



# Housing and Community Affairs Committee

January 18, 2022



CITY OF HOUSTON \* HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT

# Agenda

- I. Welcome/Introductions
- II. Planning & Grants Management
- III. Public Services
- IV. Multifamily
- V. Single Family
- VI. Director's Comments
- VII. Public Comments



# PLANNING AND GRANTS MANAGEMENT

Derek Sellers, Deputy Director

# Item II. Eighth GLO Contract Amendment (All Districts)

An Ordinance authorizing an Eighth Amendment to a Contract between the City of Houston and the Texas General Land Office (GLO),

Adding \$1,577,224.20 of CDBG-DR2 funds for a total amount not to exceed \$96,277,507.05 and,

Extending the Contract through December 31, 2023.



# Item II. Eighth GLO Contract Amendment (All Districts)

This Contract allows the City to carry out multifamily activities, including:

- Rehabilitation
- Reconstruction and
- New construction

In order to provide subsidized housing for low- to moderate-income families.

# PUBLIC SERVICES

Melody Barr, Deputy Assistant Director

# Item III.a. Healthcare for the Homeless Houston (All Districts)

An Ordinance authorizing a Third Amendment to a Contract between the City of Houston and Healthcare for the Homeless-Houston (HHH),

Providing an additional \$150,000.00 in CDBG funds for the Project Access transportation program, and

Extending the Contract through December 31, 2022 to serve a minimum of 1,800 additional riders

# Item III.a. Healthcare for the Homeless Houston (All Districts)

Project Access provides transportation services to homeless persons weekdays from 7 a.m. to 5 p.m., 52 weeks a year.

Riders are transported in a 40-passenger, wheelchair accessible bus traveling a scheduled route.

The service enables access to 23 agencies providing health care, meals, shelter, and social services.



## Item III.a. Healthcare for the Homeless Houston (All Districts)

Funding will also support a Community Health Worker to collect data, serve as a liaison with other service providers, promote ridership and improve outreach.

HCDD conducted a Notice of Funding Availability (NOFA) for CDBG contracts for fiscal year 2019 with a one-year renewal option.

# Item III.a. Healthcare for the Homeless Houston (All Districts)

The initial contract began February 1, 2019 and was extended through subsequent amendments and extensions to February 28, 2022.

This Third Amendment provides funding through December 31, 2022.

HHH has received CDBG funding through the City for various contracts since 2003.

# Item III.a. Healthcare for the Homeless Houston (All Districts)

FUNDING SOURCE	AMOUNT	PERCENT
Program Services	\$150,000.00	100%
Program Administration	\$0.00	0%
<b>Total</b>	<b>\$150,000.00</b>	<b>100%</b>

As of October 31, 2021, HHH has expended approximately 86% of funding and served approximately 54% of the client goal.

There were no findings in their annual compliance monitoring.

# Item III.b. Houston HELP (District D)

An Ordinance authorizing a Third Amendment to the Subrecipient Agreement between the City of Houston and Houston HELP, Inc.

Providing \$368,551.00 of federal HOPWA funds, to finance the operation of a HOPWA community residence

For supportive services to a 50 very-low income families, consisting of adults and children, in which one or more members are affected by HIV/AIDS.

## Item III.b. Houston HELP (District D)

Supportive services include:

- Comprehensive case management
- Housing counseling
- Supportive services and
- Childcare vouchers to families living at the facility for community day care programs.

Operating costs include: Property management, utilities, property insurance, etc.

## Item III.b. Houston HELP (District D)

The initial contract began March 18, 2019 and was extended through two subsequent Amendments and administrative extensions to March 31, 2022.

This Third Amendment provides funding through February 28, 2023.

Houston HELP has received HOPWA funding through the City of Houston since 1998.

