



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 6/21/2016

ALL

Item Creation Date: 5/10/2016

HCD16-54 Houston Area Urban League - Post Homeownership Program

Agenda Item#: 27.

Summary:

ORDINANCE appropriating up to \$350,000.00 in Tax Increment Reinvestment Zone (TIRZ) Affordable Housing Funds; approving and authorizing a contract between the City and **HOUSTON AREA URBAN LEAGUE, INCORPORATED**, to provide up to \$350,000.00 in TIRZ Funds for a Post Homeownership Program to help create more successful and sustainable home ownership opportunities for low to moderate income persons, particularly those who previously received financial assistance through the City in connection with single family housing program(s); containing findings and other provisions relating to the foregoing subject; and declaring an emergency

Background:

The City of Houston and the Houston Area Urban League (HAUL) desire to enter into a collaborative partnership to provide a Post Homeownership Counseling Program for low- and moderate-income persons, who have received assistance through the City of Houston for mortgage down payment, home rehabilitation or reconstruction, or as a participant under a developer participation contract. Since October 2005, the City of Houston has assisted more than 3,000 low- and moderate-income individuals and families with their home purchase, as well as aided low- and moderate-income homeowners with renovation, relocation, and reconstruction needs.

Carolina Katz-Reid, a scholarly writer, researcher and Assistant Professor at University of California, Berkeley, in a 2004 study found that the odds of exiting homeownership were higher for low-income households. Thirty-six percent of such homeowners exited the property within two years, and 53 percent within five years. Katz-Reid's study also indicated that minority households were more likely to exit homeownership in any given post-purchase year. Over 40 percent of low-income, minority homeowners were no longer owners after two years, compared to less than 30 percent of low-income non-Hispanic White homes. Additionally, in a 2007 joint study, researchers and scholarly writers Donald Haurin, Professor of Economics at Ohio State University (OSU), and Stuart Rosenthal at Syracuse University Department of Economics found the following: The odds of exiting homeownership are highest in the early, post-purchase years, peaking at 10.5 percent in the first year for minority low-income first-time homebuyers.

In an effort to create more successful and sustainable homeownership opportunities for low- and moderate-income households, particularly those served with financial assistance from the City of Houston, the collaborative partners find this program to be a viable solution.

Post Homeownership classes and counseling will consist of both group and one-on-one sessions that help prepare homeowners to maintain a home and to make effective decisions about homeownership issues. Homeownership topics will include financial management (education and budget/debt management), preventative maintenance, home repairs and improvements, property taxes, fair housing rights, predatory lending, refinancing, foreclosure prevention, Homeowner's Association (HOA) dues, civic participation and community involvement. HAUL staff will provide outreach and intake for homeowners' group education sessions and explain the documentation and other items needed for participation in the Post Homeownership program. The group education session will cover financial management/budgeting, credit/debt, predatory lending and fair housing rights education.

This item was reviewed by the Housing and Community Affairs Committee on May 24, 2016.

Neal Rackleff, Director

Amount of Funding:

\$350,000.00

Tax Increment Reinvestment Zone (TIRZ) - Fund 2409

Contact Information:

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ATTACHMENTS:

Description

Cover Sheet

Form B

Affidavit of Ownership

SAP Documents

Financial Information

Type

Signed Cover sheet

Backup Material

Backup Material

Backup Material

Financial Information

FINANCIAL INFORMATION

Contract
Contract
Form A
Ordinance
Contract Signature Page

FINANCIAL INFORMATION

Contract/Exhibit
Contract/Exhibit
Backup Material
Ordinance/Resolution/Motion
Contract/Exhibit