



Housing and Community Affairs Committee

Committee Members

Mike Laster (Chair)	Robert Gallegos (Vice Chair)
Jerry Davis	Larry Green
David W. Robinson	Edward Gonzalez
Richard Nguyen	Dwight A. Boykins

AGENDA

Tuesday, May 13, 2014 8:30 AM
City Hall Annex

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

I. Public Service

For review and possible authorization:

- a. Houston Area Community Services – (All Council Districts) An Ordinance authorizing the use of \$2,350,000 in federal HOPWA funds for a contract between the City of Houston and Houston Area Community Services for rental assistance programs (with supportive services) for individuals/families affected by HIV/AIDS
- b. Salvation Army – (All Council Districts) An Ordinance authorizing a contract between the City of Houston and The Salvation Army, providing \$125,000 in CDBG funds for a day shelter program
- c. The Bridge Over Troubled Waters – (All Council Districts) An Ordinance authorizing the use of \$75,361 in federal CDBG funds for a contract between the City of Houston and The Bridge Over Troubled Waters Inc. to provide for an Outreach and Education program
- d. Goodwill Industries of Houston – (All Council Districts) An Ordinance authorizing the use of \$120,000 in federal CDBG funds for a contract between the City of Houston and Goodwill Industries of Houston for a community rehabilitative services program

Presentation:

- Neal Rackleff, Director Housing and Community Development Department
- Melody Barr, Administration Manager

II. **Commercial/Multifamily**

For review and possible authorization:

- a. Hamilton Street Residence – (Council District I) An Ordinance authorizing amendments to the Loan and Grant Agreements between the City of Houston and Houston Area CDC, an affiliate of New Hope Housing, to rehabilitate Hamilton Street Residence, a 127-unit community serving the homeless at 320 Hamilton Street
- b. New Hope Housing (Reed Road) – (Council District D) An Ordinance authorizing a Grant Agreement between the City of Houston and Houston Area CDC, an affiliate of New Hope Housing, for construction of an affordable 140-unit housing community located at 2620 Reed Road
- c. The Women’s Center – (Council District A) An Ordinance authorizing a Loan Agreement between the City of Houston and The Women’s Home for construction of an affordable 84-unit housing community located at 2060 Jacquelyn Drive
- d. Cleme Manor – (Council District B) An Ordinance amending the Loan Agreement between the City of Houston and Cleme Manor Holdings, LLC to fund an additional \$1,200,000 for the renovation of Cleme Manor, and to include Permanent Supporting Housing
- e. Kissito Healthcare Inc. – (Council District D) Approval of a Loan Agreement between the City of Houston and Kissito Healthcare Inc. for construction of a mixed-income and mixed-use affordable housing company located at 4320 Old Spanish Trail

Presentation:

- Neal Rackleff, Director Housing and Community Development Department
- Eta Paransky, Assistant Director

III. **Planning and Grants Management**

For review and possible authorization:

- a. Substantial Amendments to CDBG and HOME Budgets – (All Council Districts)
An Ordinance approving Substantial Amendments in the amount of \$5,809,826.05 in Community Development Block Grant funds under Budgets for 2005, 2007, 2008, 2009, 2010, 2011, 2012, and 2013 Annual Action Plans; and \$3,343,959.16 in HOME Investment Partnerships Grant funds under Budgets for the 2001, 2003, 2006, 2007 2011 and 2013 Annual Action Plans

Presentation:

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

IV. **Single-Family Programs**

For review and possible authorization:

- a. Amendment #9 Hurricane Ike Disaster Recovery Round – (All Council Districts) An Ordinance authorizing Amendment #9 to extend and, if necessary, reinstate the Hurricane Ike Disaster Recovery Round 1 contract with a new end date of 9/30/2014

Presentation:

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

V. **Neighborhood Stabilization Program (NSP3)**

For review and possible authorization:

- a. Neighborhood Stabilization Program – (Council Districts B, D, F, H, I, K) An Ordinance authorizing a substantial amendment to the Neighborhood Stabilization Program (NSP3) plan to add \$803,415.13 in program income received from NSP1 and NSP3 activities

Presentation:

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

VI. **ECONOMIC DEVELOPMENT**

For review and possible authorization:

- a. Economic Development Initiative – (All Council Districts) An Ordinance directing the HCDD to request a substantial amendment from HUD to extend the Economic Development Initiative grant for three years and to add infrastructure projects for economic development to the approved program activities
- b. Tax Increment Reinvestment Zone (TIRZ) – (All Council Districts) An Ordinance approving and authorizing an appropriation of \$14,000,000 of Tax Increment Reinvestment Zone (TIRZ) Affordable Housing Funds (#2409) for single and multifamily affordable housing activities

Presentation:

- Neal Rackleff, Director Housing and Community Development Department

- Robert Bradford, Assistant Director, CFO
- Veronica Chapa, Deputy Director

VII.

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.

VIII.

Director's Comments

Neal Rackleff, Director Housing and Community Development Department

REQUEST FOR COUNCIL ACTION

14-HACS (HOPWA)

SUBJECT: An Ordinance authorizing the use of \$2,350,000 in federal HOPWA funds for a contract between the City of Houston and Houston Area Community Services for rental assistance programs (with supportive services) for individuals/families affected by HIV/AIDS

FROM: Neal Rackleff, Director
Housing and Community Development Department

DIRECTOR'S SIGNATURE: _____

For additional information contact: Stephen Timmermon
Phone: 713-868-8448

RECOMMENDATION: Approval of an Ordinance authorizing the use of \$2,350,000 in federal HOPWA funds for a contract between the City of Houston and Houston Area Community Services for rental assistance programs (with supportive services) for individuals/families affected by HIV/AIDS

Amount of Funding: **\$2,350,000**

SOURCE OF FUNDING General Fund Grant Fund Enterprise Fund

Amount: _____

Housing Opportunities for Persons With AIDS (HOPWA)

SPECIFIC EXPLANATION:

The Housing and Community Development Department (HCDD) recommends approval of a contract between the City of Houston and Houston Area Community Services (HACS) to finance the operation for (1) a Tenant-Based Rental Assistance (TBRA) Program with supportive services and (2) a Short-Term Rent, Mortgage, and Utility Assistance (STRMUA) Program with supportive services.