# Item III.b. Houston HELP (District D)

Category	Total Contract Amount	Percent
Operating Costs	\$290,149.00	78.73%
Supportive Services	\$73,669.00	19.99%
Administrative	\$4,733.00	1.28%
<b>Total</b>	<b>\$368,551.00</b>	<b>100.00%</b>

As of October 31, 2021, Houston HELP has expended approximately 88% of funding and served approximately 100% of the client goal.

# Item III.c. Catholic Charities HOPWA (All Districts)

An Ordinance authorizing a Third Amendment to extend a Contract between the City of Houston and Catholic Charities of the Archdiocese of Galveston-Houston,

Providing up to \$1,127,084.49 in Housing Opportunities for Persons with AIDS (HOPWA) funds

To provide housing and supportive services to 150 households affected by HIV and AIDS.



# Item III.c. Catholic Charities HOPWA (All Districts)

Catholic Charities will provide:

- Tenant-Based Rental Assistance (TBRA) Program with supportive services to 45 households;
- Short-Term Rent, Mortgage, and Utility Assistance (STRMUA) Program with supportive services to 85 households; and
- Permanent Housing Placement Services to 20 households (PHPS).

## Item III.c. Catholic Charities HOPWA (All Districts)

Catholic Charities' AIDS Ministry is a holistic program providing case management, housing and financial assistance for persons with HIV/AIDS.

This Agreement began November 28, 2018 and through amendments and extensions will end February 28, 2022.

This Third Amendment will provide funding to support the program through November 30, 2022.

# Item III.c. Catholic Charities HOPWA (All Districts)

HOPWA Category	HOPWA Amount	Percent
TBRA	\$442,451.38	39%
STRMUA	\$394,889.06	35%
Supportive Services	\$195,814.05	17%
Admin	\$78,930.00	7%
Supportive Services- PHP	\$15,000.00	1%
<b>Total</b>	<b>\$1,127,084.49</b>	<b>100%</b>

As of October 2021, Catholic Charities had utilized 85% of their funding and met 86% of their client service goal (130 households) and had no findings on their annual compliance monitoring.

# Item III.d. SEARCH Homeless Services (All Districts)

An Ordinance authorizing a Third Amendment to a Contract between the City of Houston and SEARCH Homeless Services

Providing a total of \$1,350,000.01 in combined HHSP, CDBG and TIRZ funds

For Mobile Outreach, The Welcome Center, and Housing Case Management services for up to 905 homeless households living in Houston.



## Item III.d. SEARCH Homeless Services (All Districts)

SEARCH's Mobile Outreach team provides interventions, assessments, and referrals to services for homeless persons living on the streets.

The Welcome Center is a day shelter located at 2015 Congress Avenue, Houston TX.

The Welcome Center provides a continuum of services designed to stabilize employment, housing, and self-sufficiency.

## Item III.d. SEARCH Homeless Services (All Districts)

The Housing Case Management program provides long-term housing and supportive services to formerly homeless individuals to achieve housing stability.

Services include housing assessments, referrals to medical and mental healthcare, substance abuse services and access to Harris Health's Gold Card and SNAP food stamps programs.

## Item III.d. SEARCH Homeless Services (All Districts)

The initial contract period was November 1, 2018 through October 31, 2019.

The First Amendment provided funding through October 31, 2020 and was administratively extended through February 28, 2021.

The Second Amendment provided funding through February 28, 2022.

This Third Amendment will provide funding through February 28, 2023.

# Item III.d. SEARCH Homeless Services (All Districts)

CDBG/HHSP/TIRZ FUNDING CATEGORY	AMOUNT	Percent
Program Costs	\$1,315,904.22	97.47%
Administrative	\$34,095.79	2.53%
<b>Total</b>	<b>\$1,350,000.01</b>	<b>100%</b>

As of December 2021, SEARCH has served 728 clients (91%), utilizing approximately 80% of HHSP funding, and there were no findings on the annual compliance monitoring.



# MULTIFAMILY (SMALL RENTAL)

Dominique King, Administration Manager

# Item IV. Sidney Palms Duplexes (District D)

An Ordinance authorizing a Contract between the City of Houston and Houston Business Development Inc. (Borrower)

Providing a \$849,825.00 CDBG-DR17 loan for the new construction of Sidney Palms Duplexes.

