



## Housing and Community Affairs Committee

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### Committee Members

Mike Laster (Chair)  
Jerry Davis  
David W. Robinson  
Richard Nguyen

Robert Gallegos (Vice Chair)  
Larry Green  
Ed Gonzalez  
Dwight A. Boykins

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### AGENDA

Wednesday, May 13, 2015 2:00 PM  
City Hall Chambers

Call to Order/Welcome Remarks – Council Member Mike Laster, Chair

#### I. Public Facilities

For review and possible authorization:

- a. Lighthouse for the Blind Homes Construction (District C) – An Ordinance authorizing a Contract between the City of Houston and The Lighthouse for the Blind of Houston, providing \$750,000 to construct two group homes at 820 Marston Street to house ten deaf and blind individuals
- b. The Women's Home Whole Life Center Construction (District A) – An Ordinance authorizing a Contract between the City of Houston and The Women's Home, providing up to \$1,630,000 for the construction of a 30,852-square-foot social service facility located at 1905 Jacquelyn to serve the Spring Branch community
- c. SER-Niños Charter School Public Children's Library Construction (District J) – An Ordinance authorizing a Contract between the City of Houston and SER-Niños Charter School, providing \$2,000,000 for the construction of a public children's library at the corner of Alder and Gulfton

Presentation:

- Neal Rackleff, Director, Housing and Community Development Department
- Ana Patino-Martinez, Division Manager

## II. Public Services

For review and possible authorization:

- a. Goodwill Community Rehabilitative Services Program (All Districts) – An Ordinance authorizing the use of \$98,000 in federal CDBG funds for a contract between the City of Houston and Goodwill Houston for a community rehabilitative services program
- b. SEARCH Homeless Services Program (All Districts) – An Ordinance authorizing a contract between the City of Houston and SEARCH Homeless Services providing \$133,883 in General Funds for the operation of a homeless services program

Presentation:

- Neal Rackleff, Director, Housing and Community Development Department
- Joel North, Deputy Director

## III. Multifamily

For review and possible authorization:

- a. New Hope Housing Harrisburg Construction (District H) – An Ordinance authorizing a \$5,986,233 HOME Loan Agreement and an amended and restated \$631,500 Grant Agreement between the City of Houston and Houston Area Community Development Corporation, an affiliate of New Hope Housing, Inc. (and an approved Community Housing Development Organization – CHDO) for a project at 3301 Harrisburg Blvd.
- b. New Hope Housing Hamilton De-Obligation of Funds (District I) – An Ordinance authorizing HCDD to de-obligate \$2,986,233 in HOME funds for a previously-approved project located at 320 Hamilton Street
- c. New Hope Housing Reed Road Construction (District D) – An Ordinance appropriating bond funds and authorizing an amended and restated Grant Agreement among the City of Houston, Houston Area Community Development Corporation (an affiliate of New Hope Housing) and NHH at Reed, Ltd., for construction of an affordable 187-unit housing community located at 2620 Reed Road
- d. Woodland Christian Towers Renovation (District H) – Approval of a Loan Agreement between the City of Houston and the National Benevolent Association for renovation of a 127-unit affordable housing community located at 600 E. Tidwell Road
- e. Center for Healthy Living Construction (District I) – Approval of a Loan Agreement between the City of Houston and Volunteers of America National Services for acquisition and construction of a 112-unit affordable housing community at Monroe Boulevard and Bryam Street

- f. Pleasant Hill Village Renovation (District B) – An Ordinance approving a 4<sup>th</sup> Amendment to a Loan Agreement among the City of Houston; Pleasant Hill Community Development Corporation, a Texas nonprofit corporation; and Pleasant Hill Seniors 165, L.P. to settle the outstanding loan and provide funds to renovate a 165-unit affordable apartment community for seniors
- g. Motion for a Public Hearing on 4% Tax Credits for Nine Properties (Districts B, C, D, H, I) – A motion establishing a date for a Public Hearing to provide Resolutions of No Objection for the 4% housing tax credit applications of nine multifamily properties
- h. Resolution of No Objection to 4% Tax Credits for Nine Properties (Districts B, C, D, H, I) – Approval of a state-required Resolution of No Objection enabling nine entities to apply for non-competitive, 4% federal tax credits through the Texas Department of Housing and Community Affairs
- i. Regency Walk Amendment to Loan Agreement (District C) – An Ordinance to amend an Agreement between the City of Houston and Regency Walk LLC, a Texas limited liability company, to transfer ownership to a Lynd-KKR partnership and to allow the Senior Loan amount to increase from \$11,400,000 to \$25,800,000

Presentation:

- Neal Rackleff, Director, Housing and Community Development Department
- Joel North, Deputy Director

#### **IV. Public Comments**

Action may be taken on any or all of the above items.

Committee meetings are open to the public.

For information about this committee, contact Jonny Flores 832.393.3015.