The City will grant HACS \$2,350,000 to provide emergency housing assistance and supportive services to 355 households. HACS provides rental subsidies and short-term rent, mortgage, and utility assistance to help participants at risk of becoming homeless obtain emergency and/or permanent housing. HACS also provides counseling, case management, life skills training, job search assistance, and nutritional services. HOPWA funds are providing 50.4% of the cost of this program.

Category	Total Contract Services	Percent
Administrative	\$150,000.00	6.38%
Supportive Services	\$243,451.57	10.36%
TBRA	\$1,456,548.43	61.98%
STRMUA	\$500,000.00	21.28%
Total	\$2,350,000.00	100%

HCDD conducted a Request for Proposals (RFP) for fiscal year 2014 for HOPWA contracts and selected HACS as one of the providers. This contract provides funding for June 1, 2014 – May 31, 2015, with a one-year renewal option at the City's request. HACS began receiving HOPWA funds through the City in 2000.

The Housing and Community Affairs Committee reviewed this item on May 13, 2014.

NR:EP:MNB:RLJ
cc: Legal Department
Mayor's Office
City Secretary
Finance Department

REQUIRED AUTHORIZATION

Finance Director: _____ Other Authorization: _____

Other Authorization: _____

TD.

TO: Mayor via City Secretary REQUEST FOR COUNCIL ACTION

1/29/14

Salvation Army

SUBJECT: An Ordinance authorizing a contract between the City of Houston and The Salvation Army, providing \$125,000 in CDBG funds for a day shelter program	Category	Page	Agenda Item
		1 of 1	#

FROM: Neal Rackleff, Director Housing and Community Development	Origination Date	Agenda Date
	1/29/14	

DIRECTOR'S SIGNATURE:	Council Districts affected:
	ALL

For additional information contact: Stephen Timmeron Phone: 713-868-8448	Date and identification of prior authorizing Council action:

RECOMMENDATION: Approval of an Ordinance authorizing a contract between the City of Houston and The Salvation Army, providing up to \$125,000 in CDBG funds for a day shelter program

Amount of Funding:	Finance Budget:
\$125,000.00	

SOURCE OF FUNDING: <input type="checkbox"/> General Fund <input checked="" type="checkbox"/> Grant Fund <input type="checkbox"/> Enterprise Fund
Community Development Block Grant (CDBG)

SPECIFIC EXPLANATION:

The Housing and Community Development Department (HCDD) recommends approval of a contract between the City of Houston and The Salvation Army to provide self-sufficiency services, emergency and permanent housing referrals, and other supportive services to 250 homeless young adults served by The Salvation Army's Young Adult Resource Center (YARC). YARC is a day shelter program for persons aged 18-25 who are experiencing homelessness.

In addition to being a safe place for homeless young adults to be during the day, YARC is a central point of drop-in and engagement for existing and ongoing outreach efforts, emergency shelter, and case management to assist in permanent housing placement and referrals.

HCDD will grant The Salvation Army up to \$125,000 in Community Development Block Grant (CDBG) funding to provide services to 250 unduplicated participants. Fifty of the participants will receive tools for self-sufficiency, including referrals to transitional and permanent housing, and access to medical care, counseling, employment, and education opportunities. For the remaining 200, The Salvation Army will provide outreach, addressing their immediate needs for food, clothing, and referrals for emergency shelter.

HCDD will be providing 46% of the total budget for this program.

Category	Amount	Percentage
Program Administration	-	0%
Program Services	\$125,000.00	100%
Total	\$125,000.00	100%

HCDD conducted a Request for Proposals (RFP) for program year 2014 CDBG contracts and selected The Salvation Army as one of the agencies. The contract provides funding for a 12-month period beginning on the date it is countersigned by the City Controller.

This item was reviewed by the Housing and Community Affairs Committee on May 13, 2014.

NR:EP:MB:MJR
cc: City Secretary
Legal Department
Finance Department
Mayor's Office

REQUIRED AUTHORIZATION	
Finance Director:	Other Authorization:
	Other Authorization:

I.b

TO: Mayor via City Secretary

REQUEST FOR COUNCIL ACTION

TBOTW-Outreach and Transportation

SUBJECT: An Ordinance authorizing the use of \$75,361 in federal CDBG funds for a contract between the City of Houston and The Bridge Over Troubled Waters Inc. to provide for an Outreach and Education program	Category	Page 1 of 1	Agenda Item #
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FROM: Neal Rackleff, Director Housing and Community Development	Origination Date 3/26/14	Agenda Date
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DIRECTOR'S SIGNATURE:	Council Districts affected: All
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For additional information contact: Stephen Tinnermon Phone: 713-868-8448	Date and identification of prior authorizing Council action:
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RECOMMENDATION: Approval of an Ordinance authorizing the use of \$75,361 in federal CDBG funds for a contract between the City of Houston and The Bridge Over Troubled Waters Inc. for an Outreach and Education program

Amount of Funding: \$75,361.00	Finance Budget:
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SOURCE OF FUNDING: General Fund Grant Fund Enterprise Fund

Community Development Block Grant (CDBG)

SPECIFIC EXPLANATION:

The Housing and Community Development Department (HCDD) recommends approval of a contract between the City of Houston and The Bridge Over Troubled Waters Inc. to operate an Outreach and Education program.

The Bridge program delivers services 24 hours a day, 7 days a week, and 52 weeks a year. The Bridge will provide victim outreach services to 150 residents who are victims of domestic violence, and through Education Outreach, will reach 2000 community members by providing education regarding domestic violence and resources to assist victims. In addition, this program will deliver transportation services to 70 clients via agency vehicles, taxi vouchers, and bus tokens. The City is contributing 23% of the entire program cost.

Category	Total Contract	Percent
Administration	-	0%
Program Services	\$75,361.00	100%
Total	\$75,361.00	100%

HCDD conducted a Request for Proposals for fiscal year 2014 for CDBG contracts and selected The Bridge Over Troubled Waters Inc. as one of the providers. This contract funds services for a 12-month period. This will be the first CDBG Public Service-funded contract The Bridge will receive through the City of Houston.

