



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 3/23/2021

District C

Item Creation Date: 11/18/2020

HCD20-148 Dian Street Villas

Agenda Item#: 26.

Background:

The Housing and Community Development Department (HCDD) recommends Council approval of an Ordinance authorizing \$11,000,000.00 of Community Development Block Grant - Disaster Recovery 2017 (CDBG-DR17) funds, for a loan agreement between the City of Houston (City) and Texas Inter-Faith Housing Corporation (Borrower) together with CSH Dian Street Villas, Ltd. (Owner). The loan will be used towards the land acquisition and new development of Dian Street Villas, to be located at 1433 Dian Street and 1800 W. 15th Street, Houston, TX 77008.

Dian Street Villas will be a 108-unit podium style affordable rental development serving working families. The property will provide a mix of studio, one-, two-, and three-bedroom units serving households at 30% to 60% of the Area Median Income. Dian Street Villas will be located near Houston Heights, an historic "in-town" neighborhood. Residents will enjoy living in a vibrant neighborhood near the heart of the city with a vast assortment of retail centers, eateries and other amenities.

The Owner will leverage its experience and industry relationships to plan, finance, and build a workforce housing community utilizing best practices and a commitment to quality and sustainability. This development will further the goal of creating high-quality affordable housing options for working families, while providing convenient access to job centers and points of interest.

Dian Street Villas 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. The Borrower will pay an annual installment of interest from available cash flow.

Sources & Uses			
Sources	Amount	Uses	Amount
City (CDBG-DR17)	\$11,000,000.00	Hard Cost	\$14,400,951.00
Permanent Lender	\$3,500,000.00	Soft Cost	\$6,107,731.00
9% Housing Tax Credit Proceeds	\$13,948,605.00	Acquisition Cost	\$6,031,000.00
Other	\$ -	Developer Fee	\$1,890,000.00
In-Kind Equity/ Deferred Developer Fee	\$522,511.00	Reserves	\$541,434.00
Total Source of Funds:	\$28,971,116.00	Total Project Cost:	\$28,971,116.00

No Fiscal Note is required on grant items.


Tom McIsland, Director

Amount of Funding:

\$11,000,000.00 Federal State Local - Pass Through (5030)

Contact Information:

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ATTACHMENTS:

Description
Coversheet

Type
Signed Cover sheet