#### **V. Director's Comments**

Neal Rackleff, Director, Housing and Community Development Department

TO: Mayor via City Secretary

**REQUEST FOR COUNCIL ACTION**

<b>SUBJECT:</b> An Ordinance authorizing a Contract between the City of Houston and The Lighthouse for the Blind of Houston, providing \$750,000 to construct two group homes at 820 Marston Street to house ten deaf and blind individuals		<b>Category #</b>	<b>Page</b> 1 of 1	<b>Agenda Item #</b> 7.A
<b>FROM:</b> Neal Rackleff, Director Housing and Community Development Department		<b>Origination Date</b> 04/29/2015	<b>Agenda Date</b>	
<b>DIRECTOR'S SIGNATURE:</b>		<b>Council District affected:</b> District C		
<b>For additional information contact:</b> Stephen Tinnermon Phone: 832-394-6261		<b>Date and identification of prior authorizing Council action:</b> None		
<b>RECOMMENDATION:</b> Approval of an Ordinance authorizing a Contract between the City of Houston and The Lighthouse for the Blind of Houston, providing \$750,000 to construct two group homes at 820 Marston Street to house ten deaf and blind individuals				
<b>Amount of Funding:</b>  \$750,000.00			<b>Finance Budget:</b>	
<b>SOURCE OF FUNDING:</b> [ ] General Fund      [X] Grant Fund      [ ] Enterprise Fund  Community Development Block Grant (Fund 5000)				
<b>SPECIFIC EXPLANATION:</b> The Housing and Community Development Department requests Council approve a Contract between the City and The Lighthouse for the Blind of Houston, providing \$750,000 in federal Community Development Block Grant (CDBG) funds to construct two ADA-compliant group homes totaling 5,500 square feet to house ten deaf and blind individuals. Each 2,750-square-foot building at 820 Marston Street will consist of five bedrooms, five bathrooms, a kitchen, a living area, and an office.  The Marston Street homes will be located adjacent to The Lighthouse's main facility at 3602 West Dallas, where the organization provides services to blind and visually impaired clients. Services include vocational training to working-age adults, tutoring to children, rehabilitation and various day programs. The new homes will replace group homes currently located on Hazen Road, enabling the organization to eliminate the residents' daily commute on the Southwest Freeway to access the services at the West Dallas Street facility. Additionally, residents will be able to access the main facility for services and activities beyond the traditional day program hours.  The Marston Street homes are a component of a \$16-million Capital Campaign Project, which also includes a 27,000-square-foot Health Services Center and an Enterprise Training Building.  The Lighthouse for the Blind of Houston is a 75-year-old non-profit organization. It is one of the largest rehabilitation centers for the blind and visually impaired in the United States, serving approximately 11,000 persons annually. The Hazen Road group homes, which also served 10 deaf and blind clients, have been successfully operating since 1983 and are the oldest Medicaid Deaf-Blind Waiver Program in the State of Texas.  HCDD conducted a Request for Proposals for program year 2014 for CDBG contracts. The Lighthouse Deaf-Blind Group Homes on Marston Street was one of the projects selected.  This item was reviewed by the Housing and Community Affairs Committee on May 13, 2015.  NR: APM: AS  Cc: City Attorney Mayor's Office City Secretary Finance Department				
<b>REQUIRED AUTHORIZATION</b>				
<b>Finance Department Director:</b>		<b>Other Authorization:</b>		<b>Other Authorization:</b>

<b>SUBJECT:</b> An Ordinance authorizing a Contract between the City of Houston and The Women's Home, providing up to \$1,630,000 for the construction of a 30,852-square-foot social service facility located at 1905 Jacquelyn to serve the Spring Branch community		<b>Category #</b>	<b>Page</b> 1 of 1	<b>Agenda Item #</b> I.B.
<b>FROM:</b> Neal Rackleff, Director Housing and Community Development Department		<b>Origination Date</b> 04/27/15	<b>Agenda Date</b>	
<b>DIRECTOR'S SIGNATURE:</b>		<b>Council District affected:</b> District A		
<b>For additional information contact:</b> Stephen Tinnermon Phone: 832-394-6261		<b>Date and identification of prior authorizing Council action:</b> None		
<b>RECOMMENDATION:</b> Approval of an Ordinance authorizing a Contract between the City of Houston and The Women's Home, providing up to \$1,630,000 for the construction of a 30,852-square-foot social service facility located at 1905 Jacquelyn to serve the Spring Branch community				
<b>Amount of Funding:</b>		<b>\$1,630,000 Community Development Block Grant</b>		<b>Finance Budget:</b>
<b>Funds</b>				
<b>SOURCE OF FUNDING:</b> [ ] General Fund      [X] Grant Fund      [ ] Enterprise Fund      [X] Other				
<b>Community Development Block Grant (Fund 5000)</b>				
<b>SPECIFIC EXPLANATION:</b>				
<p>The Housing and Community Development Department requests Council approve a Contract between the City and The Women's Home providing up to \$1,630,000 in federal Community Development Block Grant funds to construct a 30,852-square-foot Whole Life Service Center at 1905 Jacquelyn, and a surface parking lot at 1838 Johanna Drive. The project will involve a demolition phase which will consist of demolishing a house and warehouse on adjacent tracts of land owned by The Women's Home.</p> <p>The Whole Life Service Center will deliver support services to homeless and low-income individuals and families living in the Spring Branch area. The total project budget is approximately \$7,630,000 of which \$6,000,000 will be funded by The Women's Home. The service center will deliver three types of services: physical/behavioral health, after school/summer programs for elementary and middle school children, and adult education/workforce development. These services were identified through an independent community assessment process and through potential partners and providers.</p> <p>The new public facility will consist of the following major components:</p> <ul style="list-style-type: none"> <li>• A 4,000-square-foot Federally Qualified Health Clinic (a satellite clinic of Spring Branch Community Health Center)</li> <li>• 2,400 square feet for behavioral health/prevention education</li> <li>• 1,400 square feet for computer labs</li> <li>• 9,200 square feet for after-school care for low-income students</li> <li>• 4,800 square feet for adult education/workforce development</li> <li>• 4,482 square feet for miscellaneous (restrooms, offices, reception/check-in)</li> </ul> <p>HCDD conducted a Request for Proposals for program year 2014 for CDBG contracts. The Women's Home was one of the projects selected.</p> <p>This item was reviewed by the Housing and Community Affairs Committee on May 13, 2015.</p>				
NR:ST:APM:SB				
cc: City Attorney Mayor's Office City Secretary Finance Department				
<b>REQUIRED AUTHORIZATION</b>				
<b>Finance Department Director:</b>		<b>Other Authorization:</b>		<b>Other Authorization:</b>