For safe and affordable housing choices for low- and moderate-income earners in southeast Houston.

## Item IV. Sidney Palms Duplexes (District D)

Sidney Palms Duplexes will help eliminate slum and blight in the area with the completion of four units comprised of two adjacent duplexes,

This project will serve households at or below 80 percent of the Area Median Income and,

Will be built to ENERGY STAR standards with a thermal enclosure, heating cooling and water management systems, lighting and appliances.

## Item IV. Sidney Palms Duplexes (District D)

Access to bus routes and the Metrorail Red Line provides access to Downtown Houston, the Texas Medical Center and more.

Houston Business Development, Inc. (HBDi) is a certified Community Development Financial Institution (CDFI).

HBDi has provided small businesses in Houston with affordable loans, technical assistance and counseling services nearly 30 years.

# Item IV. Sidney Palms Duplexes (District D)

The loan and affordability period will be 20 years and will commence when the construction period is completed.

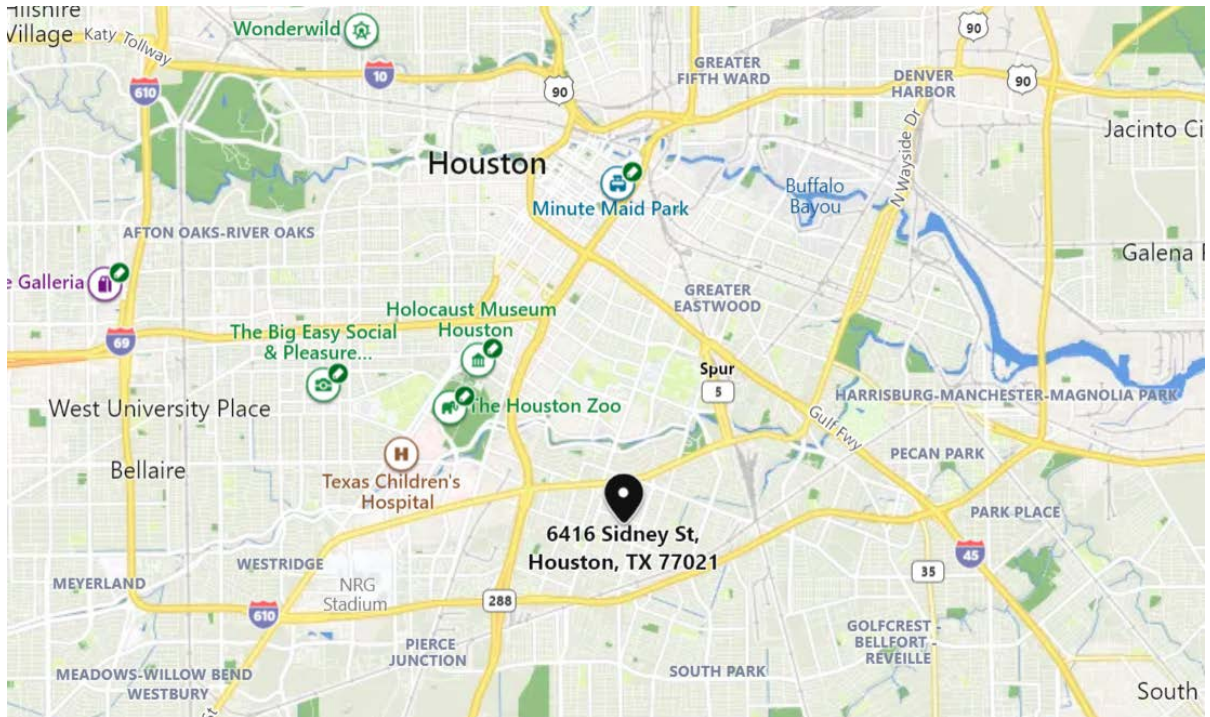
The loan will be non-amortizing throughout both the construction and affordability period and no payments will be required.

