



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 10/10/2023

District B

Item Creation Date: 6/27/2023

HCD23-78 St. Elizabeth Place 3rd Amendment

Agenda Item#: 5.

Background:

The Housing and Community Development Department (HCD) recommends Council approval of an Ordinance authorizing an additional \$1,344,404.00 in Hurricane Harvey Community Block Grant Disaster Recovery (CDBG-DR17) funds for the rehabilitation of St. Elizabeth Place. This brings the total loan amount between the City of Houston (City) and Fifth Ward Community Redevelopment Corporation to \$17,796,800.40. The additional funds will be used to subsidize unexpected cost increases of materials, labor costs, and other project-related expenses due to ongoing market inflation of construction materials.

St. Elizabeth Place offers proximity to employment centers and access to public transportation. The total project development cost of \$36,413,442.40 will add affordable apartment units and contribute to the revitalization of the Lyons Avenue Corridor in Fifth Ward. The development will have a total of 85 units, specifically 25 efficiencies, 51 one-bedroom units, and nine (9) two-bedroom apartment units. The City will restrict 51% (44) of the units for low- to moderate-income households earning below 80% of the Area Median Income.

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. The borrower will pay an annual installment of interest from available cash flow.

City of Houston	\$1,344,404.00	Hard Cost		\$20,789,900.40
Supplement Request CDBG-DR17				
City of Houston CDBG-DR17	\$10,174,622.00	Soft Cost		\$7,660,312.00
City of Houston CDBG-DR2	\$6,277,774.40	Acquisition Cost		\$4,427,269.00
Conventional Loan	\$6,753,900.00	Developer Fee		\$3,041,509.40
Federal Historic Tax Credits	\$4,152,228.00	Reserves		\$494,452.00
Cash Equity	\$1,788,191.00			
State Historic Tax Credits	\$5,922,323.00			
Total Source of Funds:	\$36,413,442.40	Total Cost:	Project	\$36,413,442.00

Fiscal Note:

No Fiscal Note is required on grant items.

The Housing and Community Affairs Committee Chair was briefed on this item July 12, 2023.

DocuSigned by:

Keith W. Bynam

Keith W. Bynam, Director

Prior Council Action:

06/24/2020 (O) 2020-548

06/02/2021 (O) 2021-441

06/22/2022 (O) 2022-478

Amount and Source of Funding:

\$1,344,404.00 Federal State Local - Pass Through Fund (5030)

Contact Information:

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