TO: Mayor via City Secretary

**REQUEST FOR COUNCIL ACTION**

<b>SUBJECT:</b> An Ordinance authorizing a Contract between the City of Houston and SER-Niños Charter School, providing \$2,000,000 for the construction of a public children's library at the corner of Alder and Gulfton		<b>Category #</b>	<b>Page</b> 1 of 1	<b>Agenda Item #</b> I.C.
<b>FROM:</b> Neal Rackleff, Director Housing and Community Development Department		<b>Origination Date</b> 04/27/15	<b>Agenda Date</b>	
<b>DIRECTOR'S SIGNATURE:</b>		<b>Council District affected:</b> District J		
<b>For additional information contact:</b> Stephen Tinnermon Phone: 832-394-6261		<b>Date and identification of prior authorizing Council action:</b> None		
<b>RECOMMENDATION:</b> Approval of an Ordinance authorizing a Contract between the City of Houston and SER-Niños Charter School, providing \$2,000,000 for the construction of a public children's library at the corner of Alder and Gulfton				
<b>Amount of Funding:</b> \$2,000,000.00		<b>Community Development Block Grant</b>		<b>Finance Budget:</b>
<b>SOURCE OF FUNDING:</b> <input type="checkbox"/> General Fund <input type="checkbox"/> Grant Fund <input type="checkbox"/> Enterprise Fund <input checked="" type="checkbox"/> Other <b>Community Development Block Grant Fund (5000)</b>				
<b>SPECIFIC EXPLANATION:</b>				
<p>The Housing and Community Development Department requests Council approve a Contract between the City and SER-Niños Charter School providing up to \$2,000,000 in federal Community Development Block Grant funds to construct the SER-Niños Children's Library at the corner of Alder and Gulfton. The total project budget is \$3,300,000, of which \$1,300,000 will be funded by SER-Niños Charter School.</p> <p>A community revitalization project dedicated to the creation of a public children's library in the heart of the Gulfton community, the SER-Niños Children's Library is a collaboration between SER-Niños Charter School and the Houston Public Library (HPL). The library will be designed to house a collection of books and media to serve children from birth to 8<sup>th</sup> grade. Additionally, the SER-Niños library will provide access to the entire collection of HPL resources through the online connection with HPL.</p> <p>The goals of the SER-Niños Children's Library are to serve and enhance the literary profile of the Gulfton community by offering literature and cultural reference to the local population, and to provide a facility for meetings, programs, and learning within the Gulfton community. The facility will be accessible to the students of SER-Niños Charter School as well as the community.</p> <p>SER-Niños Charter School is a pre-k to 8<sup>th</sup> grade public school chartered by the State of Texas in 1996 and accredited by the Texas Education Agency. The school currently serves 1,038 pre-k to 8<sup>th</sup> grade students on one middle school and two elementary school campuses. In 2013, the non-profit group "Children at Risk," an education advocacy organization for low-income children, ranked SER-Niños Middle School as third best among 283 Houston-area middle schools and at number 6 of 1,840 middle schools in the state.</p> <p>This item was reviewed by the Housing and Community Affairs Committee on May 13, 2015.</p>				
NR:ST:APM:SB				
cc: City Attorney Mayor's Office City Secretary Finance Department				
<b>REQUIRED AUTHORIZATION</b>				
<b>Finance Department Director:</b>		<b>Other Authorization:</b>		<b>Other Authorization:</b>

TO: Mayor via City Secretary **REQUEST FOR COUNCIL ACTION**

3/5/15

Goodwill Industries

**SUBJECT:** An Ordinance authorizing the use of \$98,000 in federal CDBG funds for a contract between the City of Houston and Goodwill Houston for a community rehabilitative services program

**Category**

**Page**  
1 of 1

**Agenda Item #**  
II.A.

**FROM:**  
Neal Rackleff, Director  
Housing and Community Development Department

**Origination Date**

3/5/15

**Agenda Date:**

**DIRECTOR'S SIGNATURE:**

**Council Districts affected:**

All

**For additional information contact:** Stephen Tinnermon  
Phone: (832) 394-6261

**Date and identification of prior authorizing Council action:**

**RECOMMENDATION:** Approval of an Ordinance authorizing the use of \$98,000 in federal CDBG funds for a contract between the City of Houston and Goodwill Houston for a community rehabilitative services program

**Amount of Funding:**  
\$98,000

**Finance Budget:**

**SOURCE OF FUNDING:** [ ] General Fund [ X ] Grant Fund [ ] Enterprise Fund  
Community Development Block Grant (CDBG)

**SPECIFIC EXPLANATION:**

The Housing and Community Development Department (HCDD) recommends approval of a contract between the City of Houston and Goodwill Houston for a community rehabilitative services program.

The goal of Goodwill Houston's Community Rehabilitative Services Program is to place individuals with physical, mental and developmental disabilities into competitive employment. Clients will be offered a variety of services including: (1) assessment, (2) development of an individual employment plan, (3) work readiness training, (4) life skills training, (5) personal/social work adjustment training, and (6) job skills training, job coaching, and job development.

The City will grant Goodwill up to \$98,000 in Community Development Block Grant (CDBG) funds to provide services to approximately 100 clients, placing 75 in competitive employment. The City of Houston is contributing 23% of the entire program cost. Last year this program served 146 clients, placing 63 in competitive employment.

Category	Amount	Percentage
Program Administration	\$0	0%
Program Services	\$98,000	100%
<b>Total</b>	<b>\$98,000</b>	<b>100%</b>

HCDD conducted a Request for Proposals (RFP) for program year 2014 CDBG contracts. Goodwill Houston was one of the providers selected. This contract provides funding for June 1, 2015 – May 31, 2016. Goodwill Houston has received CDBG funding through the City of Houston since 2012.

This item was reviewed by the Housing and Community Affairs Committee on May 13, 2015.

NR:EP:MB:MJR

cc: City Secretary  
Legal Department  
Finance Department  
Mayor's Office

**REQUIRED AUTHORIZATION**

<b>Finance Director:</b>	<b>Other Authorization:</b>	<b>Other Authorization:</b>
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TO: Mayor via City Secretary

**REQUEST FOR COUNCIL ACTION**

15- SEARCH

<b>SUBJECT:</b> An Ordinance authorizing a contract between the City of Houston and SEARCH Homeless Services providing \$133,883 in General Funds for the operation of a homeless services program		<b>Category #</b>	<b>Page</b> 1 of 1	<b>Agenda Item #</b> <i>H. B.</i>												
<b>FROM:</b> Neal Rackleff, Director Housing and Community Development Department		<b>Origination Date</b>  4/27/15		<b>Agenda Date</b>												
<b>DIRECTOR'S SIGNATURE:</b>		<b>Council Districts affected:</b> All														
<b>For additional information contact:</b> Stephen Tinnermon Phone: (832) 394-6261		<b>Date and identification of prior authorizing Council action:</b>														
<b>RECOMMENDATION:</b> Approval of an Ordinance authorizing a contract between the City of Houston and SEARCH Homeless Services providing \$133,883 in General Funds for the operation of a homeless services program																
<b>Amount of Funding:</b>  \$133,883			<b>Finance Budget:</b>													
<b>SOURCE OF FUNDING</b> <input checked="" type="checkbox"/> General Fund <input type="checkbox"/> Grant Fund <input type="checkbox"/> Enterprise Fund																
<b>SPECIFIC EXPLANATION:</b>																
<p>The Housing and Community Development Department (HCDD) recommends approval of a contract between the City of Houston and SEARCH Homeless Services to fund the operational costs of its Engagement Services Program, which provides emergency assistance to Houston's homeless population living on the streets.</p> <p>The City will grant SEARCH \$133,883 to provide services to 750 individuals, including outreach and stabilization to 250 homeless individuals and essential services in its Resource Center to 500 homeless individuals. SEARCH's essential services include bus passes, lunches, clothing, blankets, job training and transportation to appointments. Other services provided by SEARCH include referring homeless individuals for substance abuse counseling, HIV education and testing, and medical and dental assistance. General Funds are used to leverage other grants and provide a comprehensive service package. Most of these activities are not eligible for federal dollars under US Department of Housing and Urban Development (HUD) program regulations.</p>																
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:30%;">Category</th> <th style="width:40%;">Total Contract Services</th> <th style="width:30%;">Percent</th> </tr> </thead> <tbody> <tr> <td>Administrative</td> <td style="text-align: center;">-</td> <td style="text-align: center;">0%</td> </tr> <tr> <td>Program Services</td> <td style="text-align: center;">\$133,883</td> <td style="text-align: center;">100%</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: center;"><b>\$133,883</b></td> <td style="text-align: center;"><b>100%</b></td> </tr> </tbody> </table>					Category	Total Contract Services	Percent	Administrative	-	0%	Program Services	\$133,883	100%	<b>Total</b>	<b>\$133,883</b>	<b>100%</b>
Category	Total Contract Services	Percent														
Administrative	-	0%														
Program Services	\$133,883	100%														
<b>Total</b>	<b>\$133,883</b>	<b>100%</b>														
<p>HCDD conducted a Request for Proposals (RFP) for program year 2014. SEARCH Homeless Services was one of the providers selected. The term of this contract is from July 1, 2015 through June 30, 2016. SEARCH Homeless Services has received various funding through the City of Houston since 2000.</p> <p>This item was reviewed by the Housing and Community Affairs Committee on May 13, 2015.</p>																
NR:EP:MB:MR																
cc:    Legal Department Mayor's Office City Secretary Finance Department																
<b>REQUIRED AUTHORIZATION</b>																
<b>Finance Director:</b>		<b>Other Authorization:</b>		<b>Other Authorization:</b>												

