



**CITY OF HOUSTON - CITY COUNCIL**

Meeting Date: 9/8/2021

District J

Item Creation Date: 10/14/2020

HCD20-124 New Hope Housing Savoy

Agenda Item#: 13.

**Summary:**

ORDINANCE approving and authorizing a loan agreement between the City of Houston and **HOUSTON AREA COMMUNITY DEVELOPMENT CORPORATION**, joined by **NHH SAVOY, LTD.**, to provide a loan of Hurricane Harvey Community Development Block Grant Disaster Recovery Funds for the City of Houston's Harvey Multifamily Program, to partially finance the new construction of New Hope Housing Savoy, a 120-unit affordable rental housing community, located at approximately 6301 Savoy Drive, Houston, Texas - **DISTRICT J - POLLARD**

**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 Houston Area Community Development Corporation, joined by NHH Savoy, Ltd. (Borrower), providing \$13,200,000.00 of Community Development Block Grant - Disaster Recovery 2017 (CDBG-DR17) funds, for the land acquisition and new development of New Hope Housing Savoy, to be located at approximately 6301 Savoy Drive, Houston, TX 77036.

New Hope Housing Savoy will be a 120-unit four story elevator- accessible affordable rental development serving families. The property will provide a mix of one-, two-, and three-bedroom units serving low- to moderate- income households at 30%, 50%, 60%, and 80% of the Area Median Income. The development is designated as supportive housing to provide safe homes for individuals with disabilities and families at risk of homelessness. Building on a solid 26-year track record of creating quality affordable rental developments, New Hope Housing Savoy will be the eleventh property in the Borrower's portfolio and the third property serving families.

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. 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			
Sources:		Uses:	
City of Houston (CDBG-DR17)	\$13,200,000.00	Acquisition	\$4,054,500.00
9% Housing Tax Credit	\$14,128,529.00	Hard Costs	\$22,941,693.00
Charitable Contributions	\$6,465,818.00	Soft Costs	\$3,621,601.00
In-Kind Equity/ Def. Developer Fee		Reserves	\$363,269.00
GP Capital	\$100.00	Developer Fee	\$2,813,384.00
Total Source of Funds:	\$33,794,447.00	Total Project Cost:	\$33,794,447.00

No Fiscal Note is required on grant items.

This item was reviewed by the Housing and Community Affairs Committee on August 31, 2021.

*Tom McLasland*  
Tom McLasland, Director

**Amount and Source of Funding:**

\$13,200,000.00 Federal State Local - Pass Through (5030)

**Contact Information:**

Roxanne Lawson  
(832) 394-6307

**ATTACHMENTS:**

Resolution \_\_\_\_\_ Title \_\_\_\_\_

**Description**

Coversheet  
Delinquent Tax Report  
Ownership Form  
HCD20-124 SAP  
HCD20-124 PNDF  
Caption  
Ordinance  
Loan Agreement Part 1  
Loan Agreement Part 2  
Loan Agmt Prt 3  
Loan Agmt Prt 4

**Type**

Signed Cover sheet  
Backup Material  
Backup Material  
Financial Information  
Financial Information  
Other  
Ordinance/Resolution/Motion  
Contract/Exhibit  
Contract/Exhibit  
Contract/Exhibit  
Contract/Exhibit