



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 10/29/2019

ALL

Item Creation Date: 10/8/2019

HCD19-105 Homebuyer Assistance Program Funding

Agenda Item#: 9.

Summary:

ORDINANCE allocating \$750,000.00 in Tax Increment Reinvestment Zone (TIRZ) Funds to provide down payment and closing costs assistance to eligible homebuyers under the Homebuyer Assistance Program; containing findings and other provisions relating to the foregoing subject; and declaring an emergency

Background:

The Housing & Community Development Department (HCDD) recommends Council approval allocating \$750,000.00 of TIRZ Affordable Housing Funds, previously appropriated on June 12, 2019 under Ordinance 2019-432, to provide down payment and closing costs assistance through HCDD's Homebuyer Assistance Program (HAP), serving low-to-moderate income homebuyers.

HAP is designed to increase homeownership opportunities for residents and to expand the supply of quality, safe, affordable housing within the City of Houston (City). This program provides funds to income eligible first-time homebuyers to finance the purchase of a home within the incorporated areas of the City. HCDD currently has twenty-four applicant files that are eligible and qualified through the City's HAP. In order to allow the applicants to close on their homes within their contract deadlines and to avoid further setbacks for the applicants, this funding request is necessary for applicants to complete the process towards homeownership. HCDD requests that City Council authorize the use of the aforementioned \$750,000.00 in TIRZ Affordable Housing funds to provide down payment and closing costs.

The federal Homebuyer Assistance Program (HbAP) administered through the Texas General Land Office (GLO), and the new required documentation which is not required by HAP, is causing delays in processing and missed closing deadlines. HCDD will continue to work with the applicants to secure their qualifications in the federal program to effectuate use of GLO funds for purposes of increasing homeownership opportunities for residents. HCDD will make every effort to secure full reimbursement for all households served on HAP closing requirements.

The HCDD HAP works with participating lenders in the delivery of down payment and closing costs assistance to income eligible homebuyers. The GLO HbAP will provide funds for down payment assistance, closing costs, principal buydown, and other direct financial assistance to homebuyers to finance the purchase of a home. HbAP will help improve homeownership affordability for residents affected by Hurricane Harvey to facilitate the movement of individuals into new homes after their homes were damaged by the storm. This program will also provide an option for individuals whose homes are in floodplains to purchase a home outside of the floodplain.

Fiscal Note:

Funding for this item is included in the FY2020 Adopted Budget. Therefore, no fiscal note is required as stated in the Financial Policies.

The Housing and Community Affairs Committee reviewed this item on October 15, 2019.

DocuSigned by:

Tom McLasland

Tom McLasland, Director

Prior Council Action:

6/12/2019 (O) 2019-432

Amount of Funding:

\$750,000.00

TIRZ Affordable Housing Fund

Fund 2409

PREVIOUSLY APPROPRIATED

Contact Information:

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ATTACHMENTS:

Description

Ordinance 2019-432

Type

Backup Material

Ordinance 2015-452

PNFDF

SAP

Ordinance

Backup Material

Backup Material

Backup Material

Ordinance/Resolution/Motion