**TO: Mayor via City Secretary REQUEST FOR COUNCIL ACTION**

**.5 – Harrisburg**

**SUBJECT:** An Ordinance authorizing a \$5,986,233 HOME Loan Agreement and an amended and restated \$631,500 Grant Agreement between the City of Houston and Houston Area Community Development Corporation, an affiliate of New Hope Housing, Inc. (and an approved Community Housing Development Organization – CHDO) for a project at 3301 Harrisburg Blvd.

**Category #**

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**Agenda Item #**

*III. A.*

**FROM:**  
Neal Rackleff, Director  
Housing and Community Development Department

**Origination Date**  
3-2-15

**Agenda Date**

**DIRECTOR'S SIGNATURE:**

**Council District affected:**  
District H

**For additional information contact:** Stephen Tinnermon  
**Phone:** 832-394-6261

**Date and identification of prior authorizing Council action:** 3/20/96 Ord.1996-319, 9/7/13 Ord. 2013-843, 6/24/14 Ord. 2014-678

**RECOMMENDATION:** An Ordinance authorizing a \$5,986,233 HOME Loan Agreement and an amended and restated \$631,500 Grant Agreement between the City of Houston and Houston Area Community Development Corporation, an affiliate of New Hope Housing, Inc. (and an approved Community Housing Development Organization – CHDO) for a project at 3301 Harrisburg Blvd.

**Amount of Funding:**  
\$5,986,233.00 HOME funds (CHDO)  
\$631,500.00 Housing & Homeless Bonds  
\$6,617,733.00 TOTAL

**Finance Budget:**

**SOURCE OF FUNDING**     General Fund     Grant Fund     Other

**HOME Investment Partnership and Housing and Homeless Bonds**

**SPECIFIC EXPLANATION:**

The Housing and Community Development Department (HCDD) recommends Council approve a loan agreement for a \$5,986,233 loan of HOME (CHDO) funds, and an amended and restated grant agreement for a \$631,500 grant of Housing and Homeless Bond funds, between the City of Houston and Houston Area Community Development Corporation, an affiliate of New Hope Housing (NHH), Inc. The request represents \$3,617,733 in funds previously approved for NHH at Hamilton, whose residents are expected to be moved to the new facility, and \$3,000,000 in additional funding for a new Single Resident Occupancy (SRO) development to be located at 3301 Harrisburg Blvd.

The project will contain 175 SRO units. This is an additional 48 units over the 127-unit NHH at Hamilton rehabilitation project, for which the \$3,617,733 was originally committed. A market study has confirmed the strong demand for these units. Of the 175 units, 124 units will be identified as Permanent Supportive Housing units, which will carry with them a broad array of services for formerly homeless persons. The total request from HCDD represents 29% of the project cost.

New Hope Housing is one of the premier developers of SRO housing for Houston's homeless population. Over the last 20 years, New Hope Housing has developed close to 1,000 SRO units, and provides extensive social services to all of its tenants. The proposed housing property will be financed as follows:

Sources of Funds:

Land exchange	\$2,386,000
4% tax credit equity	\$6,061,352
Charitable contributions	\$6,864,000
Deferred developer fee	\$934,881
HCDD – original funds (HOME & Homeless/Housing Bonds)	\$3,617,733
HCDD – additional funds (HOME)	<u>\$3,000,000</u>
<b>Total</b>	<b>\$22,863,966</b>

This item was reviewed by the Housing and Community Affairs Committee on May 13, 2015.