This item was reviewed by the Housing and Community Affairs Committee on May 13, 2014.

NR:EP:MB:MR
cc: City Secretary
Legal Department
Finance Department
Mayor's Office

REQUIRED AUTHORIZATION

Finance Director:	Other Authorized:	Other Authorization:
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I.C.

TO: Mayor via City Secretary

REQUEST FOR COUNCIL ACTION

4/25/14

Goodwill Industries

SUBJECT:	Category	Page	Agenda Item
An Ordinance authorizing the use of \$120,000 in federal CDBG funds for a contract between the City of Houston and Goodwill Industries of Houston for a community rehabilitative services program		1 of 1	#

FROM:	Origination Date	Agenda Date
Neal Rackleff, Director Housing and Community Development	4/25/14	

DIRECTOR'S SIGNATURE:	Council Districts affected:
	All

For additional information contact:	Date and identification of prior authorizing Council action:
Stephen Tinnermon Phone: 713-868-8448	

RECOMMENDATION: Approval of an Ordinance authorizing the use of \$120,000 in federal CDBG funds for a contract between the City of Houston and Goodwill Industries of Houston for a community rehabilitative services program

Amount of Funding:	Finance Budget:
\$120,000.00	

SOURCE OF FUNDING: General Fund Grant Fund Enterprise Fund
Community Development Block Grant (CDBG)

SPECIFIC EXPLANATION:

The Housing and Community Development Department (HCDD) recommends approval of a contract between the City of Houston and Goodwill Industries of Houston for a program that assists persons with disabilities in gaining employment.

The goal of Goodwill Houston's Community Rehabilitative Services Program is to place individuals with physical, mental and developmental disabilities into competitive employment. Services may include: (1) assessment, (2) development of an individual employment plan, (3) work readiness training, (4) life skills training, (5) personal/social work adjustment training, and (6) embedded training, job coaching, and job development.

The City will grant Goodwill up to \$120,000 in Community Development Block Grant (CDBG) funds to provide services to approximately 150 clients, placing 75 in competitive employment. The City of Houston is contributing 21% of the entire program cost.

Category	Amount	Percentage
Program Administration	\$0	0%
Program Services	\$120,000	100%
Total	\$120,000	100%

HCDD conducted a Request for Proposals (RFP) for program year 2014 for CDBG contracts and selected Goodwill Industries as one of the providers. This contract provides funding for June 1, 2014 – May 31, 2015. Goodwill Industries has received CDBG funding through the City of Houston since 2012.

This item was reviewed by the Housing and Community Affairs Committee on May 13, 2014.

NR:EP:MB:MJR

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

REQUIRED AUTHORIZATION

Finance Director:	Other Authorization:	Other Authorization:

I.D.

SUBJECT: An Ordinance authorizing amendments to the Loan and Grant Agreements between the City of Houston and Houston Area CDC, an affiliate of New Hope Housing, to rehabilitate Hamilton Street Residence, a 127-unit community serving the homeless at 320 Hamilton Street

Category #	Page 1 of 1 #	Agenda Item #

FROM: Neal Rackleff, Director
Housing and Community Development

Origination Date	Agenda Date
4/29/14	

DIRECTOR'S SIGNATURE:

Council District affected:
District 1

For additional information contact: Stephen Tinnermon
Phone: 713-868-8448

Date and Identification of prior authorizing Council action:
96-319, 2013-0843

RECOMMENDATION: Approval of an Ordinance authorizing amendments to the Loan and Grant Agreements between the City of Houston and Houston Area CDC, an affiliate of New Hope Housing, to rehabilitate Hamilton Street Residence, a 127-unit community serving the homeless at 320 Hamilton Street

Amount of Funding: No additional funding **Finance Budget:**

SOURCE OF FUNDING General Fund Grant Fund Other
HOME Investment Partnership and Housing & Homeless Bond Funds

SPECIFIC EXPLANATION:

On September 18, 2013, City Council approved an Ordinance authorizing a \$1,475,600 loan of HOME funds and a \$2,142,133 grant of Housing and Homeless Bond funds to Houston Area Community Development Corporation (HACDC) to renovate the 127-unit New Hope Housing (NHH) at Hamilton apartment community located at 320 Hamilton Street in downtown Houston.

The Housing and Community Development Department (HCDD) requests approval to change the funding sources as follows:

Sources of Funds:	Original:	Revised:
HOME	\$1,475,600	\$2,986,233
Bonds	\$2,142,133	\$ 631,500
TOTAL	\$3,617,733	\$3,617,733

The total amount of funding, previously approved by Council, will not change (just the sources of the funds). The number of restricted, affordable units will also remain the same at 78 units. The reallocation of funds will provide HCDD with greater flexibility to pursue its affordable housing and community development objectives.

This item was reviewed by the Housing and Community Affairs Committee on May 13, 2014.

Cc: City Secretary
 Controller's Office
 Finance Department
 Legal Department
 Mayor's Office

REQUIRED AUTHORIZATION		
Finance Department:	Other Authorization:	Other Authorization:

II.A.

SUBJECT: An Ordinance authorizing a Grant Agreement between the City of Houston and Houston Area CDC, an affiliate of New Hope Housing, for construction of an affordable 140-unit housing community located at 2620 Reed Road

Category #	Page #	Agenda Item #
	1 of 1	

FROM:
Neal Rackleff, Director
Housing and Community Development

Origination Date	Agenda Date
4/7/2014	

DIRECTOR'S SIGNATURE:

Council District affected: District D

For additional information contact: Stephen Timmermon
Phone: 713-868-8448

Date and identification of prior authorizing Council action: N/A

RECOMMENDATION: Approval of an Ordinance authorizing a Grant Agreement between the City of Houston and Houston Area CDC, an affiliate of New Hope Housing (NHH), for construction of an affordable 140-unit housing community located at 2620 Reed Road.

Amount of Funding: \$6,000,000

Finance Budget:

SOURCE OF FUNDING General Fund Grant Fund Other

Housing & Homeless Bond Funds

SPECIFIC EXPLANATION:

The Housing and Community Development Department recommends Council approve an Ordinance authorizing the use of \$6,000,000 of Housing and Homeless Bond funds for the construction of a new affordable housing community located at 2620 Reed Road. Total project costs are anticipated to be \$21,799,700.

The proposed project will be a three-story midrise building consisting of one, two and three bedroom floor plans, ranging in size from 750 to 1,250 sq. ft. The property will be located on a 6.7-acre tract that is part of a 47-acre campus being developed by the Star of Hope. The Star of Hope and NHH are working together in order to bring needed affordable housing to this area.

The developer, New Hope Housing, has a track record of developing high-quality and well managed affordable housing communities across the city.

In exchange for the funding, NHH will build a 140-unit affordable housing community serving families at or below 60% Area Median Income. Of these 140 units, 70 will be designated as Permanent Supportive Housing (PSH) in support of the City's initiative to end chronic homelessness by 2015. This financing will leverage additional funding including State Low Income Housing Tax Credits and charitable contributions.

The project's \$21,799,700 cost will be financed as follows:

Sources of Funds:

Housing & Homeless Bonds	\$6,000,000.00
Tax Credit Equity	\$12,500,000.00
Charitable Contributions	\$3,299,700.00
Total Project Cost	\$21,799,700.00

This item was reviewed by the Housing and Community Affairs Committee on May 13, 2014.

REQUIRED AUTHORIZATION

Finance Department:	Other Authorization:	Other Authorization:
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I.I.b.

SUBJECT: An Ordinance authorizing a Loan Agreement between the City of Houston and The Women's Home for construction of an affordable 84-unit housing community located at 2060 Jacquelyn Drive

Category #	Page 1 of 1	Agenda Item #

FROM: Neal Rackleff, Director
Housing and Community Development

Origination Date	Agenda Date
5/2/2014	

DIRECTOR'S SIGNATURE:

Council District affected:
District A

For additional information contact: Stephen Tinnermon
Phone: 713-868-8448

Date and identification of prior authorizing Council action: N/A

RECOMMENDATION: Approval of an Ordinance authorizing a Loan Agreement between the City of Houston and The Women's Home for construction of an affordable 84-unit housing community located at 2060 Jacquelyn Drive

Amount of Funding: \$3,500,000

Finance Budget:

SOURCE OF FUNDING	<input type="checkbox"/> General Fund	<input checked="" type="checkbox"/> Grant Fund	<input checked="" type="checkbox"/> Other

HOME Investment Partnership

SPECIFIC EXPLANATION:

The Housing and Community Development Department recommends Council approve an Ordinance authorizing the use of \$3,500,000 of HOME funds for the construction of a new affordable housing community located at 2060 Jacquelyn Drive. Total project costs are anticipated to be \$12,100,000.

This project represents the second phase of the Women's Home complex in Spring Branch, and will provide two- and three-bedroom apartments for low income families. The property will be designed with a central courtyard that will include an enclosed children's playground. A multi-purpose building on the site will be available for classes, events, or for rental by residents. The Women's Home provides extensive case management services for its residents.

Stephan Fairfield of Covenant Community Capital, an experienced and respected affordable housing developer, will act as developer on behalf of The Women's Home.

In exchange for the funding, The Women's Home will restrict 40 units for families earning less than 60% of Area Median Income. These units will be further designated as Permanent Supportive Housing (PSH) in support of the City's initiative to end chronic homelessness by 2015. This financing will also leverage additional funding including State Low Income Housing Tax Credits and charitable contributions.

The project's total cost will be financed as follows:

Sources of Funds:

HOME Funds	\$3,500,000
Short Term Loan	\$1,500,000
Tax Credit Equity	\$4,000,000
Charitable Contributions	\$1,100,000
<u>Foundation Pledges</u>	<u>\$2,000,000</u>
Total Project Cost	\$12,100,000

This item was presented to the Housing and Community Affairs Committee on May 13, 2014.

REQUIRED AUTHORIZATION	
Finance Department:	Other Authorization:
	Other Authorization:

I.C.

SUBJECT:	Category #	Page #	Agenda Item #
An Ordinance amending the Loan Agreement between the City of Houston and Cleme Manor Holdings, LLC to fund an additional \$1,200,000 for the renovation of Cleme Manor, and to include Permanent Supportive Housing		1 of 1	

FROM: Neal Rackleff, Director Housing and Community Development	Origination Date 4/21/2014	Agenda Date
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DIRECTOR'S SIGNATURE:	Council District affected: District B
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For additional information contact: Stephen Tinnermon Phone: 713-868-8448	Date and identification of prior authorizing Council action: N/A
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RECOMMENDATION: Approval of an Ordinance amending the Loan Agreement between the City of Houston and Cleme Manor Holdings, LLC to fund an additional \$1,200,000 for the renovation of Cleme Manor, and to include Permanent Supportive Housing

Amount of Funding: \$1,200,000.00	Finance Budget:
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SOURCE OF FUNDING	<input type="checkbox"/> General Fund	<input checked="" type="checkbox"/> Grant Fund	<input type="checkbox"/> Enterprise Fund
HOME Investment Partnership			

SPECIFIC EXPLANATION:

The Housing and Community Development Department (HCDD) recommends Council approval of an amendment to the Loan Agreement between the City of Houston and Cleme Manor Holdings, LLC to fund an additional \$1,200,000 for the renovation of Cleme Manor, a Section 8 housing community located at 5300 Coke Street.

Cleme Manor is a 45-year-old apartment community with units ranging from one bedroom to five bedrooms. It is located adjacent to the recently redeveloped Finnegan Park and Community Center in the 5th Ward. As the largest property in the immediate area, Cleme Manor's complete renovation, together with the nearby Bayou Fifth development, will serve as catalysts for revitalization of the surrounding neighborhood.

This property is receiving \$3,000,000 of Disaster Recovery Round 2 (DR2) funds which will be used for acquisition. The owner has additionally requested \$1,200,000 of HOME funds to fill the gap between its other funding sources and the cost of the renovation project. The developer provided a relocation plan and budget to the City that includes temporary relocation for all of the property's tenants.

