



**CITY OF HOUSTON - CITY COUNCIL**

Meeting Date: 10/12/2021

District D

Item Creation Date: 3/5/2021

HCD21-60 3300 Caroline/Magnificat House

Agenda Item#: 6.

**Background:**

The Housing and Community Development Department (HCDD) recommends Council approval of an Ordinance authorizing an Agreement between the City of Houston (City) and NHPF Caroline Conduit, LLC (Borrower), a nonprofit partner of Magnificat House Inc. (MHI) joined by The NHP Foundation (Owner), for a \$15,000,000.00 Community Development Block Grant - Disaster Recovery 2017 (CDBG-DR17) grant, for the new construction of a permanent supportive housing community for the homeless located at 3300 Caroline Street, Houston, TX 77004.

Since 1968, MHI has offered an alternative to the streets by providing shelter, meals, a sense of community and guidance for unsheltered Houstonians. The new construction at 3300 Caroline Street will be a four-story elevator-served building consisting of 149 efficiency apartments, shared space for supportive programs and office space for MHI staff. 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.

Conveniently located in Midtown, 3300 Caroline Street is a transit-oriented development within walking distance to light rail and several major bus lines, thus enabling access to key neighborhood services and employment opportunities. The development will provide residents with a safe, quality, supportive place to call home in their neighborhood.

3300 Caroline Street is funded through 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.

The City of Houston loan term and affordability period will be 40 years and will commence when the construction period is completed. Funding for 3300 Caroline Street will be as follows:

Sources:		Uses:	
9% Housing Tax Credit Syndication Proceeds	\$13,668,770.00	Hard Cost	\$23,044,847.00
<b>City of Houston Request (CDBG-DR 17)</b>	<b>\$15,000,000.00</b>	Soft Cost	\$4,861,866.00
Harris County CDBG-DR 17	\$8,538,278.00	Acquisition Cost	\$7,050,000.00
In-Kind Equity/ Deferred Developer Fee	\$1,384,584.00	Developer Fee	\$3,639,000.00
Seller Loan	\$636,793.00	Reserves	\$632,712.00
<b>Total Source of Funds:</b>	<b>\$39,228,425.00</b>	<b>Total Project Cost:</b>	<b>\$39,228,425.00</b>

No Fiscal Note is required on grant items.

This item was reviewed by the Housing and Community Affairs Committee on April 20, 2021.

DocuSigned by:

*Keith W. Bynam*

Keith W. Bynam, Interim Director

**Amount and Source of Funding:**

\$15,000,000.00 Federal State Local - Pass Through Fund (5030)

**Contact Information:**

Roxanne Lawson, Division Manager  
(832) 394-6307