NR:JN:EP:SS

Cc: City Secretary  
Finance Department  
Legal Department  
Mayor's Office

**REQUIRED AUTHORIZATION**

**Finance Department:**

**Other Authorization:**

**Other Authorization:**

**TO: Mayor via City Secretary      REQUEST FOR COUNCIL ACTION      15 – Hamilton – de-obl.**

<b>SUBJECT:</b> An Ordinance authorizing HCDD to de-obligate \$2,986,233 in HOME funds for a previously approved project located at 320 Hamilton Street		<b>Category #</b>	<b>Page 1 of 1</b>	<b>Agenda Item #</b> <i>III. B.</i>
<b>FROM:</b> Neal Rackleff, Director Housing and Community Development Department		<b>Origination Date</b> 3-2-15	<b>Agenda Date</b>	
<b>DIRECTOR'S SIGNATURE:</b>		<b>Council District affected:</b> District I		
<b>For additional information contact:</b> Stephen Tinnermon <b>Phone:</b> 832-394-6261		<b>Date and identification of prior authorizing Council action:</b> 3/20/96 Ord.1996-319, 9/7/13 Ord. 2013-843, 6/24/14 Ord. 2014-678		
<b>RECOMMENDATION:</b> An Ordinance authorizing HCDD to de-obligate \$2,986,233 in HOME funds for a previously approved project located at 320 Hamilton Street.				
<b>Amount of Funding:</b> None			<b>Finance Budget:</b>	
<b>SOURCE OF FUNDING</b> <input type="checkbox"/> General Fund <input type="checkbox"/> Grant Fund <input checked="" type="checkbox"/> Other <b>No funds requested</b>				
<b>SPECIFIC EXPLANATION:</b> The Housing and Community Development Department (HCDD) recommends Council approve an Ordinance authorizing HCDD to de-obligate \$2,986,233 in HOME funds for a previously approved project located at 320 Hamilton Street.  In September 2013, City Council approved Loan and Grant Agreements for \$1,475,600 in HOME funds and \$2,142,133 in Housing and Homeless Bond funds for the renovation of the 127-unit New Hope Housing at Hamilton Single Resident Occupancy (SRO) project, located at 320 Hamilton Street adjacent to Minute Maid Park. Total HCDD allocation was \$3,617,733, or 50%, of the project cost of \$6,108,250. A subsequent amendment increased the amount of HOME funds and correspondingly decreased the amount of Bond funds, with no change to the total amount.  As the general contractor began bidding the project, it became apparent that rehabilitation costs had risen so dramatically over the last few years that an in-depth analysis indicated it would be more cost-effective to either sell or demolish the building and construct a new facility. At about the same time, a private investor approached the owners about purchasing the original site.  The owners have identified a site at 3301 Harrisburg for a new facility. The size of the tract will allow them to construct a larger property with an additional 48 units, for a total of 175 units. In order to provide these HOME funds for the new project, the previously approved funds must first be de-obligated.  This item was reviewed by the Housing and Community Affairs Committee on May 13, 2015.				
NR:JN:EP:SS				
Cc: City Secretary Finance Department Legal Department Mayor's Office				
<b>REQUIRED AUTHORIZATION</b>				
<b>Finance Department:</b>		<b>Other Authorization:</b>		<b>Other Authorization:</b>

**SUBJECT:** An Ordinance appropriating bond funds and authorizing an amended and restated Grant Agreement among the City of Houston, Houston Area Community Development Corporation (an affiliate of New Hope Housing) and NHH at Reed, Ltd., for construction of an affordable 187-unit housing community located at 2620 Reed Road

**Category #**

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**Agenda Item #**  
III. C.

**FROM:**  
Neal Rackleff, Director  
Housing and Community Development Department

**Origination Date**  
4/7/2014

**Agenda Date**

**DIRECTOR'S SIGNATURE:**

**Council District affected:**  
District D

**For additional information contact:** Stephen Tinnermon  
Phone: 832-394-6261

**Date and identification of prior authorizing Council action:** 2014-746

**RECOMMENDATION:** Approval of an Ordinance appropriating bond funds and authorizing an amended and restated Grant Agreement among the City of Houston, Houston Area Community Development Corporation (an affiliate of New Hope Housing) and NHH at Reed, Ltd., for construction of an affordable 187-unit housing community located at 2620 Reed Road

**Amount of Funding:**

\$4,100,000

**Finance Budget:**

**SOURCE OF FUNDING**

General Fund

Grant Fund

Other

**Housing & Homeless Bond Funds**

**SPECIFIC EXPLANATION:**

The Housing and Community Development Department recommends Council approve an Ordinance amending and restating a Grant Agreement and authorizing the use of Housing and Homeless Bond funds totaling \$10,100,000 (see below) for the construction of a new affordable housing community located at 2620 Reed Road.

In August 2014, City Council approved a Grant Agreement for \$6,000,000 in Housing and Homeless Bond funds for the construction of a 140-unit affordable housing community to be located at Reed Road and Highway 288. Total project cost was \$21,800,000. The owner anticipated receiving 9% tax credit equity to help fund the project, but did not score high enough to win an award in the 2014 competitive tax credit cycle. Through additional analysis, including consideration for increases in construction costs, the owner has determined that increasing the number of units – for which there is substantial demand – and applying for non-competitive 4% tax credit equity, will create a financially viable project and serve an even larger number of citizens in the community.

The proposed project will be a three-story midrise building consisting of one-, two- and three-bedroom floor plans, ranging in size from 753 to 1,250 sq. ft. The property will be located on a 6.7-acre tract that is part of a 47-acre campus being developed by the Star of Hope. The Star of Hope and New Hope Housing (NHH) are working together to bring needed affordable housing and supportive services to this area. The developer, New Hope Housing, has a track record of developing high-quality and well-managed affordable housing communities across the city.

In exchange for the funding, NHH will build a 187-unit affordable housing community serving families at or below 60% Area Median Income. This is an increase of 47 units from the original plan. Of these 187 units, 117 units will be designated as Permanent Supportive Housing (PSH) in support of the City's initiative to end chronic homelessness – again, an increase of 47 units from the original plan. The project's revised \$31,197,200 cost will be financed as follows:

**Sources of Funds:**

Housing & Homeless Bonds – original grant	\$6,000,000
Housing & Homeless Bonds – additional funds	\$4,100,000
Tax Credit Equity	\$9,712,849
Tax Exempt Bonds (required with 4% credits)	\$3,884,351
Charitable Contributions	<u>\$7,500,000</u>
<b>Total Project Cost</b>	<b>\$31,197,200</b>

This item was reviewed by the Housing and Community Affairs Committee on May 13, 2015.

NR:EP:SS

Cc: CSC, FIN, MYR, LGL

**REQUIRED AUTHORIZATION**

**Finance Department:**

**Other Authorization:**

**Other Authorization:**

**SUBJECT:** Approval of a Loan Agreement between the City of Houston and the National Benevolent Association for renovation of a 127-unit affordable housing community located at 600 E. Tidwell Road

<b>Category #</b>	<b>Page 1 of 1</b>	<b>Agenda Item # III, D.</b>
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**FROM:**  
Neal Rackleff, Director  
Housing and Community Development Department

<b>Origination Date</b> 5/6/2015	<b>Agenda Date</b>
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**DIRECTOR'S SIGNATURE:**

**Council District affected:**  
District H

**For additional information contact:** Stephen Tinnermon  
Phone: 832-394-6261

**Date and identification of prior authorizing Council action:** N/A

**RECOMMENDATION:** Approval of a Loan Agreement between the City of Houston and the National Benevolent Association for renovation of a 127-unit affordable housing community located at 600 E. Tidwell Road

<b>Amount of Funding:</b>  \$3,452,905.00	<b>Finance Budget:</b>
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**SOURCE OF FUNDING**       General Fund       Grant Fund       Other  
HOME Investment Partnership \$3,452,905

**SPECIFIC EXPLANATION:**

The Housing and Community Development Department recommends Council approve a \$3,452,905 loan of HOME funds to the National Benevolent Association for the renovation of Woodland Christian Towers, a seven-story 127-unit Section 8 affordable housing community located at 600 E. Tidwell Road.

