



## CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 7/7/2021

District D

Item Creation Date: 5/10/2021

HCD21-74 Temenos Place

Agenda Item#: 4.

### **Background:**

The Housing and Community Development Department (HCDD) recommends Council approval of an Ordinance authorizing a Loan Agreement between the City of Houston (City) and Temenos Community Development Corporation (Temenos CDC), a nonprofit partner of The NHP Foundation joined by Temenos Permanent Affordable LLC, for a \$12,500,000.00 loan, consisting of \$8,000,000.00 in Community Development Block Grant - Disaster Recovery 2017 (CDBG-DR17) program funds, \$3,000,000.00 in HOME Investment Partnership (HOME) Program funds, and \$1,500,000.00 in Homeless and Housing Bond Reinvestment funds, for the acquisition and new construction of Temenos Place, a permanent supportive housing community for the homeless located at 1703 Gray Street, Houston, TX 77004.

Temenos Place will be a newly constructed six-story elevator-served building located in Midtown TIRZ 2, with 95 efficiency apartments. With an anticipated Housing Assistance Payment (HAP) subsidy contract from the Houston Housing Authority, all residents will pay no more than 30% of their monthly adjusted income in rent. Intensive supportive services, coordinated by Temenos CDC, will include addiction recovery support and other health and wellness services such as benefit applications, transportation assistance, crisis intervention, housing mediation, chronic illness management, case management, food support and other needs to protect housing stability for tenants.

The new building will include modern amenities and built-in furniture. The development will be a replacement for Temenos Place II, which was acquired by the Texas Department of Transportation in 2020 through condemnation for the I-45 expansion project. Temenos CDC is constructing the replacement property less than one mile from the original building.

Temenos Place is funded through CDBG-DR17 program funds awarded by the United States Department of Housing and Urban Development (HUD), 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. The final Loan Agreement is contingent upon receipt of the Authority to Use Grant Funds (AUGF) from HUD, expected to be issued on or around July 16, 2021. The City will not sign the Loan Agreement until the AUGF has been received.

The City's loan term and affordability period will be 40 years, and will commence when the construction period is completed.

Funding for Temenos Place will be as follows:

Sources:		Uses:	
4% Housing Tax Credit Syndication Proceeds	\$9,420,870.00	Hard Cost	\$20,077,556.00
City of Houston Request -DR-17			
-HOME	\$12,500,000.00	Soft Cost	\$6,293,463.00
-Housing Bond Funds Reinvestment			
Harris County CDBG-DR 17	\$11,000,000.00	Acquisition Cost	\$1,930,000.00
In Kind	\$1,044,143.00	Developer Fee	\$2,755,000.00
		Reserves	\$2,908,994.00
Total Source of Funds:	\$33,965,013.00	Total Project Cost:	\$33,965,013.00

No Fiscal Note is required on grant items.

This item was reviewed by the Housing and Community Affairs Committee on June 15, 2021.

DocuSigned by:

Tom McLasland

Tom McLasland, Director

**Amount of Funding:**

\$8,000,000.00 Federal State Local - Pass Through (5030)

\$3,000,000.00 Federal Government - Grant Funded (5000)

\$1,500,000.00 Housing Bond Funds Reinvestment (4501)

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