As part of the DR 2 financing, 145 units (51% of the total) are restricted at affordable rents for low-income tenants for an affordability period of 10 years. Of those 145 units, 24 units will be reserved as Permanent Supportive Housing units in support of the City's initiative to end chronic homelessness by 2015. These tenants will receive integrated clinical and intensive case management services to help support their special needs in maintaining stable housing.

Funding for this project is comprised of the following sources:

FHA loan	\$13,100,000
Tax credits	\$9,656,975
5th Ward TIRZ	\$1,310,306
Deferred fee & other equity	\$1,004,661
HOME (PSH)	\$1,200,000
Interim Income	\$1,074,030
Disaster Recovery Round 2	\$3,000,000
	<u>\$30,345,972</u>

This proposal was presented to the Housing and Community Affairs Committee on May 13, 2014.

REQUIRED AUTHORIZATION	
Finance Department:	Other Authorization:

I.L.A.

SUBJECT: Approval of a Loan Agreement between the City of Houston and Kissito Healthcare Inc. for construction of a mixed-income and mixed-use affordable housing community located at 4320 Old Spanish Trail

Category #	Page 1 of 1 #	Agenda Item #

FROM: Neal Rackleff, Director
Housing and Community Development

Origination Date	Agenda Date
11/26/2013	

DIRECTOR'S SIGNATURE: Council District affected: District D

For additional information contact: Stephen Tinnermon
Phone: 713-868-8448

RECOMMENDATION: Approval of a Loan Agreement between the City of Houston and Kissito Healthcare Inc. for construction of a mixed-income and mixed-use affordable housing community located at 4320 Old Spanish Trail

Date and identification of prior authorizing Council action: N/A

Amount of Funding: \$3,500,000.00

Amount of Funding: Finance Budget:

SOURCE OF FUNDING General Fund Grant Fund Other

SPECIFIC EXPLANATION: HOME Investment Partnership

The Housing and Community Development Department recommends Council approve a \$3,500,000 loan of HOME funds to Kissito Healthcare Inc. for the development of the Kissito Riverside Center for Healthy Living – a \$23 million, 176-unit, mixed-income and mixed-use affordable community located at 4320 Old Spanish Trail.

The Kissito model is a "Service Enriched Housing" model. The program's goal is to allow seniors to live in their homes as long as possible. The property will include a 12,000-square-foot PACE clinic through which services will be provided. PACE (Program for All-Inclusive Care for the Elderly) is a Medicaid program that provides long-term services and supports for Medicaid and Medicare enrollees. In most cases, this comprehensive care model allows individuals to receive care at home rather than in a nursing home. All qualified citizens living in the Riverside neighborhood may also take advantage of this clinic.

The Kissito Riverside project represents a collaboration between the developer, service providers and healthcare providers. The project will include 176 apartment units, 36,000 square feet of common areas and social services offices, a 12,000-square-foot PACE clinic, a 15,000-square-foot medical clinic operated by Harris County Health Care, and a 5,000-square-foot clinic operated by the University of Texas College of Dentistry.

Kissito Riverside will contain 66 Permanent Supportive Housing (PSH) units, 55 affordable units for low income seniors, and 55 market rate units for seniors. A Land Use Restriction Agreement (LURA) will require that the PSH and low income units be restricted for 20 years.

Total funding for the project is as follows:

Sources of Funds:

Revenue Bonds / 4% Tax Credits	\$ 17,602,147
Harris County Housing Dept.	\$ 500,000
Seller Financing	\$ 500,000
Federal Home Loan Bank	\$ 500,000
Developer Equity	\$ 500,000
City of Houston	\$ 3,500,000
	<u>\$ 23,102,147</u>

This item was reviewed by the Housing and Community Affairs Committee on May 13, 2014.

REQUIRED AUTHORIZATION		
Finance Department:	Other Authorization:	Other Authorization:

I.E.

TO: Mayor via City Secretary REQUEST FOR COUNCIL ACTION

SUBJECT: An Ordinance approving Substantial Amendments in the amount of \$5,809,826.05 in Community Development Block Grant funds under Budgets for 2005, 2007, 2008, 2009, 2010, 2011, 2012, and 2013 Annual Action Plans; and \$3,343,959.16 in HOME Investment Partnerships Grant funds under Budgets for the 2001, 2003, 2006, 2007, 2011 and 2013 Annual Action Plans

Category # **Page** **Agenda Item**
 1 of 3 #

FROM: Neal Rackleff, Director
 Housing and Community Development Department

Origination Date
 04/25/2014

Agenda Date

DIRECTOR'S SIGNATURE:

Council District(s) affected:
 All

For additional information contact: Stephen Tinnermon
 Phone: 713-868-8448

Date and identification of prior authorizing Council action:

RECOMMENDATION Approval of an Ordinance authorizing Substantial Amendments in the amount of \$5,809,826.05 in Community Development Block Grant funds under Budgets for 2005, 2007, 2008, 2009, 2010, 2011, 2012, and 2013 Annual Action Plans; and \$3,343,959.16 in HOME Investment Partnerships Grant funds under Budgets for the 2001, 2003, 2006, 2007, 2011 and 2013 Annual Action Plans

Amount of Funding:

NO FUNDING REQUIRED

Finance Budget:

SOURCE OF FUNDING: General Fund Grant Fund Enterprise Fund Other

Community Development Block Grant & HOME Investment Partnerships Grant (Fund 5000)

SPECIFIC EXPLANATION:

The Housing and Community Development Department (HCDD) recommends approval of an Ordinance authorizing Substantial Amendments to CDBG and HOME Budgets in Action Plans for years 2001, 2003, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, and 2013. These amendments are the result of efforts to deobligate remaining balances on completed projects, and to make adjustments needed to ensure the integrity of HCDD's spending obligations.