The property was built in 1972 by the National Benevolent Association (NBA) and is managed by its affiliate, Christian Church Homes (CCH). NBA and CCH have formed Woodland Christian Towers Inc., which will act as the general partner of a tax credit limited partnership that will renovate the property.

Given its age, the building is in need of a substantial renovation. The project will include roof replacement, window replacement, replacing the emergency generator and electrical panels, complete mechanical system replacement, modernization of all common areas, full apartment unit renovations, and the addition of a Health and Counseling Clinic on the first floor. In exchange for HCDD's funding, 38 units will be designated by the City as Permanent Supportive Housing (PSH) units, and 34 units will be designated by Harris County as PSH.

The total cost of the project will be financed as follows:

Sources of Funds:

COH HOME Funds	\$3,452,905	
Harris County HOME Funds	\$1,341,689	
Senior Loan (bond proceeds)	\$1,729,700	
4% Tax Credit Equity	\$5,906,363	
Flex Subsidy Loan Assumption	\$ 855,259	HUD financial assistance for Section 8 properties
<u>Other Sources</u>	<u>\$ 921,949</u>	Deferred Developer Fee, Reserves, Accrued Interest
<b>Total Project Cost</b>	<b>\$14,207,865</b>	

This proposal was presented to the Housing and Community Affairs Committee on May 13, 2015.

NR:JN:EP:SS

cc: Legal Department, Finance Department, Mayor's Office, City Secretary

**REQUIRED AUTHORIZATION**

<b>Finance Department:</b>	<b>Other Authorization:</b>	<b>Other Authorization:</b>
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<b>SUBJECT:</b> Approval of a Loan Agreement between the City of Houston and Volunteers of America National Services for acquisition and construction of a 112-unit affordable housing community at Monroe Boulevard and Bryam Street	<b>Category #</b>	<b>Page</b> 1 of 1	<b>Agenda Item #</b> <i>III, E.</i>
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<b>FROM:</b> Neal Rackleff, Director Housing and Community Development Department	<b>Origination Date</b> 3-23-15	<b>Agenda Date</b>
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<b>DIRECTOR'S SIGNATURE:</b>	<b>Council District affected:</b> District I
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<b>For additional information contact:</b> Stephen Tinnermon Phone: 832-394-6261	<b>Date and identification of prior authorizing Council action:</b>
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**RECOMMENDATION:** Approval of a Loan Agreement between the City of Houston and Volunteers of America National Services for acquisition and construction of a 112-unit affordable housing community located at Monroe Boulevard and Bryam Street

<b>Amount of Funding:</b>  \$4,000,000.00	<b>Finance Budget:</b>
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**SOURCE OF FUNDING**     General Fund     Grant Fund     Other  
HOME Investment Partnership

**SPECIFIC EXPLANATION:**

The Housing and Community Development Department (HCDD) recommends Council approve a \$4,000,000 HOME loan between the City of Houston and Volunteers of America National Services. The funds will be used for acquisition of land and construction of the 112-unit Center for Healthy Living, an affordable housing community for seniors.

The ownership entity is a partnership between Volunteers of America (VOA), which will provide development and management services, and Kissito Healthcare Inc., which will provide healthcare services. VOA will control 85% of the ownership entity, and Kissito will control the remaining 15%. VOA is a not-for-profit organization with over 100 years of experience in building and operating affordable housing.

Kissito will operate a PACE center on the site. PACE (Program for All-Inclusive Care for the Elderly) provides long-term services and supports for Medicaid and Medicare enrollees who are eligible for nursing home care ("frail elderly"). The program's goal is to allow eligible seniors to stay in their homes as long as possible. The property will include a 20,000-square-foot PACE center through which services specific to frail elderly will be provided. Qualified residents of the property, and qualified citizens living in the surrounding neighborhood, may utilize this clinic and its services.

The owner will designate 35 of the 112 units as Permanent Supportive Housing (PSH) units, which will carry with them a robust set of services designed to help residents avoid homelessness. A Land Use Restriction Agreement (LURA) will require that the PSH units be restricted for 20 years.

Total funding for the project will be as follows:

<u>Sources</u>		<u>Uses</u>	
Bank loan (bonds)	\$5,160,000	Acquisition	\$1,785,960
4% tax credits	4,417,995	Hard Costs	10,153,818
Deferred developer fee	458,443	Soft Costs	3,416,762
Fundraising	3,440,500	Developer Fee	1,467,018
HCDD funds	<u>4,000,000</u>	<u>Reserves</u>	<u>653,380</u>
<b>Total</b>	<b>\$17,476,938</b>	<b>Total</b>	<b>\$17,476,938</b>

This item was reviewed by the Housing and Community Affairs Committee on May 13, 2015.

NR:JN:EP:SS

Cc: City Secretary, Finance, Legal, Mayor's Office

REQUIRED AUTHORIZATION		
<b>Finance Department:</b>	<b>Other Authorization:</b>	<b>Other Authorization:</b>

<b>SUBJECT:</b> An Ordinance approving a 4 <sup>th</sup> Amendment to a Loan Agreement among the City of Houston; Pleasant Hill Community Development Corporation, a Texas nonprofit corporation; and Pleasant Hill Seniors 165, L.P. to settle the outstanding loan and provide funds to renovate a 165-unit affordable apartment community for seniors	<b>Category #</b>	<b>Page</b> 1 of 1	<b>Agenda Item #</b> III.F
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<b>FROM:</b> Neal Rackleff, Director Housing and Community Development Department	<b>Origination Date</b> 4/1/15	<b>Agenda Date</b>
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<b>DIRECTOR'S SIGNATURE:</b>	<b>Council District affected:</b> District B
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<b>For additional information contact:</b> Stephen Tinnermon Phone: 832-394-6261	<b>Date and identification of prior authorizing Council action:</b> 6/28/96 Ord. 96-680; 2/12/14 Ord. 14-111; 11/12/14 Ord. 14-999
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**RECOMMENDATION:** An Ordinance approving a 4<sup>th</sup> Amendment to a Loan Agreement among the City of Houston; Pleasant Hill Community Development Corporation, a Texas nonprofit corporation; and Pleasant Hill Seniors 165, L.P. to settle the outstanding loan and provide funds to renovate a 165-unit affordable apartment community for seniors

<b>Amount of Funding:</b>  <div style="text-align: center; font-weight: bold; font-size: 1.2em;">\$2,000,000.00</div>	<b>Finance Budget:</b>
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**SOURCE OF FUNDING**     General Fund     Grant Fund     Enterprise Fund     Community Development Block Grant (CDBG)

**SPECIFIC EXPLANATION:** In June, 1996, City Council approved an Ordinance authorizing a Loan Agreement for \$670,000 in CDBG funds among the City of Houston; Pleasant Hill Community Development Corporation, a Texas nonprofit corporation; and Pleasant Hill Community Apartments L.P. for the construction of a 165-unit community for senior citizens. City Council subsequently approved an amendment to increase the loan to \$757,000. Of the 165 units, 52% (85 units) are restricted at affordable rents for low-income Houstonians.

