



## CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

District D

Item Creation Date: 10/31/2017

HCD17-101 Implementation of Provisions to Use Section 108  
Loan Funds

Agenda Item#:

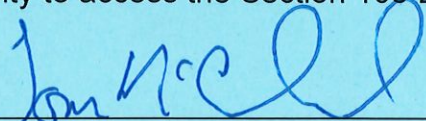
### **Background:**

The Housing and Community Development Department (HCDD) requests City Council approval of an Ordinance implementing provisions of Ordinance No. 2017-168, approving and authorizing the City to borrow \$5,062,000 in Section 108 Loan Funds from the United States Department of Housing and Urban Development (HUD), and to allocate \$8,800,000 in Economic Development Initiative (EDI) Funds to fund the purchase from Houston Community College (HCC) of approximately 9.177 acres of land located at the NE Corner of HWY 288 and N MacGregor (the "Property") at a purchase price of \$13,850,000 and related closing costs of \$12,000. HUD has now approved the City's application to borrow the Section 108 Loan Funds and to allocate the EDI Funds for the purchase of the Property. This Ordinance will approve and authorize a contract for loan guarantee assistance, a promissory note, and related documents between the City and HUD for the Section 108 Loan Funds.

On March 8, 2017, by Ordinance No. 2017-168, the City Council authorized the submission of applications to HUD for the use of Section 108 and EDI Funds to fund the purchase of the Property and approved the related Purchase and Sale Agreement between the City and HCC.

On October 18, 2017 City Council approved Ordinance No. 2017-809 for a lease and development agreement between the City and the Houston Housing Finance Corporation (HHFC), which will become effective at time of closing. HHFC will be sub-leasing to HEB, which has committed to the construction of a full-service grocery store.

HCDD respectfully requests City Council approval of this Ordinance, which is required in order for the City to access the Section 108 Loan Funds.

  
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Tom McCasland, Director

### **Prior Council Action:**

3/8/2017, (O) 2017-168

10/18/2017, (O) 2017-809

**Amount of Funding:**

\$5,062,000.00 - Section 108 Loan - Fund 5000

\$8,800,000.00 - Economic Development Initiative (EDI) - Fund 5000

**Contact Information:**

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