



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 7/12/2016

District D

Item Creation Date: 2/23/2016

HCD16-65 Paddock at Sunnyside

Agenda Item#:

Background:

The Housing and Community Development Department (HCDD) recommends Council approve an Ordinance authorizing the use of \$4,000,000 of HOME Investment Partnership funds for the acquisition and development of a 216-unit affordable housing property for seniors, located at 4410 Reed Road. The site is located in Sunnyside, one of Houston’s Community Revitalization Area (CRA) Outreach Areas.

LDG Multifamily LLC, the developer of the property, has a track record of developing high-quality and well-managed affordable housing communities across the U.S. The group recently completed the demolition and reconstruction of Villas at Colt Run with HCDD funds.

HCDD will require that 29 units be restricted to tenants earning below 60% of area medium income. Of those 29 units, 6 units will be further restricted to tenants earning below 50% of area median income.

The project’s total cost will be financed as follows:

| <u>Source</u> | <u>Amount</u> | <u>Use</u> | <u>Amount</u> |
|------------------------|--------------------|---------------|------------------|
| Loan | \$14,041,000 | Acquisition | \$1,577,270 |
| Tax credit equity | \$10,364,208 | Hard Costs | \$18,980,529 |
| HCDD loan | \$4,000,000 | Soft Costs | \$5,368,224 |
| Deferred Developer fee | <u>\$1,696,273</u> | Developer Fee | \$3,350,000 |
| Total | \$30,101,481 | Reserves | <u>\$825,458</u> |
| | | Total | \$30,101,481 |

Brenda Scott, Interim Acting Director

Amount of Funding:

\$4,000,000.00 HOME Investment Partnership - Fund 5000

Contact Information:

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