In accordance with HUD regulations and the Citizen's Participation Plan (CPP), the City is required to amend components of its Consolidated Plan/Action Plan when (1) an activity is added; (2) an activity is deleted; (3) a change in the scope of an activity or reallocation of funds increases or decreases the budget of an activity by more than twenty-five (25%) of the original budget; or (4) when there is a change in the purpose, location, scope, or beneficiaries of an activity, or when a priority has changed. These Substantial Amendments are triggered by items 1, 2, and 3.

HCDD initiated a new program, the Business Investment Program (BIP), in an effort to provide access to goods and services in low- and moderate-income neighborhoods or to create jobs for low- and moderate-income persons through economic development. Thus, through a subrecipient relationship, HCDD will offer grants, low-interest-rate loans with flexible repayment terms, and other flexible loan products to meet financial needs of eligible for-profit and nonprofit business concerns through the BIP. Substantial Amendments to these Community Development Block Grant (CDBG) Budgets are necessary to provide the economic development funding needed for the BIP.

Activity **Decrease/Delete** **Increase/Add**

The 2005 Budget is Amended as follows:

Housing Assistance Programs \$4,015.84

Economic Development Assistance Programs \$4,015.84

The 2007 Budget is Amended as follows:

Housing Assistance Programs \$350,138.72

Economic Development Assistance Programs \$350,138.72

The 2008 Budget is Amended as follows:

Housing Assistance Programs \$153,841.85

Economic Development Assistance Programs \$153,841.85

The 2009 Budget is Amended as follows:

Housing Assistance Programs \$331,863.58

Economic Development Assistance Programs \$331,863.58

The 2010 Budget is Amended as follows:

Single Family Home Repair - Relocation \$3,214.22

Economic Development Assistance Programs \$3,214.22

III, a.

The 2011 Budget is Amended as follows:		
Single Family Home Repair - Relocation		\$4,032.22
Economic Development Assistance Programs		\$4,032.22
The 2012 Budget is Amended as follows:		
Relocation for Single Family Home Repair Program	\$14,597.90	
Single Family Home Repair Program	\$2,513,124.72	
Lead-Based Paint Testing (Project Delivery for SFHR Program) -- transfer to Health Dept.	\$100,000.00	
Economic Development Assistance Programs		\$2,627,722.62
The 2013 Budget is Amended as follows:		
Single Family Housing	\$1,450,000.00	
Lead Based Paint	\$400,000.00	
Economic Development		\$1,850,000.00
Total Proposed Reallocation	\$5,324,829.05	

HCDD oversees the Homebuyer Assistance Program to help qualified homebuyers purchase new or existing homes. Substantial Amendments to these CDBG Budgets are necessary to reallocate funds remaining on completed projects to the Homebuyer Assistance Program, in order to meet current program funding requests.

<u>Activity</u>	<u>Decrease/Delete</u>	<u>Increase/Add</u>
The 2001 Budget is Amended as follows:		
Single Family Remediation/Down Payment Assistance	\$38,085.21	
Multi-Family Acquisition/Rehabilitation/New Construction/Relocation		\$38,085.21
The 2003 Budget is Amended as follows:		
Single Family Remediation/Down Payment Assistance	\$868,098.14	
Multi-Family Acquisition/Rehabilitation/New Construction/Relocation		\$868,098.14
The 2006 Budget is Amended as follows:		
Single-Family Down Payment/Closing Cost Assistance - New-Existing Homes	\$265.00	
Multi-Family Acquisition/Rehabilitation/New Construction/Relocation		\$265.00
The 2007 Budget is Amended as follows:		
Single Family Development	\$425,046.00	
Multi-Family Acquisition/Rehabilitation/New Construction/Relocation		\$425,046.00
The 2011 Budget is Amended as follows:		
Single-Family Down Payment/Closing Cost Assistance - New-Existing Homes	\$212,464.81	
Multi-Family Acquisition/Rehabilitation/New Construction/Relocation		\$212,464.81
The 2013 Budget is Amended as follows:		
Homebuyer Assistance	\$1,800,000.00	
Multi-Family Development		\$1,800,000.00
Total Proposed Reallocation		\$3,343,959.16

HCDD allocated HOME Investment Partnership Grant (HOME) funds to remediate issues identified by HUD during its 2004 monitoring visit. HCDD has completed all required tasks and Substantial Amendments to these HOME Budgets are necessary to reallocate the remaining funds to the Multifamily Housing Program to meet current funding requests.

Activity	Decrease/Delete	Increase/Add
The 2003 Budget is Amended as follows:		
Single Family Remediation/Down Payment Assistance	\$868,098.14	
Multi-Family Acquisition/Rehabilitation/New Construction/Relocation		\$868,098.14
The 2007 Budget is Amended as follows:		
Single Family Remediation Development	\$425,046.00	
Multi-Family Acquisition/Rehabilitation/New Construction/Relocation		\$425,046.00
Total Proposed Reallocation	\$1,293,144.14	

This item was presented to the Housing and Community Affairs Committee on May 13, 2014.

Cc: City Secretary
 Legal Department
 Finance Department
 Mayor's Office

REQUIRED AUTHORIZATION		
Finance Department:	Other Authorization:	Other Authorization:

TO: Mayor via City Secretary REQUEST FOR COUNCIL ACTION

SUBJECT: An Ordinance authorizing Amendment #9 to extend and, if necessary, reinstate the Hurricane Ike Disaster Recovery Round 1 contract with a new end date of 9/30/2014

Category #	Page 1 of 1	Agenda Item #
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FROM:
Neal Rackleff, Director
Housing and Community Development

Origination Date	Agenda Date
4/23/14	

DIRECTOR'S SIGNATURE:

Council Districts affected:
All

For additional information contact: Stephen Tinnermon
Phone: 713-868-8448

Date and Identification of prior authorizing Council action: Ord. #2009-0347 – 04/29/2009
Ord. #2010-0921 – 11/09/2010
Ord. #2011-0197 – 03/23/2011
Ord. #2011-0440 – 06/08/2011
Ord. #2012-0434 – 05/09/2012
Ord. #2012-1011 – 11/28/2012
Ord. #2013-0354 – 04/24/2013
Ord. #2014-0251 – 04/02/2014

RECOMMENDATION: Approval of an Ordinance authorizing Amendment #9 to extend and, if necessary, reinstate the Hurricane Ike Disaster Recovery Round 1 contract with a new end date of 9/30/2014

Amount of Funding: No Additional Funding Required **Finance Budget:**

SOURCE OF FUNDING: General Fund Grant Fund Enterprise Fund
Community Development Block Grant Disaster Recovery Round 1

SPECIFIC EXPLANATION:

The Housing and Community Development Department recommends approval of Contract Amendment #9 to the Hurricane Ike Disaster Recovery (CDBG-DR) Round 1 grant contract with Texas General Land Office (GLO).
Amendment #9 will extend and, if necessary, reinstate the contract with a new end date of 9/30/2014. This will ensure that all construction for the 222 homes served will be completed prior to the end date of the contract.

HCDD published a 15-day public notice in the Houston Chronicle on Tuesday, April 29, 2014. To date, XX comments have been received.

This action was presented at the Tuesday, May 13, 2014, Council Committee on Housing and Community Affairs meeting.

NR:VC:BS:PC

cc: City Secretary
Legal Department
City Attorney
Finance Department

REQUIRED AUTHORIZATION

Finance Department:	Other Authorization:	Other Authorization:

IV, a.

TO: Mayor via City Secretary REQUEST FOR COUNCIL ACTION

SUBJECT: An Ordinance authorizing a substantial amendment to the Neighborhood Stabilization Program (NSP3) plan to add \$803,415.13 in program income received from NSP1 and NSP3 activities

Category	Page	Agenda Item
#	1 of 1	#

FROM: Neal Rackleff, Director
Housing and Community Development

ORIGINATION DATE: 4/10/14

AGENDA DATE:

DIRECTOR'S SIGNATURE:

COUNCIL DISTRICTS AFFECTED: B, D, F, H, I, K

For additional information contact: Stephen Timmermon
Phone: 713-868-8448

Date and identification of prior authorizing Council action: Ord. 2011-0134, 02/23/2011
Ord. 2012-0999, 11/14/2012

RECOMMENDATION: Approval of an Ordinance authorizing a substantial amendment to the Neighborhood Stabilization Program (NSP3) plan to add \$803,415.13 in program income received from NSP1 and NSP3 activities

Amount of Funding: \$803,415.13

Finance Budget:

SOURCE OF FUNDING: General Fund Grant Fund Enterprise Fund

Neighborhood Stabilization Program (NSP3) Program Income

SPECIFIC EXPLANATION:

Through successful administration of the Neighborhood Stabilization Program (NSP), the Housing and Community Development Department (HCDD) has earned rave reviews from federal NSP officials as well as additional revenue that can be invested back into the target communities to fund further revitalization. With NSP1, HCDD partnered with local 501(c)(3) agencies to acquire and rehabilitate 24 single-family homes. Under NSP3, HCDD partnered with a local developer to build 14 new homes on LARA lots in the Sunnyside area.

These new and rehabilitated homes have served to stabilize the decline of the neighborhoods where they are located. The program income generated by the subsequent sale of the homes allows HCDD to build more homes and to undertake additional revitalization projects, such as the demolition of blighted tax delinquent properties. In a recent tour of Houston, federal NSP officials noted the program success and pointed to it as a model for the nation.

In accordance with HUD regulations and the Citizen's Participation Plan (CPP), the City is required to amend components of its Consolidated Plan/Action Plan when (1) an activity is added; (2) an activity is deleted; (3) a change in the scope of an activity or reallocation of funds increases or decreases the budget of an activity by more than twenty-five (25%) of the original budget; or (4) when there is a change in the purpose, location, scope, or beneficiaries of an activity, or when a priority has changed. This Substantial Amendment is triggered by items 3 and 4.

HCDD requests a substantial amendment to the Neighborhood Stabilization Program (NSP3) plan to add \$803,415.13 in program income received from NSP1 (\$134,886.38) and NSP3 (\$668,528.75) activities through 4/15/2014. The revised budget follows:

	Current Budget	Revised Budget
Single Family Redevelopment	\$2,211,035.00	\$2,924,108.62
Demolition	\$ 840,000.00	\$ 840,000.00
Administration	\$ 338,000.00	\$ 418,341.52
Total	\$3,389,035.00	\$4,192,450.14

A public notice was published in the Houston Chronicle (and the HCDD website) on Tuesday, April 14, 2014. To date, no public comments have been received. This item was presented to the Housing and Community Affairs Committee on May 13, 2014.

NR:BS:PC
cc: City Secretary
Legal Department
City Attorney
Finance Department

REQUIRED AUTHORIZATION

Finance Department: Other Authorization: *Y.O.A.*

Other Authorization:

TO: Mayor via City Secretary REQUEST FOR COUNCIL ACTION

SUBJECT: An Ordinance directing the HCDD to request a substantial amendment from HUD to extend the Economic Development Initiative grant for three years and to add infrastructure projects for economic development to the approved program activities		Category #	Page 1 of 1	Agenda Item #
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FROM: Neal Rackleff, Director Housing and Community Development Department	Origination Date 04/24/2014	Agenda Date
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DIRECTOR'S SIGNATURE:	Council District affected: All
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For additional information contact: Stephen Timmermon Phone: 713-868-8448	Date and identification of prior authorizing Council action: Ord. 1995-0349, 03/29/1995 Ord. 1997-1167, 09/23/1997 Ord. 2007-0176, 01/07/2007 Ord. 2012-0699, 08/08/2012
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RECOMMENDATION: Approval of an Ordinance directing the HCDD to request a substantial amendment from HUD to extend the Economic Development Initiative grant for three years and to add infrastructure projects for economic development to the approved program activities

Amount of Funding: No Additional Funding Required	Finance Budget:
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SOURCE OF FUNDING	<input type="checkbox"/> General Fund	<input checked="" type="checkbox"/> Grant Fund	<input type="checkbox"/> Enterprise Fund
	Economic Development Initiative Grant (EDI)		

SPECIFIC EXPLANATION:

The Housing and Community Development Department (HCDD) recommends City Council's approval to ask the federal Housing and Urban Development Department (HUD) to amend the Economic Development Initiative (EDI) grant agreement to include the following changes:

- A three-year extension, through August 31, 2017, of the EDI and Section 108 loan guarantee program.
- The addition of infrastructure projects as an approved program activity. Such projects could include Acquisition, Construction, Reconstruction, Rehabilitation, or Historic Preservation, or Installation of Public Facilities (except for buildings of the general conduct of government).

These changes will enable HCDD to address the increasing need for affordable housing and economic development opportunities for Houston's low- and moderate-income population.

HCDD also requests the use of EDI funds to specifically cover Section 108 loan loss reserves for the business loans provided by the Houston Business Development, Inc. (HBDI), which recently has achieved Community Business Development Organization status. The HBDI Section 108 loan losses in the Enhanced Enterprise Community to date total just under \$334,000.

Once approved by HUD, EDI program activities will include the following: Micro Enterprise Loan Program; Revolving Loan Program; Special Development Project Fund; Acquisition, Construction, Reconstruction, Rehabilitation, or Historic Preservation, or Installation of Public Facilities (except for buildings of the general conduct of government); Single Family Rehabilitation and Replacement Program; and Multifamily Housing Program.

A public notice was published in the Houston Chronicle (and the HCDD website) on Tuesday, April 29, 2014. To date, XX public comments have been received. This items was reviewed by the Housing and Community Affairs Committee on May 13, 2014.

NR:VC:BS:PC
cc: City Secretary
Mayor's Office
Legal Department
Finance Department

REQUIRED AUTHORIZATION	
Finance Director:	Other Authorization:
	<i>W.A.</i>

SUBJECT: An Ordinance approving and authorizing an appropriation of \$14,000,000 of Tax Increment Reinvestment Zone (TIRZ) Affordable Housing Funds (#2409) for single and multifamily affordable housing activities	Category #	Page 1 of 2	Agenda Item #
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FROM: Neal Rackleff, Director Housing and Community Development Department	Origination Date 04/02/2014	Agenda Date
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DIRECTOR'S SIGNATURE:	Council District(s) affected: All
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For additional information contact: Stephen Tinnermon / 713-868-8448	Date and identification of prior authorizing Council action:
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RECOMMENDATION: Approval of an Ordinance authorizing an appropriation of \$14,000,000 of TIRZ Affordable Housing Funds (#2409) for single and multifamily affordable housing activities	Amount of Funding: \$14,000,000	Finance Budget:
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SOURCE OF FUNDING	<input type="checkbox"/> General Fund	<input type="checkbox"/> Grant Fund	<input type="checkbox"/> Enterprise Fund
	<input checked="" type="checkbox"/> Other		
TIRZ Affordable Housing Fund (#2409)			

SPECIFIC EXPLANATION:

The primary initiatives of the Housing and Community Development Department (HCDD) are to eliminate chronic homelessness, revitalize communities, foster community economic development and enhance quality of life for Houstonians. To further these goals, we use TIRZ funds to support the City's grant-funded programs.

This Ordinance recommends the appropriation of \$14,000,000 of TIRZ Affordable Housing Funds to financially augment federal and state grants administered by HCDD. Of these funds, 55% (\$7.7 million) will be used to construct permanent supportive housing units for the chronically homeless and for other affordable housing initiatives like home repair, reconstruction and housing financial assistance. The remaining balance (\$6.3 million) will be used to bridge the gap in administrative costs incurred by increased grant program support needs and decreased administrative grant funding.

Using TIRZ funds to maintain the City's focus on homeless and affordable housing programs helps offset decreases in two of HCDD's largest grants. In the past five years, the City's Community Development Block Grant and HOME Investment Partnership Grant have dropped 31% and 49%, respectively. This strains existing programs and limits the City's ability to fund other worthwhile endeavors for which there is no grant funding.

HCDD currently administers over \$200 million in funds from the U.S. Department of Housing and Urban Development (HUD), including the \$152 million Dolly-IKE Disaster Recovery (DIDR) Grant, which passes through the State of Texas General Land Office (GLO). Successful management of these programs requires extensive oversight, and HUD typically allocates 10-20% of its grants for administration costs. The Texas GLO, however, allocates only 2% (\$3 million) for administration of the DIDR grant, and HCDD has 0 – 5% allocations from several other state and federal grants. TIRZ money helps fill the gap in funds needed to efficiently administer the City's programs.

This Ordinance will enable HCDD's Director to adjust budget line items and provide sufficient administrative funds to adequately manage current grant-funded programs and to financially augment programs not funded by grants.

REQUIRED AUTHORIZATION

Finance Director:	Other Authorization:	Other Authorization:
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VI.B.

SUBJECT:

An Ordinance approving and authorizing an appropriation of \$14,000,000 of Tax Increment Reinvestment Zone (TIRZ) Affordable Housing Funds (#2409) for single and multifamily affordable housing activities

Category # **Page** **Agenda Item**
 2 of 2 #

Category	Total Contract Amount	Description
Single Family Housing Activities	\$3,200,000	Augment federal and state grant programs for home repair, construction, and housing financial assistance
Multifamily Housing Activities	\$2,000,000	Fund affordable housing projects not receiving Disaster Relief money
Permanent Supportive Housing	\$2,500,000	City of Houston contribution to a consortium to leverage the construction and rehabilitation of projects contributing to the five year plan to complete 2,500 permanent supportive housing units for the chronically homeless
Risk Mitigation - Grants	\$1,500,000	Establish a reserve to mitigate future monetary risks related to changes or misinterpretations of HUD program eligibility guidelines and activities
Information Technology	\$ 700,000	OnBase – for individual licenses, records management and maintenance of grant participants' data
Affordable Housing Administration & Federal/State Grant Leveraging	\$3,300,000	DIDR 1 & 2, CDBG, HOME, HOPWA, Homeless Housing Service Program (HHSP), Below Market Interest Rate (BMIR), Housing Trust Fund (HTF)
Rent	\$ 800,000	Occupancy for affordable housing operations (601 Sawyer)
Total	\$14,000,000	

REQUIRED AUTHORIZATION

Finance Director:	Other Authorization:	Other Authorization:
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