# Item IV. Sidney Palms Duplexes (District D)

Sources	Amount	Uses	Amount
City of Houston Request	\$ 849,825.00	Hard Cost	\$ 870,400.00
Cadence Bank	\$ 94,425.00	Soft Cost	\$ 46,550.00
		Developer Fee	\$ 27,300.00
<b>Total Source of Funds:</b>	<b>\$ 944,250.00</b>	<b>Total Project Cost:</b>	<b>\$ 944,250.00</b>



# Item IV. Sidney Palms Duplexes (District D)



# Item IV. Sidney Palms Duplexes (District D)





# Item IV. Sidney Palms Duplexes (District D)



# SINGLE FAMILY

Cedrick LaSane, Deputy Assistant Director

# Item V.a. Houston Community Land Trust Grant Agreement (All Districts)

An Ordinance authorizing a Grant Agreement between the City of Houston and the Houston Community Land Trust (HCLT),

Providing \$1,000,000.00 in TIRZ Affordable Housing funds.

To support HCLT operations, management, homeownership, and stewardship activities (HCLT Activities)



# Item V.a. Houston Community Land Trust Grant Agreement (All Districts)

The Grant Agreement is necessary to cover administrative management costs, including:

Oversight and maintenance of property inventory, Planning, Accounting, Legal Services, Administrative Costs and Program Delivery Costs,

And other costs associated with providing Affordable Housing Purposes.

# Item V.a. Houston Community Land Trust Grant Agreement (All Districts)

HCDD has determined that the Administrative Costs and Program Delivery Costs that will be reimbursed for the HCLT Activities in the Grant Agreement will provide affordable housing as required by:

Chapter 311 of the Texas Tax Code.

# Item V.b. Houston Land Bank Operations Agreement (All Districts)

An Ordinance authorizing a First Amendment to the Amended and Restated Operations Grant Agreement between the City of Houston and the Houston Land Bank (HLB),

Providing an additional \$1,782,213.00 in TIRZ Affordable Housing funds for HLB's continuing Operations and Program Delivery Activities,

To set a maximum contract amount and add state law compliance provisions.

# Item V.b. Houston Land Bank Operations Agreement (All Districts)

HLB's Operations and Program Delivery Activities include:

Oversight and maintenance of property inventory, Planning, Accounting, Legal Services and,

Other services incurred for Affordable Housing Purposes not funded through other sources, including any other Agreement HLB enters into with the City.

# Item V.b. Houston Land Bank Operations Agreement (All Districts)

HCDD has determined that the Administrative Costs and Program Delivery Costs that will be reimbursed for the activities in the Grant Agreement will provide affordable housing as required by:

Chapter 311 of the Texas Tax Code.



# DIRECTOR'S COMMENTS

Keith Bynam, Interim Director

# Director's Comments

- Director's Comments, Keith W. Bynam, Interim Director
- Report on HCDD Financials, Temika Jones, Assistant Director & CFO
- HCDD Real Estate Acquisition Strategy, Ray Miller, Assistant Director, Multifamily
- HCDD Project Highlights
- HCDD Production Report

# CDBG-DR 2017 Harvey Grant Update

Temika Jones, Assistant Director and CFO

# Item III.D HCD Financial Update (CDBG-DR 2017 Harvey Grant Update)

Benchmark Progress for December 31, 2021		
	Amt of Benchmark	% Met
Admin	\$ -	
Buyout	\$ 16,740,000.00	101%
Econ Dev*	\$ 4,539,725.10	21%
HoAP	\$ 41,092,104.50	56%
Homebuyers	\$ 10,106,498.40	98%
Multifamily	\$ 135,015,141.60	101%
Planning	\$ 2,310,000.00	35%
Public Services	\$ 10,800,000.00	82%
Single Family*	\$ 6,000,000.00	254%
Small Rental*	\$ 2,500,000.00	1%
<b>Grand Total</b>	<b>\$ 229,103,469.60</b>	
<p><i>*The above programs did not have a performance benchmark for June 30, 2021. December 31, 2021 was the first performance benchmark.</i></p>		



