



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 12/8/2020

District H

Item Creation Date: 10/14/2020

HCD20-127 Canal Lofts

Agenda Item#: 3.

Background:

The Housing and Community Development Department (HCDD) recommends Council approval of an Ordinance authorizing \$12,000,000.00 of Community Development Block Grant - Disaster Recovery 2017 (CDBG-DR17) funds, for a Contract between the City of Houston (City) and Education Based Housing, Inc., (Borrower) a nonprofit partner of Blazer, a Houston-based, long-term owner of many affordable apartment communities. The loan will be used towards the land acquisition and new development of Canal Lofts, to be located at 5601 Canal St. Houston, TX 77011, in the Second Ward Complete Community.

Canal Lofts will be a 150-unit podium style affordable rental development serving working families. The property will provide a mix of one-, two-, and three-bedroom units serving low- to moderate-income households at 30%, 50%, and 60% of the Area Median Income. There are no existing Low Income Housing Tax Credit -financed communities within the census tract.

The property is transit-oriented with a METRO high-frequency bus stop on its front corner, and less than a 5-minute walk to a METRORail stop and the Harrisburg Hike & Bike Trail. The community will offer children's after-school activities, mentoring opportunities, adult-education classes, career training/placement partnership, health & wellness seminars, and onsite activities/social events.

This project is funded by CDBG-DR17 program funds awarded by the United States Department of Housing and Urban Development, through the Texas General Land Office to provide affordable rental units for low- to moderate- income households, in accordance with the City's Harvey Multifamily Program Guidelines, implemented by HCDD.

The loan and affordability period will be 40 years and will commence when the construction period is completed. The loan will be non-amortizing throughout both the construction and affordability period. Following project completion, the outstanding principal balance of the note shall accrue at 1% interest. Borrower will pay an annual installment of interest from available cash flow.

Sources & Uses			
City of Houston Request (CDBG DR-17)	\$12,000,000.00	Hard Cost	\$18,751,448.00
Permanent Lender	\$7,730,000.00	Soft Cost	\$6,796,428.00
9% Housing Tax Credit Proceeds	\$14,248,575.00	Acquisition Cost	\$4,500,000.00
Other	\$ -	Developer Fee	\$3,625,000.00
In-Kind Equity/ Deferred Developer Fee	\$446,425.00	Reserves	\$752,124.00
Total Source of Funds:	\$34,425,000.00	Total Project Cost:	\$34,425,000.00

No Fiscal Note is required on grant items.

This item was reviewed by the Housing and Community Affairs Committee on September 15, 2020.

DocuSigned by:

Tom McCasland

Tom McCasland, Director

Amount of Funding:

\$12,000,000.00 Federal State Local - Pass Through (5030)

Contact Information:

Roxanne Lawson
(832) 394-6307