



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 8/22/2017

District C

Item Creation Date: 11/7/2016

HCD17-53e 4600 Main Street Housing, LP

Agenda Item#:

Summary:

ORDINANCE approving and authorizing loan agreement between the City of Houston and **CANTWELL-ANDERSON, INC.**, joined by **4600 MAIN STREET HOUSING, LP**, to provide \$1,500,000.00 of Federal "HOME" Funds to assist with reconstruction of a building near 4600 Main Street in Houston, Texas to become a 56-unit affordable housing community which is intended to primarily serve veterans - **DISTRICT C - COHEN**

Background:

The Housing and Community Development Department (HCDD) recommends Council approve an Ordinance to appropriate \$1,500,000 in HOME funds for a Loan Agreement with Cantwell-Anderson, joined by 4600 Main Street Housing, LP, for the reconstruction of an office building located at 4600 Main Street across from the light rail line.

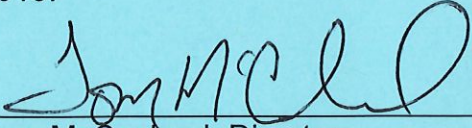
The property will be converted into a three-story affordable housing community consisting of 56 studio units. All the units will be restricted at below 60% of area median income. It will primarily serve formerly homeless veterans. Total project costs are anticipated to be \$11,277,476 of which \$9,212,960 is for the residential component. The residential price per unit cost is \$164,517. HCDD funds for the development total \$3,471,618 (31% of the total development cost) or \$61,993 a unit.

Cloudbreak Houston LLC, an affiliate of the borrower and the owner, is the developer of Light Rail Lofts and has a track record of developing high-quality and well-managed affordable housing communities across the U.S. Construction period of this project shall begin within twelve (12) months of the date of the signed agreement, with completion to end not later than eighteen (18) months after Closing, not to exceed five years after start of construction. HCD Director has authority to grant two 6-month extensions of the project deadline. This project will have a 20-year affordability period. HCDD previously granted \$1,971,618 in CDBG funds for the acquisition of this property, which is adjacent to two other Cloudbreak properties – Midtown Terrace and Travis Street Plaza.

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

Sources	Total Amount	Uses	Total Amount
Amegy Bank	\$ 3,890,057	Hard Costs	\$ 6,130,271
Tax Credit Equity	2,611,008	Acquisition	2,400,000
HCDD CDBG	1,971,618	Soft Costs	1,477,490
HCDD HOME	1,500,000	Developer Fee	1,077,599
Federal Home Loan Bank	750,000	Reserves	192,116
Developer's Equity	344,000		
Deferred Dev. Fee	210,793		
Total	\$11,277,476	Total	\$11,277,476

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



Tom McCasland, Director

Prior Council Action:

4/24/13, (O) 2013-357

Amount of Funding:

\$ 1,500,000.00 - HOME Investment Partnership Funds (HOME) - Fund 5000

\$ 1,971,618.00 – Community Development Block Grant (CDBG) – Fund 5000 (previously approved by Ordinance 2013-357, 4/24/13)

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