# Item III.D HCD Financial Update

## (CDBG-DR 2017 Harvey Grant Update)

Performance Benchmarks for June 30, 2022		
	Amt of Benchmark	% Met
Admin		
Buyout	\$ 25,110,000.00	67%
Econ Dev	\$ 13,619,175.30	7%
HoAP	\$ 61,638,156.75	39%
Homebuyers	\$ 15,159,747.60	67%
Multifamily	\$ 202,522,712.40	68%
Planning	\$ 5,775,000.00	14%
Public Services	\$ 18,000,000.00	50%
Single Family	\$ 15,000,000.00	101%
Small Rental	\$ 6,250,000.00	0%
<b>Grand Total</b>	<b>\$ 363,074,792.05</b>	



# Corrective Action Plan Update

Temika Jones, Assistant Director and CFO

# Corrective Action Plan Update

Corrective Action Item	Status Update
Reduce future Admin spending and forecast Admin dollars needed to execute programs	<b>In Progress</b> – Exec team reviewing FY22 Budget to reassess expenditures and plan for FY23
Restructure HCDD and reporting lines to Other City Departments in consultation with Central HR	<b>In Progress</b> – Exec team revising HCDD Org Chart; Coordination with Central HR underway
Re-evaluate all staffing decisions approved by former Director	<b>In Progress</b> – Reviews by CFO and Interim Director underway
Align future expenditures with program spending	<b>In Progress</b> – Financial dashboards being reviewed to reflect projected program spend
Implement strike teams to focus on GLO submissions	<b>In Progress</b> – Identifying next focus areas for Strike Team to focus for HoAP submissions
Timely submission of draw requests to GLO	<b>In Progress</b> – Finance team monitoring expenditures to ensure submission within 90 days



# HCDD Real Estate Acquisition Strategy

Ray Miller, Assistant Director



# Real Estate Acquisition Strategy

The acquisition of real property by HCDD is ultimately determined by the needs for real property by any given division.

Each division operates on a set of guidelines that determines needs, site requirements and funding availability.

Currently, HCDD has three active programs actively acquiring real property or issuing funding for acquisition through a third party.

## Real Estate Acquisition Strategy

Multifamily Voluntary Buyout Program – (DR-16 and DR-17). Acquires targeted multifamily rental developments located within the 100-year flood zone to be used for detention and greenspace

Single Family Development Program – (CDBG DR-17) Acquiring land for Single Family Program for affordable home development in large quantities

New Home Development Program (TIRZ/Bond) Acquiring land for individual scattered site lots to be held by Houston Land Bank until funds are secured for affordable single-family development.

# Real Estate Acquisition Strategy

## Site selection preferences for Multifamily Voluntary Buyout Program

- Located within the 100-year floodplain or Floodway
- Directly impacted during the 2015, 2016 floods and/or Hurricane Harvey
- Sites identified as ideal by Houston Public Works as ideal candidates to construct detention to provide immediate benefits to a particular neighborhood

# Real Estate Acquisition Strategy

## Site selection preferences for Single Family Large Tract

- 7+ acres
- In or Near Complete Communities
- Not in a floodway or 100-year floodplain
- Low poverty & Low Minority Concentration
- 1.5 – 3 acres
- Adjacent to Public Transportation
- Close to Grocery Stores and other retail/ Pharmacy/Park and Recreation/ Healthcare/ Good Schools
- Suitable for single family development and neighborhoods
- Buildable in the short term, includes available infrastructure and no major site impediments
- Restricted to City Limits – in complete community



