



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 11/9/2021

ALL

Item Creation Date: 10/25/2021

HCD21-133 First Amendment to Amended and Restated Acquisition and Development Agreement

Agenda Item#: 14.

Background:

The Housing and Community Development Department (HCDD) recommends Council approval of an Ordinance authorizing a First Amendment to the Amended and Restated Acquisition and Development Agreement (ARADA) between the City of Houston (City) and the Houston Land Bank (HLB), the First Amendment to the Master Contractor Agreement (MCA), the First Amendment to the Tri-Party Agreement (TPA) and all applicable exhibits thereto, to increase the maximum project amount from \$200,000.00 to \$250,000.00; to provide for site visits; to change the amount of liquidated damages triggered by construction delays; to change the warranty protections available to homebuyers; and to update various definitions, exhibits, and provisions regarding notice, force majeure, and state law compliance.

The New Home Development Program (NHDP) is designed to provide newly constructed, affordable single-family homes for low- and moderate-income qualified Homebuyers through scattered site development. The NHDP has completed 53 homes, with 7 homes under construction.

On August, 8, 2018, by Ordinance Number 2018-612, City Council authorized and approved (1) a form of MCA for the NHDP to be entered into between the City and various contractors, as well as approving and authorizing a form of TPA for the NHDP to be entered into between the City, HLB, and the applicable contractors.

On September 4, 2018, the Mayor and City Controller executed MCAs for the NHDP between the City and each of the contractors pursuant to Ordinance Number 2018-612.

On April 1, 2020, by Ordinance No. 2020-279, City Council authorized and approved the ARADA and its exhibits. The ARADA, MCA, TPA, and all related legal documents currently reflect project costs and grant amounts for each construction of a new single-family home are not to exceed \$200,000.00. With the cost of construction routinely approaching and even surpassing the existing \$200,000.00 limit, there is little to no available project budget to address the construction of new single-family homes. This First Amendments to the ARADA and MCA increase the maximum amount per project from \$200,000.00 to \$250,000.00. The First Amendments to the MCA and TPA also provide for site visits, change the amount of liquidated damages triggered by construction delays, change the warranty protections available to homebuyers, and update various definitions, exhibits, and provisions regarding notice, force majeure, and state law compliance.

Funding under the Master Contractor Agreements between the City and a contractor will be expended through Tri-Party Agreements between the City, Contractor, and the Houston Land Bank for each new construction project.

No significant fiscal Operating impact is anticipated as a result of this project.

This item was reviewed by the Housing and Community Affairs Committee on October 19, 2021.

DocuSigned by:

Keith W. Bynam

Keith W. Bynam, Interim Director

Prior Council Action:

10/4/2017 (O) 2017-759; 11/1/2017 (O) 2017-860; 8/8/2018 (O) 2018-612; 11/27/2018 (O) 2018-937; 04/30/2019 (O) 2019-328; 04/01/2020 (O) 2020-279

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ATTACHMENTS:

Description Title

