



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 3/8/2016

District H

Item Creation Date: 2/16/2016

HCD16-38 NHH at Harrisburg

Agenda Item#:

Background:

The Houston Housing Finance Corporation (HHFC) provides tax-exempt bond financing for developments that provide persons of low and moderate income with quality, affordable housing. New Hope Housing has submitted an application to HHFC for bond financing to construct the 175-unit NHH at Harrisburg development to be located at 3301 Harrisburg Blvd.

HHFC Bylaws and federal tax law require that City Council approve bonds issued by the corporation. HHFC is therefore requesting that City Council approve a \$15 million bond issue for this project. HHFC bonds are not backed by the full faith and credit of the City of Houston—they are non-recourse to the City.

The developer has received support from community leaders and residents for this property. This transit-oriented development is located on the newly constructed extension of Metro's light rail line on Harrisburg Blvd. The bond financing will be leveraged with tax credit equity, sale proceeds from another facility, and charitable contributions. The City of Houston Housing and Community Development Department (HCDD) has committed \$5,986,233 in HOME funds and \$631,500 in Housing and Homeless bond funds for this development.

Although the tax-exempt bonds considered in this request are exempt from Federal income tax, the property itself will not be exempt from local ad valorem taxes.

The Housing and Community Development Department recommends adoption of a Resolution approving the issuance of the bonds.

The requirement for this request to be reviewed by the Housing and Community Affairs committee has been waived.



Neal Rackleff, Director
Housing and Community Development Department

Prior Council Action:

9/17/13 (O) 2013-843

6/24/14 (O) 2014-678

7/22/15 (O) 2015-693

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