# Real Estate Acquisition Strategy

## Site selection preferences for scattered site lots partnering with Houston Land Bank

- Property is vacant or unoccupied if there is any building improvement on the lot.
- Tax delinquent and lien-laden properties will be prioritized
- Near or adjacent to other NHDP or HLB properties, or recent city or community partner (CDC/EDC or related) investments
- Property sale price is within HCDD-approved range of market value pricing, or specific property conditions warrant unique consideration.
- Located proximate to other potential acquisitions in a cluster, or by acquisition would create a cluster.
- Suitable for single family development (neighborhood context supports community development)

# Real Estate Acquisition Strategy

## Elimination of Sites based on several factors (single family programs)

- Lack of community amenities
- Lack of access to quality schools
- Concentration of existing affordable housing
- Cost of acquisition
- Visible Site visits
- Lack of access to utilities, roads, etc.
- Noise acceptability
- Proximity to major highways
- Environmental concerns
- Title and survey concerns

# Real Estate Acquisition Strategy

## Additional considerations and criteria

- FEDERAL FUNDS (HOME, CDBG, Disaster Recovery... etc.) does not permit HCDD to land bank. HCDD must have a proposed use at acquisition either for owner occupied, multifamily rental or other and with the financing of the use to be readily available with 2-3 years. HUD will measure HCDD on eligibility and during the environmental review.
- HCDD is not the entity to be used for a long-term holding strategy. The Houston Land Bank, Community Land Trust and other locally appointed board are a better option for this strategy.
- The acquisition team must be mindful and strategic of the approval process of the General Land Office and the timeline that it takes to receive the final approval. The Goal is to seed new single family home development where there is a need for affordable housing.
- HCDD has also collaborated with Houston Public Works (HPW) to convert sites that has been acquired via the Multi Family Buyout Program into greenspace, and/or detention, which will help reduce the risk for future flooding.



# HCDD Project Highlights

Keith Bynam, Interim Director



# Under Construction: 2100 Memorial (District H)



# Under Construction: 2100 Memorial (District H)



# Under Construction: 2100 Memorial (District H)



# Under Construction: Gala at MacGregor (District D)



# Under Construction: Dian Street Villas (District C)



# Under Construction: Regency Lofts (District D)



# Under Construction: Regency Lofts (District D)



# HCDD Production Report

Temika Jones, Assistant Director and CFO



# Virtual Community Office Hours



## *Virtual* COMMUNITY OFFICE HOURS

**Every Wednesday**

from 1 p.m. - 4 p.m.

Representatives from each division will be readily available to assist with your call

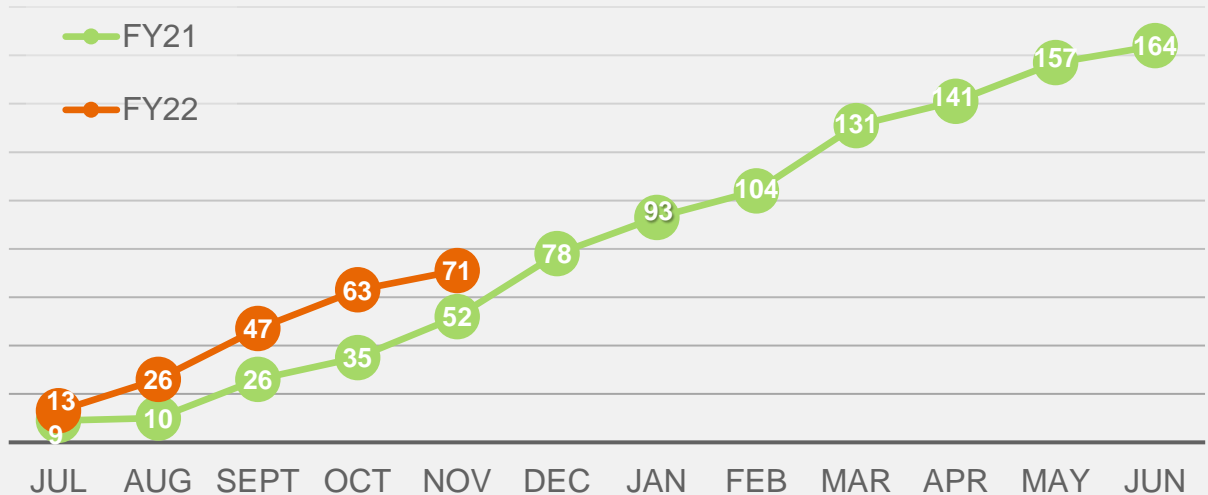
Call in on the following numbers:

