



## CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 9/7/2016

District D

Item Creation Date: 8/3/2016

### HCD16-74 NHH Reed Road Bond Issuance Resolution

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 187-unit NHH at Reed development to be located at 2605 Reed Road.

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 \$20,000,000 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, New Hope Housing, has a track record of developing high-quality and well-managed affordable housing communities across the city. NHH intends to build a 187-unit affordable housing community serving families at or below 60% Area Median Income. The bond financing will be leveraged with Housing and Homeless Bonds, tax credit equity, and charitable contributions. The City of Houston Housing and Community Development Department (HCDD) has committed \$10,100,000 in Housing & Homeless Bond funds for this development.

Although the bonds 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.

A handwritten signature in blue ink, appearing to read 'Tom McCasland', written over a horizontal line.

Tom McCasland, Interim Director

#### **Contact Information:**

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