On February 14, 2014, City Council approved a Reinstatement, Renewal and Extension Agreement (Second Amendment) providing a one-year extension to the loan term and the affordability period, and a subsequent action extended the loan term to October 29, 2015 and the affordability period to September 1, 2015.

The owner has requested new funding to renovate the property as part of a 4% tax credit development. The Housing and Community Development Department (HCDD) believes that this property is pivotal to the revitalization activity on Lyons Avenue and has agreed to provide a new \$2,000,000 loan in conjunction with a settlement of the existing indebtedness (which was a cash flow loan with interest accruing). The existing debt would be repaid as follows.

1. Owner will reduce the outstanding principal balance of \$757,000 by paying \$150,000 at closing.
2. The remaining principal (\$607,000) would be paid to the City at a level of \$2,500 per month (20 years, 3 month).
3. When the owner sells or refinances the property, proceeds will be used to pay off the then-current principal balance, plus accrued interest (\$548,000), to the extent funds are available.

Funding of the property renovation will be provided as follows:

<u>Sources of Funds:</u>		<u>Uses of Funds:</u>	
Tax credit equity	\$3,204,190	Pay off existing Amegy mortgage	\$2,199,091
Permanent loan (bonds)	\$4,453,869	Transaction costs	\$574,500
HCDD gap financing	<u>\$2,000,000</u>	Rehab hard costs	\$4,900,500
Total Renovation Sources	\$9,658,059	Rehab soft costs	\$637,500
		Developer fee	\$831,468
		Reserves	<u>\$515,000</u>
		Total Renovation Cost	\$9,658,059

This item was reviewed by the Housing and Community Affairs Committee on May 13, 2015.

NR:JN:EP:SS

cc: CSC, FIN, MYR, LGL

<b>REQUIRED AUTHORIZATION</b>		
<b>Finance Department:</b>	<b>Other Authorization:</b>	<b>Other Authorization:</b>

TO: Mayor via City Secretary **REQUEST FOR COUNCIL ACTION**

15 – Motion

<b>SUBJECT:</b> A motion establishing a date for a Public Hearing to provide Resolutions of No Objection for the 4% housing tax credit applications of nine multifamily properties	<b>Category #</b>	<b>Page</b> 1 of 1	<b>Agenda Item #</b> <i>III, G,</i>
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<b>FROM:</b> Neal Rackleff, Director Housing and Community Development Department	<b>Origination Date</b> 4/5/2015	<b>Agenda Date</b>
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<b>DIRECTOR'S SIGNATURE:</b>	<b>Council District affected:</b> B, C, D, H, I
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<b>For additional information contact:</b> Stephen Tinnermon <b>Phone:</b> 832-394-6261	<b>Date and identification of prior authorizing Council action:</b> N/A
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**RECOMMENDATION:** Approval of a motion establishing a date for a Public Hearing to provide Resolutions of No Objection for the 4% housing tax credit applications of nine multifamily properties

<b>Amount of Funding:</b> <p style="text-align:center;">None</p>	<b>Finance Budget:</b>
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**SOURCE OF FUNDING**       General Fund       Grant Fund       Enterprise Fund

**No funding required**

**SPECIFIC EXPLANATION:**

The Texas Department of Housing and Community Affairs (TDHCA) administers the state's housing tax credit program, which provides federal tax credits to spur the development of quality, affordable housing.

Per Texas Government Code Section 2306-67071 and the TDHCA's 2015 Qualified Allocation Plan, the local governing body of the jurisdiction where a project is to be located must "hold a hearing ...to solicit public input concerning the Application or Development" before a developer can submit an application for non-competitive 4% tax credits.

The developers for the nine properties listed below have requested a Resolution of No Objection to their applications for 4% tax credits:

Property Name	Tax Credit Applicant	Type of Project	Number of Units	Location	Council District
Pleasant Hill Village	Pleasant Hill Seniors 165, LP	Rehab	165	3814 Lyons Avenue	B
Bayou Fifth	Uvalde Center I, Ltd.	New	164	Scattered sites – 5 <sup>th</sup> Ward	B
Light Rail Lofts	4600 Main Street Housing, LP	Rehab	48	4600 Main Street	C
Montrose Center	2222 Cleburne, LP	New	112	2222 Cleburne Street	D
NHH at Reed Road	NHH at Reed, Ltd.	New	187	2620 Reed Road	D
NHH at Harrisburg	Harrisburg SRO, Ltd.	New	175	3301 Harrisburg Blvd.	H
Woodland Christian Tower	Woodland Towers, LP	Rehab	127	600 E. Tidwell Road	H
Center for Healthy Living	Riverside Houston VOA Kissito LLC	New	112	Monroe Blvd. & Bryam St.	I
Sunrise Orchard	Tejano Center for Community Concerns, Inc.	New	52	5300 Sunrise Road	D

HCDD requests a motion to hold the public hearing on May 27, 2015.

This item was reviewed by the Housing and Community Affairs Committee on May 13, 2015.

NR:JN:EP:SS

Cc: CSC, FIN, MYR, LGL

<b>REQUIRED AUTHORIZATION</b>		
<b>Finance Department:</b>	<b>Other Authorization:</b>	<b>Other Authorization:</b>

**SUBJECT:** Approval of a state-required Resolution of No Objection enabling nine entities to apply for non-competitive, 4% federal tax credits through the Texas Department of Housing and Community Affairs

<b>Category #</b>	<b>Page 1 of 1</b>	<b>Agenda Item #</b> III.H.
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<b>FROM:</b> Neal Rackleff, Director Housing and Community Development Department	<b>Origination Date</b> 4/20/2015	<b>Agenda Date</b>
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<b>DIRECTOR'S SIGNATURE:</b>	<b>Council District affected:</b> B, C, D, H, I
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<b>For additional information contact:</b> Stephen Tinnermon Phone: 832-394-6261	<b>Date and identification of prior authorizing Council action:</b> N/A
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**RECOMMENDATION:** Approval of a state-required Resolution of No Objection enabling nine entities to apply for non-competitive, 4% federal tax credits through the Texas Department of Housing and Community Affairs

<b>Amount of Funding:</b> <p style="text-align: center;">None</p>	<b>Finance Budget:</b>
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**SOURCE OF FUNDING**       General Fund       Grant Fund       Enterprise Fund

No funding required

**SPECIFIC EXPLANATION:**

The Housing and Community Development Department (HCDD) recommends approval of a Resolution of No Objection for nine applicants seeking 4% Housing Tax Credits (HTCs) for the multifamily developments listed below. HCDD has selected these properties through a Request for Proposals, and is currently underwriting each project. Upon successful completion of the underwriting process, HCDD intends to provide gap financing in support of their development.