832-394-6912 • 832-394-6227 • 832-394-6126



# Homebuyer Assistance Program

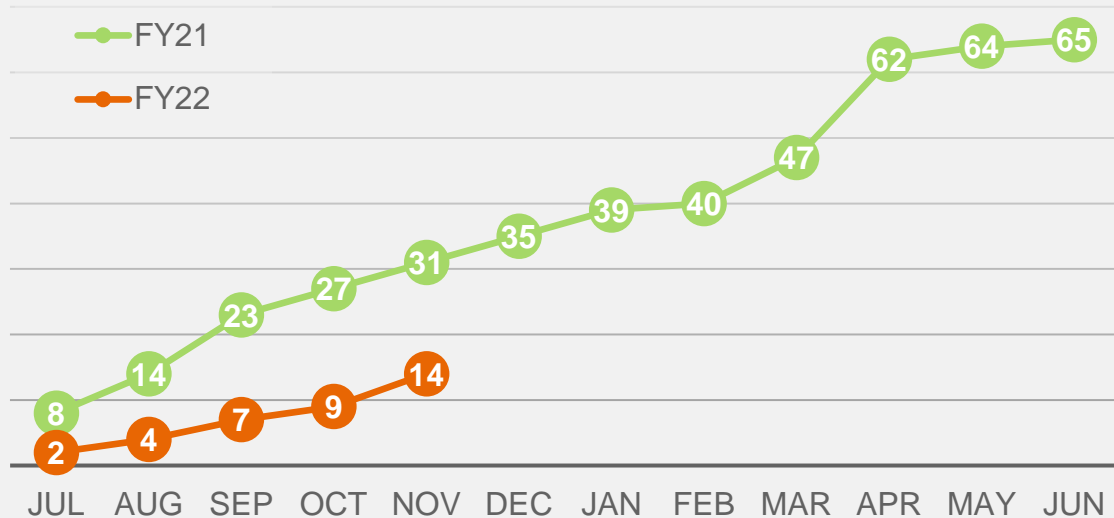
(Fiscal Year - cumulative totals)



Provides up to \$30,000 to help Houstonians purchase a home.

# Single Family Home Repair Program

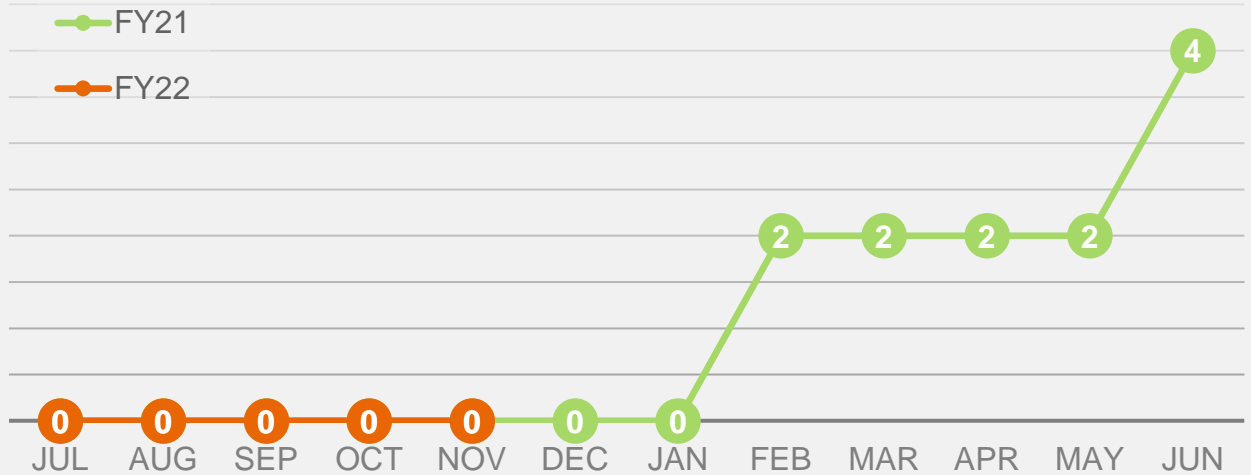
(Fiscal Year – cumulative totals)



