PUBLIC HEARING

Expand Economic Development Opportunities by Adding EDI / Section 108 Activities

City of Houston
Sylvester Turner, Mayor

Housing and Community Development Department
Tom McCasland, Director
What Is the Purpose of This Hearing?

- Inform public about the Economic Development Initiative (EDI) grant and Section 108 Loan Guarantees
  - Approved activities and uses
  - Additional activity and use
- Provide Fair Housing information
- Obtain public input on EDI / Section 108 additional activity
What Is the EDI Grant?

- Economic Development Initiative grant awarded to city in 1995
  - $22,000,000 originally
  - Can only be used in Enhanced Enterprise Community (EEC) area
  - Large-scale projects must also use Section 108 Loan Guarantees
Enhanced Enterprise Community (EEC)
What Are Section 108 Loan Guarantees?

- Additional financing for large economic development projects (like hotels or grocery stores or apartment buildings)
- Repayment either from the project itself, or from the City’s Community Development Block Grant (CDBG) annual appropriations
  - To date, projects have repaid loan guarantees
Examples of Types of Projects

Section 108 Loans Can Aid

- Renovation of unused industrial space into mixed-use facility with office, medical, and arts space
- Redevelopment of former department store into a business incubator
- Conversion of former historic school building into affordable rental housing
Examples of Types of Projects Section 108 Loans Can Aid (cont.)

- Acquisition of site for future senior housing, including health care clinic
- Remediation and redevelopment of old industrial site into employee-owned cooperative greenhouse
- Conversion of former power plant into education and recreational site for sailing, adventure sports, museum, and amenities
Examples of Section 108 Loan Fund Objectives

- Promote local strategies such as transit oriented development or mixed-use development
- Assist businesses located in blighted areas to provide job opportunities to residents and provide key services
- Fund acquisition activities for non-profit developers to develop affordable housing
Examples of Section 108 Loan Fund Objectives (cont.)

- Provide “gap financing” to for-profit and non-profit developers in community target areas
  - Promise zones
  - Main streets
  - Complete communities

- Encourage new grocery stores and other healthy food retail development in local “food deserts”
Every Project Is Submitted to HUD for Review

- Project description
- Eligible activity or activities
- National Objective
- If applicable, public benefit standard information
- Specific financial and underwriting information for the project
Approved Activities

- Micro Enterprise Loan Program
- Revolving Loan Program
- Special Economic Development Project Fund
- Public Facilities (except for government buildings)
- Single-Family Rehabilitation and Replacement Program
- Multifamily Housing Program
Approved Uses

• Payment of interest on obligations guaranteed through the Section 108 program (§570.703(c))
• Payment of costs associated with private sector financing of debt obligations guaranteed under Section 108 (§570.703(g))
• Economic development activities (§570.703(i))
Approved Uses (cont.)

- Debt service reserve to be used in accordance with requirements specified in contract for loan guarantee assistance (§570.703(k))
- Acquisition, construction, reconstruction, rehabilitation, or historic preservation, or installation of public facilities (except for buildings of the general conduct of government) (§570.703(l))
Proposed Additional Activity and Additional Use

Additional Activity
Acquisition of real property for economic development uses

Additional Use
Acquisition of improved or unimproved real property in fee or by long-term lease, including acquisition for economic development purposes (§570.703(a))
Fair Housing
Why Is Fair Housing So Important?
The Fair Housing Act prohibits discrimination against any of the following protected classes:

- Race
- Color
- National Origin
- Religion
- Sex
- Familial Status
- Handicap / Disability
Fair Housing Act Prohibits:

- Discrimination in the rental or sale of housing
- Discrimination in the terms, conditions, privileges, services or facilities of housing
- Making, printing or publishing discriminatory advertisements
- Representing that housing is unavailable to a protected class when housing is actually available
Public Hearing

Public Comments
Three Ways to Let Your Voice Be Heard

1. Present your comments at the Public Hearing (that’s tonight)

2. Write a letter to HCDD, 601 Sawyer, 4th Floor, Houston, TX 77007 Attn: Peggy Colligan, Planning & Grants Management

3. Send an email to Margaret.Colligan@HoustonTX.gov

Comments accepted through August 13, 2017