



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 3/9/2022

District D

Item Creation Date: 4/22/2021

HCD21-64 Old Spanish Trail Apartments

Agenda Item#: 11.

Summary:

ORDINANCE approving and authorizing a Performance-Based Loan of 2017 Community Development Block Grant – Disaster Recovery Funds by the City of Houston under its Small Rental Program to the **ST. BERNARD PROJECT, INC. dba SBP INC.**, in the amount of \$2,230,621.00, as evidenced by a promissory note, loan agreement, and other related documents, to assist with the financing of CDBG-eligible costs, both direct and indirect, of the construction, acquisition, rehabilitation, or reconstruction of Old Spanish Trail Apartments, an affordable multi-family rental development for low- to moderate-income renters, in the vicinity of 3500 Old Spanish Trail, Houston, Texas 77021- **DISTRICT - EVANS-SHABAZZ**

Background:

The Housing and Community Development Department (HCDD) recommends Council approval of an Ordinance authorizing a \$2,230,621.00 Community Development Block Grant - Disaster Recovery 2017 (CDBG-DR17) loan, for a Loan Agreement between the City of Houston (City) and The St. Bernard Project, Inc. (dba SBP Inc.), (Borrower). The loan will be used towards the land acquisition and new construction of Old Spanish Trail Apartments, which will serve low- to moderate- income renters at 3500 Old Spanish Trail, Houston, TX 77021.

Old Spanish Trail Apartments will be a house-scale multifamily rental development providing seven housing units for individuals and families. The property will provide a mix of one-bedroom and two-bedroom units serving low- to moderate- income households at 30%, 50%, 60%, and 80% of the Area Median Income. The site is conveniently located near the Texas Medical Center. The Old Spanish Trail Apartments will include energy efficient appliances in all units and will incorporate green building practices in accordance with the ENERGY STAR Multifamily standards.

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 Small Rental Program Guidelines (Ord. 2020-360), implemented by HCDD.

The loan and affordability period will be 20 years and will commence when the construction period is completed. Loan will be non-amortizing throughout both the construction and affordability period and no payments will be required.

Sources:		Uses:	
City of Houston Request	\$2,230,621.00	Hard Cost	\$1,999,735.00
Cash Equity	\$531,855.00	Soft Cost	\$257,741.00
		Acquisition Cost	\$470,000.00
		Reserves	\$35,000.00
Total Source of Funds:	\$2,762,476.00	Total Project Cost:	\$2,762,476.00

No Fiscal Note is required on grant items.

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

DocuSigned by:

Keith W. Bynam

Keith W. Bynam, Interim Director

Amount and Source of Funding:

\$2,230,621.00 Federal State Local – Pass Through Fund (5030)

Contact Information:

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ATTACHMENTS:

Description	Type
Cover Sheet	Signed Cover sheet

Linebarger Tax Clear Report
HCD21-64 SAP
HCD21-64 PNFDF
Grant Funding Verification . DW
HCD21-64 2022 GLO Eligibility Approval

Backup Material
Financial Information
Backup Material
Backup Material
Other