



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 3/21/17

District I

Item Creation Date: 11/7/2016

HCD16-102c Harris County Housing Authority Development
Corporation for Fenix Estates

Agenda Item#:

Summary:

AN ORDINANCE APPROPRIATING \$2,050,000.00 FROM THE TIRZ AFFORDABLE HOUSING FUND; APPROVING AND AUTHORIZING A LOAN OF THE APPROPRIATED FUNDS AND \$3,900,000.00 OF FEDERAL HOME INVESTMENT PARTNERSHIP FUNDS FROM THE CITY OF HOUSTON TO HCHA DEVELOPMENT CORPORATION TO ASSIST WITH DEVELOPMENT OF FENIX ESTATES, A 200 UNIT AFFORDABLE HOUSING COMMUNITY, LOCATED IN THE VICINITY OF 1933 HUSSION STREET, IN HOUSTON, TEXAS; AUTHORIZING COOPERATION BETWEEN THE CITY AND HCHA FOR THE DEVELOPMENT OF FENIX ESTATES

Background:

The Housing and Community Development Department (HCDD) recommends Council approve a \$3,900,000.00 performance based loan and a \$2,050,000.00 repayable loan between the City of Houston and HCHA Development Corporation, an affiliate of the Harris County Housing Authority ("HCHA"), for the construction of a 200-unit multifamily rental complex, and authorize cooperation between the City and HCHA for the development of Fenix Estates.

This new complex will have supportive services space for case managers, health providers, other social services, and space for HCHA central office operations. HCDD's funding will be used only for the residential portion of the development, which totals \$38,643,231.00. In exchange for HCDD's funding, 50 units will be restricted to households earning less than 60% AMI, and 110 units will be designated by Harris County as Permanent Supportive Housing. Subsidized rental prices will range from \$363 to \$727 and will include 40 units at 30% AMI, 68 units at 50% AMI, and 72 units at 60% AMI. The remaining 20 units will be market rate units renting for more than \$800.00. All units will have a priority preference for individuals referred by the Houston/Harris County Coordinated Access System for homeless individuals.

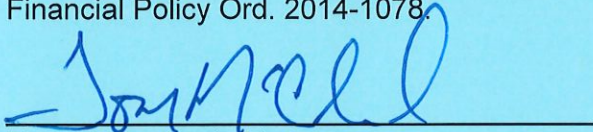
Located near I-45 (Gulf Freeway) and Cullen Blvd., the area around Fenix Estates has numerous amenities that provide for future residents' transportation, shopping, educational, medical, cultural, recreational and spiritual needs. METRO's Leland/Third Ward Light Rail Station (Purple Line) is five blocks away, and will connect to the Texas Medical Center and University of Houston. New retail and restaurant developments are currently planned for locations adjacent to the Fenix Estates community.

The project's total residential cost will be financed as follows as 83.6% of the total development cost:

Sources		Uses	
Harris County CDBG-DR	\$14,018,683.00	Acquisition	\$10,000.00
Harris County HOME	\$2,270,000.00	Hard Cost	\$27,094,729.25
City of Houston HOME	\$3,900,000.00	Soft Cost	\$5,768,771.96
RBC (Royal Bank of Canada) Limited Partner Equity	\$10,774,076.00	Project Reserves	\$837,882.42
HCHA GLO	\$5,511,147.18	Developer Fee	\$4,931,847.37
HCDD TIRZ 2409	\$2,050,000.00		
Equity (cash)	\$119,324.82		
Total Sources:	\$38,643,231.00	Total Cost:	\$38,643,231.00

This item was reviewed by the Housing and Community Affairs Committee on November 15, 2016.

No operational funding is required for this project; therefore, no Fiscal Note is required as stated in the Financial Policy Ord. 2014-1078.



Tom McCasland, Director

Amount of Funding:

\$3,900,000.00 HOME Investment Partnership – Fund 5000

\$2,050,000.00 Tax Increment Reinvestment Zone (TIRZ) – Fund 2409

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