

HCD15-84

TO: Mayor via City Secretary REQUEST FOR COUNCIL ACTION 15 - Cleburne

SUBJECT: An Ordinance appropriating and authorizing a \$2,500,000 performance based loan of Tax increment Reinvestment Zone (TIRZ) funds between the City of Houston and Montrose Counseling Center, Inc. for construction of a new multifamily apartment development for seniors to be located at 2222 Cleburne	Category #	Page 1 of 1	Agenda Item #
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FROM: Neal Rackleff, Director Housing and Community Development Department	Origination Date 11-25-15	Agenda Date
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DIRECTOR'S SIGNATURE: 	Council District affected: District D
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For additional information contact: Roxanne Lawson Phone: 832-394-6307	Date and identification of prior authorizing Council action: N/A
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RECOMMENDATION: Approval of an Ordinance appropriating and authorizing a \$2,500,000 performance based loan of Tax Increment Reinvestment Zone (TIRZ) funds between the City of Houston and Montrose Counseling Center, inc. for construction of a new multifamily apartment development for seniors to be located at 2222 Cleburne

Amount of Funding: \$2,500,000.00	Finance Budget:
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SOURCE OF FUNDING General Fund Grant Fund Enterprise Fund Other
Tax Increment Reinvestment Zone (2409)

SPECIFIC EXPLANATION:
The Housing and Community Development Department (HCDD) recommends Council approve a \$2,500,000 performance based loan of TIRZ funds to Montrose Counseling Center, Inc. for construction of a new multifamily apartment development for seniors to be located at 2222 Cleburne.

The development will have 112 units, with a mix of one-bedroom and two-bedroom floor plans, which will be available to low-income seniors. In exchange for the requested funds, the owner will restrict 112 units specifically to tenants earning at or below 60% of Area Median Income.

The development will include a 1,600-square-foot clinic for Legacy Community Healthcare which will have the capacity for two full-time medical specialists. Services will be available to residents as well as senior citizens in the neighborhood.

Montrose Counseling Center, Inc. was created in 1978 to provide outpatient mental health care services, substance abuse treatment, and case management services in the Houston area.

2222 Cleburne Development LLC, an affiliate of Covenant Community Capital, is the developer. Stephen Fairfield, a principal with Covenant, is a well-respected developer of affordable multifamily housing.

Sources of Funds		Uses of Funds	
Bank Loan (BBVA)	\$4,754,501	Hard Costs	\$13,379,946
Tax Credit	6,375,451	Soft Costs	2,629,367
Private Contributions	5,000,000	Reserves	366,654
HCDD - TIRZ	<u>2,500,000</u>	Developer Fee	<u>2,253,985</u>
Total	\$18,629,952	Total	\$18,629,952

This item was reviewed by the Housing and Community Affairs Committee on November 17, 2015.

NR:JN:DK:RB

Cc: City Secretary
Finance Department
Legal Department
Mayor's Office

REQUIRED AUTHORIZATION		
Finance Department:	Other Authorization:	Other Authorization: