



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 10/23/2018

District H

Item Creation Date: 8/1/2018

HCD18-73a Campanile on Commerce

Agenda Item#: 10.

Summary:

ORDINANCE approving and authorizing loan of TIRZ Affordable Housing Funds and \$2,161,710.00 of Federal Home Investment Partnership Funds from the City of Houston to **CAMPANILE ON COMMERCE GP LLC** to assist with site acquisition for a 120 unit affordable housing community, located in the vicinity of 2929 Commerce Street, in Houston, Texas **DISTRICT H - CISNEROS**

Background:

The Housing and Community Development Department (HCDD) requests Council approval of an Ordinance authorizing a \$3,500,000.00 loan consisting of \$2,161,710.00 HOME Investment Partnership (HOME) funds and \$1,338,290.00 of previously appropriated Tax Increment Reinvestment Zone (TIRZ) Affordable Housing funds approved by City Council on 10/4/17 by Ordinance 2017-759, between the City of Houston and Campanile on Commerce LP, a subsidiary of Kilday Operating LLC, for the acquisition of land to be used for an affordable housing community designed for residents ages 55 and older. Of the 120 units, 105 will be restricted to tenants earning at or below 60% of the Area Median Income.

The City loan term and affordability period will be 20 years and will commence when the construction period is completed. Loan will be a non-amortizing throughout both the construction and permanent period. Following project completion, the outstanding principal balance of the note shall accrue at a 1% interest. Borrower will pay an annual installment of interest from available cash flow.

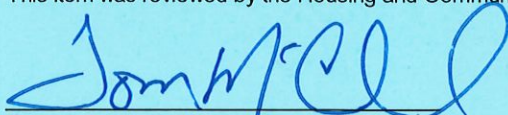
Campanile on Commerce is located in Houston's historic Second Ward. Residents will benefit from proximity to public transportation, onsite services such as shuttle transportation, nutrition classes and credit counseling. The total development cost of \$21,776,911.00 will fund a project equipped with landscaped green areas and an extensive sidewalk system. The development will consist of (72) one-bedroom units and (48) two-bedroom units.

Kilday Operating, LLC is an established for-profit developer of affordable multifamily properties. Total funding for Campanile on Commerce will be as follows:

Sources:		Uses:	
9% Housing Tax Credit Syndication Proceeds (National Equity Fund)	\$13,498,650.00	Hard Cost	\$11,782,846.00
COH HOME Funds	\$2,161,710.00	Soft Cost	\$1,814,974.00
Permanent Loan (BBVA Compass)	\$4,300,000.00	Acquisition Cost	\$ 5,623,945.00
In-Kind Equity/ Deferred Developer Fee	\$ 478,261.00	Developer Fee	\$ 1,955,146.00
COH TIRZ Funds	\$1,338,290.00	Reserves	\$ 600,000.00
Total Source of Funds:	\$21,776,911.00	Total Project Cost:	\$21,776,911.00

Funding for this item is included in the FY2019 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies. No fiscal note is required on grant items.

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


Tom McCasland, Director

Amount of Funding:

- \$2,161,710.00 - Federal Government - Grant Fund 5000
- \$1,338,290.00 - TIRZ Affordable Housing Fund 2409 (previously appropriated)
- \$3,500,000.00

Contact Information:

Roxanne Lawson
Phone: (832) 394-6307

ATTACHMENTS:

Description

Cover Sheet
HCD18-73 SAP
HCD18-73 PNFD
HCD18-73 Linebarger Log 10-5-18
HCD18-73 Affidavit of Ownership or Control
HCD18-73 Fair Campaign Ordinance
HCD18-73 Form B
HCD18-73 Debarment Search
Ordinance
Agreement (Part 1 of 4)
Agreement (Part 2a of 4)
Agreement (Part 2b of 4)
Agreement (Part 3a of 4)
Agreement (Part 3b of 4)
Grant Funding Verification-CN
TIRZ affordable housing funding verification
\$1.3M pre-encumbered

Type

Signed Cover sheet
Financial Information
Backup Material
Backup Material
Backup Material
Backup Material
Backup Material
Backup Material
Ordinance/Resolution/Motion
Contract/Exhibit
Contract/Exhibit
Contract/Exhibit
Contract/Exhibit
Contract/Exhibit
Backup Material
Signed Cover sheet
Signed Cover sheet