



**CITY OF HOUSTON - CITY COUNCIL**

Meeting Date: 11/28/2023

ALL

Item Creation Date: 10/4/2023

HCD22-87 Amended Affordable Home Development Program Guidelines

Agenda Item#: 5.

**Background:**

The Housing and Community Development Department (HCD), recommends Council approval of an Ordinance authorizing changes to HCD's Affordable Home Development Program (AHDP) Guidelines. The objective of the AHDP is to boost Houston's affordable housing stock by providing funding for newly constructed, affordable single-family homes and/or infrastructure construction in Large Tract Developments for Low, Moderate and Middle Income (LMMI) Households. Funding for this program is made available through Uptown TIRZ Series 2021 Affordable Home Funds to support eligible developers and households.

The changes to the Guidelines will be implemented in the following areas:

- Added a downpayment assistance pathway – There are now two pathways with which the City can partner with Developers and award funds to accomplish the AHDP Objective:
  - o Reimbursement of Development costs in the form of a forgivable loan that can be used for eligible costs.
  - o Down Payment Assistance – The City will provide down payment assistance to qualified LMMI Homebuyers of Developer's homes in the development.
- Added Monitoring requirements
- Added property requirements
- Added Down Payment Assistance Pathway requirements.
- Clarifications and additions made to regulation considerations including but not limited to; Debarment, changes to record keeping, retention and file management, changes to access to records and changes to MWSBE and Pay or Play requirements.

Version 2.0 of the AHDP Guidelines reflects the adjustments necessary to ease the City's affordable housing crisis. Surging housing prices, increasing construction costs, rising interest rates, and a climate of economic uncertainty is making homeownership for LMMI households increasingly challenging. The revised guidelines provide HCD one more tool to increase the City's affordable housing supply.

**Fiscal Note**

Funding for this item is included in the FY2023 Adopted Budget. Therefore, 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 November 15, 2022 and the Chair was briefed on October 11, 2023.

DocuSigned by:

Keith W. Bynam, Director

**Prior Council Action:**

01/06/2021 (O) 2021-17; 03/24/2011 (O) 2021-211;  
05/05/2021 (O) 2021-354; 09/01/2021 (O) 2021-756;  
11/16/2021 (O) 2021-973

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**ATTACHMENTS:**

Description	Type
Cover Sheet	Signed Cover sheet
Public Notice	Public Notice
Draft AHDP Guidelines	Backup Material