

TO: Mayor via City Secretary REQUEST FOR COUNCIL ACTION 15 – 8606 North Main

<b>SUBJECT:</b> An Ordinance authorizing an interlocal agreement of up to \$750,000 between the City of Houston and Houston Housing Authority (HHA) for site acquisition to construct Independence Heights Apartments, a community with at least 150 affordable units to be located at 8606 North Main Street	<b>Category #</b>	<b>Page 1 of 1</b>	<b>Agenda Item #</b>
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<b>FROM:</b> Neal Rackleff, Director Housing and Community Development Department	<b>Origination Date</b> 02/03/2015	<b>Agenda Date</b>
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<b>DIRECTOR'S SIGNATURE:</b> 	<b>Council District affected:</b> District H
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<b>For additional information contact:</b> Stephen Timmermon Phone: 832-394-6261	<b>Date and identification of prior authorizing Council action:</b> N/A
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**RECOMMENDATION:** Approval of an Ordinance authorizing an interlocal agreement of up to \$750,000 between the City of Houston and HHA for site acquisition to construct Independence Heights Apartments, a community with at least 150 affordable units to be located at 8606 North Main Street

<b>Amount of Funding:</b>  \$750,000	<b>Finance Budget:</b>
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<b>SOURCE OF FUNDING</b>	<input type="checkbox"/> General Fund	<input checked="" type="checkbox"/> Grant Fund	<input type="checkbox"/> Other
Community Development Block Grant (CDBG)			

**SPECIFIC EXPLANATION:**

The Houston Housing Authority (HHA) is developing Independence Heights Apartments, a multifamily affordable housing property of at least 150 units on a site at North Main and Crosstimbers. This site is within a neighborhood designated as both a Community Revitalization Outreach Area of the Hurricane Ike Disaster Recovery Round 2 program and as a Great Opportunities neighborhood by Local Initiatives Support Corporation (LISC). HUD has approved the property for the development of affordable housing and the Texas General Land Office has approved use of Disaster Recovery funds.

Three parcels of land are being assembled for the mixed-income, mixed-use development. Two parcels, 8666 North Main and 306 Crosstimbers, have already been acquired by HHA. The subject site (8606 North Main) is being acquired through a condemnation process. This Ordinance will authorize up to \$750,000 as gap financing of the total project cost of \$40.5 million. If the condemnation process renders a sales price that is over \$750,000, the Houston Housing Authority will fund the difference.

This development will provide much-needed high quality one, two, three, and four bedroom units. As a Housing Authority project, all units will serve families with incomes at or below 60% area median income (AMI). In addition, 20% of the units will be subject to HUD's Public Housing restriction to make them available to families with incomes at or below 30% AMI. Amenities include community green areas and a community building with kitchen, business center, fitness room, and activity room.

In exchange for the CDBG funding, HHA will restrict 51% of the units for five years, on behalf of the City of Houston. The projected land acquisition cost is as follows:

Land Assemblage:

306 Crosstimbers	\$750,000
8666 North Main	290,000
8606 North Main (Subject Site)	750,000
Total cost of land	\$1,780,000

This item was reviewed by the Housing and Community Affairs Committee on February 17, 2015.

NR:JN:EP:JM

CC: City Attorney, Mayor's Office, City Secretary, Finance Department

REQUIRED AUTHORIZATION		
<b>Finance Department:</b>	<b>Other Authorization:</b>	<b>Other Authorization:</b>