

HCD15-88

TO: Mayor via City Secretary REQUEST FOR COUNCIL ACTION 15 - Res. no objection 2

SUBJECT: Approval of a state-required Resolution of No Objection enabling two entities to apply for non-competitive, 4% federal tax credits through the Texas Department of Housing and Community Affairs

Category #	Page 1 of 1	Agenda Item #
-------------------	-----------------------	----------------------

FROM: Neal Rackleff, Director Housing and Community Development Department	Origination Date 10/22/2015	Agenda Date
---	---------------------------------------	--------------------

DIRECTOR'S SIGNATURE: 	Council District affected: B, I
--	---

For additional information contact: Roxanne Lawson Phone: 832-394-6282	Date and identification of prior authorizing Council action: N/A
--	---

RECOMMENDATION: Approval of a state-required Resolution of No Objection enabling two entities to apply for non-competitive, 4% federal tax credits through the Texas Department of Housing and Community Affairs

Amount of Funding: None	Finance Budget:
-----------------------------------	------------------------

SOURCE OF FUNDING General Fund Grant Fund Enterprise Fund

No funding required

SPECIFIC EXPLANATION:

The Housing and Community Development Department (HCDD) recommends approval of a Resolution of No Objection for two applicants seeking 4% Housing Tax Credits (HTCs) for the multifamily developments listed below.

- The Kissito Center for Healthy Living received a similar resolution in June 2014, however the developer subsequently cancelled the project on the original site due to neighborhood resistance. A new site is under contract, and the developer is meeting with neighborhood groups to obtain their support; early indications are positive. HCDD is currently underwriting the Kissito project. Upon successful completion of the underwriting process, HCDD intends to provide gap financing in support of this development.
- The developer of the Garden City Apartments has not requested funding from HCDD; however due to the aforementioned statute, the developer is required to obtain a Resolution from the City in order to qualify for tax credits. This is a \$29 million project, including \$9 million of pure hard costs, to provide extensive exterior and interior renovations including upgraded kitchens and bathrooms, plus a complete remodel of the existing community building.

Following is information on the two applications:

Property Name	Tax Credit Applicant	Project	No. of Units	Location	Council District
Garden City Apartments	Steele Texas LIHTC LLC	Sec. 8 rehab	253	9601 W. Montgomery Road	B
Kissito Center for Healthy Living	Riverside Houston VOA Kissito LLC	Seniors	112	6901 Bellfort Ave.	I

This Resolution of No Objection to 4% tax credits was reviewed by the Housing and Community Affairs Committee on November 17, 2015 and a public hearing was held on December 9, 2015.

NR:JN:SS

cc: CSC, FIN, MYR, LGL

REQUIRED AUTHORIZATION		
Finance Department:	Other Authorization:	Other Authorization: