



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 6/21/2016

ALL

Item Creation Date: 6/6/2016

HCD16-57 Appropriation of Tax Increment Reinvestment Zone
Affordable Housing Funds

Agenda Item#:

Summary:

AN ORDINANCE APPROPRIATING THE SUM OF \$3,900,000 OUT OF THE TAX INCREMENT REINVESTMENT ZONE (TIRZ) AFFORDABLE HOUSING FUND AND AUTHORIZING ITS USE FOR THE PAYMENT OF AFFORDABLE HOUSING PROJECT DELIVERY COSTS AND ADMINISTRATIVE EXPENSES ASSOCIATED WITH CARRYING OUT CERTAIN STATE AND FEDERAL GRANT PROGRAMS; CONTAINING FINDINGS AND PROVISIONS RELATING TO THE SUBJECT; AND DECLARING AN EMERGENCY.

Background:

The Housing and Community Development Department (HCDD) requests the appropriation and allocation of \$3.9 million of Tax Increment Reinvestment Zone (TIRZ) Affordable Housing Funds for the administration of the City's local, state and federally-funded homeless and affordable housing activities. These activities provide safe, quality, affordable homes for low- to moderate-income Houstonians, including our most vulnerable citizens.

With HUD's dramatic cuts in CDBG and HOME funds to the City, 38% and 52% respectively, TIRZ Affordable Housing funds supplement administration of approximately \$42 million in federal and state programs, plus the \$178 million CDBG Disaster Recovery Round 2 (DR2) program which is providing over 1,300 new housing units for Houstonians. HCDD's application for DR2 funding pledged an 8% match using TIRZ funds. The proposed \$3.9 million appropriation funds that local match, as well as the administration of projects funded through other grants.

While HUD grants typically allocate 10 – 20% of funds for administration costs, HCDD has received several state and federal grants that provide administration costs ranging from 0 – 5 %. These include Homeless Housing and Services Program (HHSP), Emergency Solutions Grant (ESG) and Housing Opportunities for Persons with AIDS (HOPWA). Without the ability to leverage local TIRZ funds for grant administration, the implementation of these critical programs might not fully materialize.

This item was reviewed by the Housing and Community Affairs Committee on June 14, 2016.



Neal Rackleff, Director

Amount of Funding:

\$3,900,000.00

Tax Increment Reinvestment Zone (TIRZ) Affordable Housing Funds - 2409

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