations, and
5. Providing technical and management assistance and training.

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<thead>
<tr>
<th>Activity</th>
<th>Amount</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Direct Program Cost</td>
<td>$202,243.00</td>
<td>100%</td>
</tr>
<tr>
<td>Total</td>
<td>$202,243.00</td>
<td>100%</td>
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The Coalition has been granted the designation of Case Management Intermediary for the calendar years 2019 and 2020 by The Way Home Continuum of Care Steering Committee. As such the Coalition is a sole source agency providing the work of the CMI. The term of this contract will be February 1, 2019 – January 31, 2020.

Funding for this item is included in the FY2019 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

The Housing & Community Affairs Committee reviewed this on July 16, 2019.

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Tom McCasland, Director

Amount of Funding
$202,243.00 TIRZ Affordable Housing (Fund 2409)

Prior Council Action:
1/30/2019 (O) 2019-0057

Contact Information:
Roxanne Lawson (832) 394-6307
Background:
The Housing and Community Development Department (HCDD) recommends approval of an ordinance authorizing an Option Agreement for Purchase and Sale of Real Property between BRE Boardwalk Apartments LLC (Seller) and the City of Houston (City) for the purchase of The Boardwalk Apartments (Property), which is eligible under the HCDD Disaster Recovery (DR-16) Multi-family Voluntary Buyout Program (MVB Program). In collaboration with Houston Public Works (HPW) HCDD intends to convert this site into greenspace, and/or detention, to help reduce the risk for future flooding in the area.

The Property comprises approximately 7.73 acres of land and is located at 9100 Fondren Road. The Purchase Price is $1,010,211.00, subject to adjustment based on final appraisal, but in no event, will exceed $1,500,000.00, plus an additional due diligence and closing cost of $40,000.00. The MVB Program was approved by Ordinance No. 2019-109, adopted on February 19, 2019.

The seller understands that there is no obligation to sell the Property under the MVB Program, the power of eminent domain will not be used to acquire the Property and the seller agrees to the sale voluntarily. The purchase of the Property is subject to environmental clearance from the U.S. Department of Housing and Urban Development and other approvals from the program guidelines from the Texas General Land Office.

The following is a breakdown of expected costs:

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<th>Sources</th>
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<th>Uses</th>
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<tr>
<td>CDBG DR 16</td>
<td>$1,500,00.00</td>
<td>Estimated Purchase Price *</td>
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<tr>
<td>CDBG DR 16</td>
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<td>Estimated Due Diligence and closing cost</td>
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<td><strong>Total</strong></td>
<td><strong>$1,540,000.00</strong></td>
<td><strong>Estimated Total</strong></td>
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*Note: subject to adjustment based on final appraisal.

No fiscal note is required on grant items.

The Housing and Community Affairs Committee reviewed this item on July 16, 2019.

Tom McCasland, Director

**Amount of Funding:**
$1,540,000.00 – CDBG DR16 TAX DAY

**Contact Information:**
Roxanne Lawson
(832) 394-6307
Background:
The Housing and Community Development Department (HCDD) recommends City Council approval of an ordinance providing the Houston Land Bank (HLB) with an additional $5,000,000.00 in Tax Increment Reinvestment Zone Affordable Housing funds for the acquisition of properties associated with the Complete Communities, disaster recovery and other neighborhoods determined to be high priority areas for affordable home development.

As of March 2019, HLB has accelerated their work to identify and facilitate the acquisition of real property to further support HCDD and the New Home Development Program (NHDP). Currently, HLB has twenty (20) lots under contract and acquired two lots with a total estimated value of $2,738,213.00. HLB property acquisition targeted for FY20-21 is one hundred and fifty (150) single family lots with ninety (90) of these lots under review for a total estimated value of $8,950,000.00. HLB accommodated sixty-one (61) showings and eighty-two (82) phone calls in the month of June, illustrating the high demand for affordable housing units.

To further support the Mayor’s priorities of increased single-family home development and Complete Communities, HLB has expanded its scope beyond the acquisition of tax delinquent properties to include strategic acquisitions within transit-oriented development and other places deemed by the city to be a priority for new single-family development. The additional funding will go towards a revolving fund restricted to the acquisition and maintenance of additional properties.

Due to the increase demand in the real estate development, and limited number of tax-delinquent land parcels, additional funding is needed to support the development of affordable housing.

City Council approved an appropriation of $10,000,000.00 in TIRZ Affordable Housing funding for Land Acquisition on October 4, 2017 through Ordinance No. 2017-759. On August 29, 2018, through Ordinance No. 2018-692, City Council provided $5,000,000.00 of the $10,000,000 to HLB.

HCDD is requesting the approval to provide the balance of the Land Acquisition funding to HLB for the NHDP to continue developing affordable housing.

No Fiscal Note is required as stated in the Financial Policy.

This item was reviewed by the Housing and Community Affairs Committee on July 16, 2019.

Tom McCasland, Director

Amount of Funding:
$5,000,000.00 – Tax Increment Reinvestment Zone (TIRZ 2409) – Previously Appropriated

Prior Council Action:
10/04/2017 (O) 2017-759
8/29/2018 (O) 2018-692

Contact Information:
Roxanne Lawson
(832) 394-6307
Background:
The Housing and Community Development Department (HCDD) requests City Council approval of an Ordinance to amend Ordinance No. 1999-488 to update language referencing chapter 311, Section 311.011(F) of the Tax Increment Financing Act, and authorize the establishment of certain policies and procedures relating to the City’s affordable housing programs.

The amendment to Ordinance No. 1999-488 would include 1) replacing the language “dedicated to providing low-income housing” with “used to provide affordable housing”; 2) replacing all references to “low-income housing” with “affordable housing”; and 3) replacing all references to “Low-Income Housing Fund (Fund 872)” with “TIRZ Affordable Housing Fund (Fund 2409).”

The Ordinance would also authorize the HCDD Director to establish a process for implementing the policy priorities for affordable housing programs approved by City Council, including an effective reporting system for available TIRZ funds, affordable housing program activities, and outcomes.

No fiscal note is required on grant items.

The Housing and Community Affairs Committee reviewed this item on June 18, 2019.