The HRP repairs and reconstructs existing homes for homeowners.

# New Home Development Program

(Fiscal Year – cumulative totals)



NHDP builds new homes for sale at affordable prices

# Other Programs

(Fiscal Year)



28

Projects under construction

**Multifamily (FY22)**

0

Projects completed

**Multifamily (FY22)**

9

Projects under construction

**Public Facilities (FY22)**

0

Projects completed

**Public Facilities (FY22)**



# Other Programs

(Fiscal Year 2022)



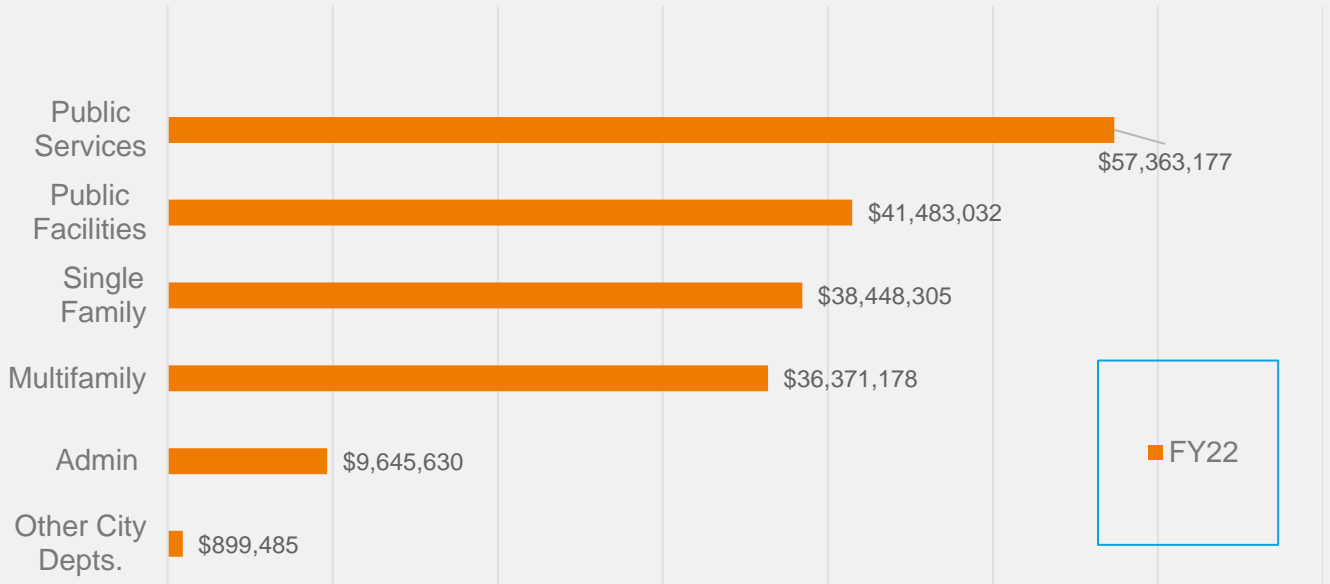
83,535

Persons Served

**Public Services**

As of November 2021

# Spending by Program Area FY22 (as of November 2021)



**Total spending: \$184,210,807**

# Comments & Questions

