



Transforming Lives & Communities

**HOUSTON HOUSING AUTHORITY
SPECIAL BOARD OF COMMISSIONERS MEETING**



DECEMBER 2, 2019

**HOUSTON HOUSING AUTHORITY
CENTRAL OFFICE
2640 FOUNTAIN VIEW DRIVE
HOUSTON, TEXAS 77057**

- 4) the 296 units acquired will be replaced with project-based vouchers at current standards with multiple upgrades;
- 5) 100 percent of the units will be reestablished within the city limits of Houston;
- 6) 100 percent of the units will be reestablished within 5 years from the date of closing;
- 7) the reestablishment of the units can be done through a combination of replacement housing, private/public partnerships, and rental programs;
- 8) TxDOT will demolish the 112 units destroyed by Harvey within 90 days of closing;
- 9) Residents shall be given a minimum of 90 days notice prior to the termination of any residency rights under the occupancy agreement; and HHA will provide all necessary documents and verification to TxDOT and the Federal Highway Administration to allow for the review and audit of the relocation process to verify that all benefits were given in compliance to all applicable standards and rules;
- 10) HHA will make every reasonable effort to have replacement units available for the residents so that each resident will only have to relocate once.
- 11) If after five years from the closing date, HHA has failed to reestablish and make available for occupancy the 296 units of replacement housing in accordance with the above requirements, the following claw back provision applies: For each unit not reestablished as stated above, the HHA will refund \$260,000.00 to TxDOT within 60 days of written demand. The maximum refund under this provision will be \$30,000,000.00. Upon good cause, including showing substantial progress, TxDOT shall provide two automatic one-year extensions.

HHA is confident that this settlement is a fair deal for HHA and the residents of Clayton Homes. Currently, Clayton Homes is an older property with high capital needs that was partially damaged by Hurricane Harvey. This settlement will allow HHA to replace all of the units with modern units, while adding additional affordable and market units. TxDOT has agreed that the replacement units may be spread out to multiple locations, allowing HHA to build mixed-income housing instead of concentrating all of the replacement units in one location.

HUD DISPOSITION APPLICATION

HHA has filed an application with HUD to have the Federal Declaration of Trust removed and allow the disposition to move forward. HUD must consent to the taking. The process for gaining HUD approval is outlined in HUD PIH Notice 2012-8. The first step in the process is showing Board support for the settlement, which this resolution will do. Tenants have been met with multiple times to explain the possibility of the taking. HHA will be having another meeting with tenants to update them on the taking. At these meetings, tenants have generally been in favor of the taking, as those who are eligible will receive tenant protection vouchers. After the settlement letter is executed, HHA will also be providing written notice to the tenants of Clayton Homes.

RECOMMENDATION

Accordingly, I recommend that the Board approves this resolution, which states:

Resolution: That the Houston Housing Authority Board of Commissioners authorizes the President and CEO to make any necessary changes or corrections and sign a letter agreement with TxDOT for the acquisition of Clayton Homes and submit any necessary documentation to TxDOT and HUD, including a disposition application to effectuate the agreement, pursuant to the November 27, 2019, memorandum from Tory Gunsolley, President and CEO to the Board of Commissioners.