



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 10/23/2018

ALL

Item Creation Date: 5/14/2018

HCD18-52 Houston Community Land Trust

Agenda Item#:

Background:

The Housing and Community Development Department (HCDD) requests approval of an ordinance authorizing and approving a contract between the City of Houston and Houston Redevelopment Authority (HRA) granting \$1,000,000.00 in Tax Increment Reinvestment Zone (TIRZ) 2409 funds to support startup operation, management, homeownership, and land stewardship activities for the Houston Community Land Trust (HCLT). HRA is non-profit entity owned by the Houston Housing Finance Corporation (HHFC).

Community land trusts (CLTs) are community-based organizations with a mission of ensuring permanent stewardship of land for community benefit and the perpetual preservation of affordable homes located on that land. CLTs make it possible for limited-income households to own homes on land that is leased from the CLT through long-term (typically 99-year), renewable ground leases. Each CLT homeowner receives deed and title to his or her home and leases the land on which the home sits from the CLT. In exchange for financial assistance provided to enable them to purchase a home they would not otherwise have been able to afford, CLT homeowners agree to limit the price at which they can sell their homes. This restriction on resale value ensures that the home remains affordable to future limited-income households without requiring the investment of additional subsidies.

HCLT was incorporated on May 2, 2018 as a mechanism to preserve home affordability, prevent displacement, increase economic diversity and housing choice, and protect and leverage municipal housing resources within Houston. Prior to HCLT's creation, HCDD solicited feedback from city leaders and community stakeholders. Based on the recommendation of the City's legal department, HCLT was incorporated as a Texas non-profit corporation by HHFC.

This proposed funding will support the start-up operations and initial acquisitions of HCLT and is anticipated to be a one-time payment. Once established, HCLT should be a self-sustaining entity funded in part by fees from ground leases. HCLT will initially focus acquisition activities on homes constructed through HCDD's New Home Development Program. Participation in the trust will not be mandatory for existing homeowners seeking repairs through HCDD's program.

Funding for this item is included in the FY 2019 Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

The Housing and Community Affairs Committee reviewed this item on May 15, 2018.

A handwritten signature in black ink, appearing to read "Tom McCasland", is written over a horizontal line.

Tom McCasland, Director

Prior Council Action:

11/01/2017 (O) 2017-0860

Amount of Funding:

\$1,000,000.00

TIRZ Affordable Housing Fund 2409

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