



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 10/17/2023

District C

Item Creation Date: 6/27/2023

HCD23-79 Dian Street Villas Amendment

Agenda Item#: 4.

Background:

The Housing and Community Development Department (HCD) recommends Council approval of an Ordinance authorizing an additional \$1,344,404.00 of Community Development Block Grant - Disaster Recovery 2017 (CDBG-DR17) funds, evidenced by a First Amendment to the existing loan agreement between the City of Houston (City) and Texas Inter-Faith Housing Corporation (Developer). The loan will be used towards the new development of Dian Street Villas, to be located at 1433 Dian Street and 1800 W. 15th Street, Houston, TX 77008.

Dian Street Villas will be a 108-unit podium style affordable rental development targeted for working families. The property will provide a mix of studio, one-bedroom, two-bedroom, and three-bedroom units serving low- to moderate-income households at 30%, 50%, and 60% of Area Median Income.

On March 7, 2023, the General Land Office (GLO) has approved an additional \$2,688,808.00 in CDBG-DR 17 for the Multifamily Rehabilitation Program. Consequently, the department received a separate request for a supplemental investment of \$1,344,404.00 of CDBG DR-17 funds. The additional proceeds will be used to subsidize unexpected cost escalations of materials and labor costs, and project-related expenses due to ongoing construction market inflation.

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 CDBG-DR17	\$11,000,000.00	Hard Costs	\$18,482,155.56
City of Houston Supplemental Request CDBG-DR17	\$1,344,404.00	Soft Costs	\$4,332,603.00
LIHTC Syndication Proceeds	\$13,518,393.00	Acquisition Cost	\$6,031,000.00
Conventional Loan	\$5,140,000.00	Developer Fee	\$3,214,123.44
In-Kind Equity/ Deferred Developer	\$1,612,592.00	Reserves	\$555,507.00
Total Source of Funds:	\$32,615,389.00	Total Project Cost:	\$32,615,389.00

Fiscal Note:

No Fiscal Note is required on grant items.

This item was reviewed by the Housing and Community Affairs Committee on September 19, 2023.

DocuSigned by:

Keith W. Bynam
 Keith W. Bynam, Director

Prior Council Action:

03/24/2021 (O) 2021-208

Amount and Source of Funding:

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

Contact Information:

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ATTACHMENTS:

Description

2021-208 (O)

Type

Backup Material