



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 3/30/2021

District C

Item Creation Date: 10/14/2020

HCD20-128 Heritage Senior Residences

Agenda Item#: 19.

Summary:

ORDINANCE approving and authorizing Loan Agreement between City of Houston and **HERITAGE SENIOR RESIDENCES, L.P.** to provide loan of Hurricane Harvey Community Development Block Grant Disaster Recovery Funds for City of Houston's Harvey Multifamily Program, to partially finance the new construction of Heritage Senior Residences, a 135-unit affordable Rental Housing Community serving Seniors 55 years of age and older, located at the northeast corner lot of Center Street and Moy Street, Houston, Texas - **DISTRICT C - KAMIN**

Background:

The Housing and Community Development Department (HCDD) recommends Council approval of an Ordinance authorizing a Contract between the City of Houston (City) and Heritage Senior Residences, LP (Borrower), to provide \$14,350,000.00 of Community Development Block Grant - Disaster Recovery 2017 (CDBG-DR17) funds towards the land acquisition and new development of Heritage Senior Residences, a 135-unit podium style affordable rental development serving seniors 55 years of age or older, to be located at the NE Corner of Center St. and Moy St., Houston, TX 77007.

Heritage Senior Residences will provide a mix of one- and two-bedroom units serving low- to moderate-income senior households at 30%, 50%, 60%, and 80% of the Area Median Income. The environmentally- friendly building incorporates resilient design and many energy-saving features. The Rice Military and Washington Corridor areas have been underserved in terms of affordable home options, and this development would be the first Low Income Housing Tax Credit (LIHTC) development in the census tract in 30 years, per Texas Department of Housing and Community Affairs' property inventory listing. The development is aligned with the Resilient Houston Plan by providing affordable homes near transit and jobs.

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 cashflow.

Sources	Amount	Uses	Amount
City of Houston (CDBG-DR17)	\$14,350,000.00	Hard Cost	\$22,888,050.00
Permanent Lender	\$9,847,000.00	Soft Cost	\$7,419,920.00
9% LIHTC Proceeds	\$13,796,806.00	Acquisition Cost	\$5,030,000.00
Fee Waiver		Developer Fee	\$4,320,366.00
In-Kind Equity/ Deferred	\$2,362,564.00		
Developer Fee		Reserves	\$698,034.00
Total Source of Funds:	\$40,356,370.00	Total Project Cost:	\$40,356,370.00

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:

\$14,350,000.00 Federal State Local - Pass Through (5030)

Contact Information:

Roxanne Lawson
(832) 394-6307

ATTACHMENTS:**Description**

HCD20-128 Ownership forms

HCD20-128 Linebarger Lot

Type

Backup Material

Backup Material