



## CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 9/13/2016

District H

Item Creation Date: 8/23/2016

HCD16-80 Woodland Christian Towers Inc.

Agenda Item#:

### **Summary:**

**AN ORDINANCE APPROVING AND AUTHORIZING A FIRST AMENDMENT TO LOAN AGREEMENT BETWEEN THE CITY OF HOUSTON AND WOODLAND CHRISTIAN TOWERS, INC., JOINED BY WOODLAND TOWERS, L.P., FOR THE RENOVATION OF A 127 UNIT AFFORDABLE HOUSING COMMUNITY IN THE VICINITY OF 600 EAST TIDWELL ROAD IN HOUSTON, TEXAS**

### **Background:**

The Housing and Community Development Department recommends Council approve the First Amendment to the Loan Agreement for the acquisition and renovation of Woodland Christian Towers, a seven-story 127-unit Section 8 affordable housing community for seniors. The property is located at 600 E. Tidwell Road. Council has previously approved \$3,452,905 in HOME funds for this development. The amendment will change the construction lender from JP Morgan Chase Bank to Citibank, N.A., and the permanent senior lender from Local Initiatives Support Corporation to Freddie Mac, and increase the senior loan from \$2,400,000 to \$3,200,000.

The amendment will also redesignate 15 units previously set aside as Permanent Supportive Housing (PSH) for homeless, changing the City-required PSH total from 38 to 23 units. This decrease is being offset by an increase of 15 PSH units required by Harris County in exchange for increasing its loan commitment. Originally, the City required 38 PSH units and Harris County required 34, for a total of 72 PSH units in the 127-unit Section 8 development. Under the new terms, there will still be 72 PSH units, with 23 required by the City and 49 required by the County.

Additionally, in exchange for HCDD's funding, the borrower has agreed to increase the affordability period for all 38 of the originally agreed upon units from 20 to 33 years.

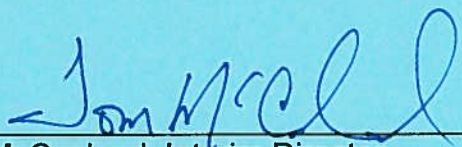
The property was built in 1972 by the National Benevolent Association (NBA) and is managed by its affiliate, Christian Church Homes (CCH). NBA and CCH have formed Woodland Christian Towers, Inc., a Community Housing Development Organization (CHDO) which will act as the general partner of a tax credit limited partnership that will renovate the property. Given its age, the building is in need of a substantial renovation. The project will include site grading and drainage control, window replacement, replacing the emergency generator and electrical panels, complete mechanical system replacement, modernization of all common areas, full apartment renovation, and the addition of a Health and Counseling Clinic on the first floor.

The total cost of the project will be financed as follows:

**Sources of Funds:**

Tax credit equity	\$4,467,808.00
HUD flexible subsidy	\$817,305.00
Senior loan	\$3,200,000.00
HCDD HOME	\$3,452,905.00
Harris County HOME	\$1,941,690.00
CCH /Enterprise grant	\$1,385,193.00
Sponsor equity/reserves	\$241,305.00
<b><u>Deferred developer fee</u></b>	<b><u>\$1,165,980.00</u></b>
<b>Total</b>	<b>\$16,672,186.00</b>

This proposal was presented to the Housing and Community Affairs Committee on March 22, 2016.



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Tom McCasland, Interim Director

**Prior Council Action:**

8/14/15, (O) 2015-747

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