



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 10/22/2024

District G

Item Creation Date: 7/3/2024

HCD24-65 The Rushmore

Agenda Item#: 22.

Background:

The Housing and Community Development Department (HCD) recommends Council approval of an Ordinance authorizing \$3,000,000.00 of HOME Investment Partnerships Program (HOME) funds, for an Agreement between the City of Houston (City) and HTG Rushmore, LLC towards the construction and acquisition costs for a new multifamily apartment development to be known as The Rushmore, located at 800 Highway 6 South, Houston, TX 77079.

HTG Rushmore, LLC plans to develop new construction of a 101-unit, mixed-income apartment complex serving low-to moderate-income families. The development will be situated on approximately 3.47 acres at 800 Highway 6 South, Houston, Texas 77079, in Council District G. This new development will be a National Green Building Standard certified multifamily rental community.

The Rushmore will consist of 32 one-bedroom/one-bathroom units, 50 two-bedroom/two-bathroom units, and 19 three-bedroom/two-bathroom units with 179 surface parking spaces. The development team proposes to restrict 41 units to qualifying residents earning at or below 60% Area Median Income (AMI), 35 units to residents earning at or below 50% AMI, and nine units to residents earning at or below 30% AMI. The remaining 16 units will be reserved as market-rate units.

The loan and affordability period will be 20 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 the available cash flow.

Sources	Amount	Uses	Amount
9% Housing Tax Credit	\$15,005,999.00	Hard Costs	\$21,180,394.00
City of Houston (HOME)	\$3,000,000.00	Acquisition	\$3,280,000.00
Conventional Loan	\$7,811,000.00	Soft Costs	\$5,819,611.00
Harris County ARPA funds	\$5,975,000.00	Reserves	\$321,653.00
In-Kind Equity/ Def. Developer Fee	\$752,649.00	Developer Fee	\$2,317,990.00
Private Loan / Grant	\$375,000.00		
Total Source of Funds:	\$32,919,648.00	Total Project Cost:	\$32,919,648.00

Fiscal Note:

No Fiscal Note is required on grant items.

This item was reviewed by the Housing and Community Affairs Committee on August 26, 2024.

DocuSigned by:

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Michael Nichols, Director

Amount and Source of Funding:

\$3,000,000.00 Federal Government - Grant Funded (5000)

Contact Information:

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ATTACHMENTS:

Description	Type
Ownership Form	Backup Material
Board List	Backup Material