



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 10/16/2018

District J

Item Creation Date: 8/1/2018

HCD18-70 Houston Area Community Development Corporation - New Hope Housing Dale Carnegie

Agenda Item#: 27.

Summary:

AN ORDINANCE APPROPRIATING \$1,100,000.00 OUT OF THE HOMELESS AND HOUSING CONSOLIDATED BOND FUND; APPROVING AND AUTHORIZING AN AGREEMENT BETWEEN THE CITY OF HOUSTON AND HOUSTON AREA COMMUNITY DEVELOPMENT CORPORATION TO PROVIDE THE APPROPRIATED FUNDS AND \$7,400,000.00 OF FEDERAL "HOME" FUNDS TO ASSIST WITH THE SITE ACQUISITION, DEVELOPMENT AND CONSTRUCTION OF A SINGLE ROOM OCCUPANCY FACILITY, TO BE LOCATED IN THE VICINITY OF 7025 REGENCY SQUARE BOULEVARD IN HOUSTON, TEXAS, THAT WILL PROVIDE AFFORDABLE HOUSING TO LOW AND VERY LOW INCOME HOUSEHOLDS; CONTAINING FINDINGS AND OTHER PROVISIONS RELATING TO THE FOREGOING SUBJECT; AND DECLARING AN EMERGENCY

Background:

The Housing and Community Development Department (HCDD) recommends Council approval of an Ordinance authorizing a loan agreement for a \$8,500,000.00 loan consisting of \$7,400,000.00 HOME funds and a grant agreement for \$1,100,000.00 of Housing and Homeless Bond funds, between the City of Houston and Houston Area Community Development Corporation. The \$8,500,000.00 will be used towards the construction of a new 170-unit Single Resident Occupancy (SRO) development located at the southeast corner of Dale Carnegie & Regency Square. The total development cost of \$28,891,595.00 will go towards site acquisition, construction costs, and on-site supportive services catering to low income individuals.

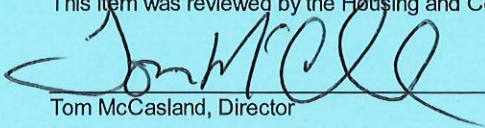
Developed by New Hope Housing, Inc., the Dale Carnegie site will be designed as a LEED-certified community that will provide safe and attractive homes for low income persons. Prospective tenants would include veterans, elderly individuals, people with disabilities and those at risk of homelessness. Proposed for the Southwest Houston TIRZ Zone, the New Hope Housing Dale Carnegie site will be in close proximity to employment centers and public transportation. Rent will include utilities, cable TV access and on-site supportive services. The owner will restrict all 170 units specifically to tenants earning 60% of the Area Median Income or below.

New Hope Housing is one of the premier developers of SRO housing for Houston's homeless population. Total funding for Dale Carnegie will be as follows:

Sources & Uses			
Sources:		Uses:	
COH HOME Funds	\$ 7,400,000.00	Hard Cost	\$19,867,844.00
National Equity Fund - 9% Housing Tax Credits	\$13,048,695.00	Soft Cost	\$ 3,732,905.00
In-Kind Equity/ Deferred Developer Fee	\$ 1,316,400.00	Acquisition Cost	\$ 1,300,000.00
Charitable Contributions	\$ 6,026,500.00	Developer Fee	\$ 3,537,862.00
COH Homeless and Housing Bond Funds	\$ 1,100,000.00	Reserves	\$ 452,984.00
Total Source of Funds:	\$28,891,595.00	Total Project Cost:	\$28,891,595.00

No Fiscal Note is required on grant items. No significant Fiscal Operating impact is anticipated as a result of this project.

This item was reviewed by the Housing and Community Affairs Committee on August 21, 2018.


Tom McCasland, Director

Amount of Funding:

\$1,100,000.00 - Homeless and Housing Consolidated Fund (4501)

\$7,400,000.00 - Federal Government - Grant Fund (5000)

Contact Information:

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ATTACHMENTS:

Description

Type

HCD18-70 SAP	Financial Information
HCD18-70 PNFDF	Backup Material
HCD18-70 Linebarger Log 10-1-18	Backup Material
HCD18-70 Affidavit of Ownership or Control	Backup Material
HCD18-70 Fair Campaign Ordinance	Backup Material
HCD18-70 Debarment Search	Backup Material
HCD18-70 Ordinance	Ordinance/Resolution/Motion
Agreement (Part 1 of 4)	Contract/Exhibit
Agreement (Part 2a of 4)	Contract/Exhibit
Agreement (Part 2b of 4)	Contract/Exhibit
Agreement (Part 2c of 4)	Contract/Exhibit
Agreement (Part 3 of 4)	Contract/Exhibit
Agreement (Part 4 of 4)	Contract/Exhibit