Property Name	Tax Credit Applicant	Type of Project	Number of Units	Location	Council District
Pleasant Hill Village	Pleasant Hill Seniors 165, LP	Rehab	165	3814 Lyons Avenue	B
Bayou Fifth	Uvalde Center I, Ltd.	New	165	Scattered sites – 5 <sup>th</sup> Ward	B
Light Rail Lofts	4600 Main Street Housing, LP	Rehab	48	4600 Main Street	C
Montrose Center	2222 Cleburne, LP	New	112	2222 Cleburne Street	D
NHH at Reed Road	NHH at Reed, Ltd.	New	187	2620 Reed Road	D
NHH at Harrisburg	Harrisburg SRO, Ltd.	New	175	3301 Harrisburg Blvd.	H
Woodland Christian Tower	Woodland Towers, LP	Rehab	127	600 E. Tidwell Road	H
Center for Healthy Living	Riverside Houston VOA Kissito LLC	New	112	Monroe Blvd. & Bryam St.	I
Sunrise Orchard	Tejano Center for Community Concerns, Inc.	New	52	5300 Sunrise Road	D

This Resolution of No Objection to 4% tax credits was reviewed by the Housing and Community Affairs Committee on May 13, 2015 and a public hearing was held on May 27, 2015.

NR:JN:EP:SS

cc: CSC, FIN, MYR, LGL

<b>REQUIRED AUTHORIZATION</b>		
<b>Finance Department:</b>	<b>Other Authorization:</b>	<b>Other Authorization:</b>

TO: **Mayor via City Secretary**      **REQUEST FOR COUNCIL ACTION**      **14 - Regency Walk**

<b>SUBJECT:</b> An Ordinance to amend an Agreement between the City of Houston and Regency Walk LLC, a Texas limited liability company, to transfer ownership to a Lynd-KKR partnership and to allow the Senior Loan amount to increase from \$11,400,000 to \$25,800,000	<b>Category #</b>	<b>Page</b> 1 of 1	<b>Agenda Item #</b> <i>III. I.</i>
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<b>FROM:</b> Neal Rackleff, Director Housing and Community Development Department	<b>Origination Date</b> 04/06/2015	<b>Agenda Date</b>
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<b>DIRECTOR'S SIGNATURE:</b>	<b>Council District affected:</b> District C
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<b>For additional information contact:</b> Stephen Tinnermon <b>Phone:</b> 832-394-6261	<b>Date and identification of prior authorizing Council action:</b> 9/10/2008 Ord. 2008-0797
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**RECOMMENDATION:** An Ordinance to amend an Agreement between the City of Houston and Regency Walk LLC, a Texas limited liability company, to transfer ownership to a Lynd-KKR partnership and to allow the Senior Loan amount to increase from \$11,400,000 to \$25,800,000

<b>Amount of Funding:</b> <p style="text-align:center;">None</p>	<b>Finance Budget:</b>
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**SOURCE OF FUNDING**       General Fund       Grant Fund       Enterprise Fund  
N/A

**SPECIFIC EXPLANATION:** On September 10, 2008, City Council approved an Ordinance authorizing a Loan Agreement between the City of Houston and Regency Walk LLC. The agreement authorized a \$10,150,000 performance-based loan of Disaster Recovery Rita funds for the rehabilitation of two properties (Arbor Square Apartments and Sandpiper Apartments LP) to be managed as one apartment complex. The properties are located in Fondren Southwest at 10301 Sandpiper and 10400 Sandpiper. The City of Houston's loan proceeds were used only for hard costs for this extensive renovation.

The project was completed in March of 2013. Of 606 total units, 309 are rent-restricted for a period of 15 years. The property has been operating successfully with a 95% occupancy rate.

In May 2013, Regency Walk LLC sold this property, as part of a portfolio of 14 properties in the Houston area, to Sandpiper Apartments, an affiliate of Variant Holdings (aka Houston 14 Apartments). In connection with the City's administrative decision to allow this transfer of ownership, the City received a 20% profits participation in any future capital events. In August 2014, Variant Holdings LLC filed for bankruptcy. On March 11, 2015, the US Bankruptcy Court in the District of Delaware issued an order authorizing the debtor to cause its non-debtor affiliates to sell their assets. As a result, the Bankruptcy Court is selling the bulk of Variant Holdings Co, LLC's real estate assets, including Sandpiper Apartments.

Lynd Residential Properties has proposed to purchase the Houston properties portfolio in partnership with KKR. Lynd-KKR has requested approval to transfer the property and to raise the senior loan debt limit to \$25,800,000, which represents an increase of approximately \$14,400,000. In return for the allowed increase in senior debt, the City will realize the following benefits:

- The City will receive proceeds of approximately \$3 million from the profits participation.
- At least \$15,200,000 will be spent to make capital improvements across the remainder of the Houston property portfolio (5,758 units).
- Lynd-KKR will agree to assume the obligations of the Regency loan and will maintain the Land Use Restriction Agreement (LURA) for the remainder of the 15 years.
- Lynd-KKR will agree to place a five-year LURA on one of their portfolio acquisitions and to bring this property up to Housing Quality Standards (HQS).

The Lynd-KKR partnership brings a high quality manager with a strong investment partner to 14 older properties which have been neglected and mismanaged for many years.

Lynd is a 35-year-old national real estate operating enterprise handling all phases of multifamily development. Operating in 17 states and 50 metropolitan areas, and with over 34,000 units under management, Lynd ranks in the Top 50 Property Management firms by the National Multifamily Housing Council. KKR is a 40-year-old leading multinational investment firm.

The Housing and Community Development Department recommends approval for amending the loan agreement. This item was presented to the Housing and Community Affairs Committee on May 13, 2015.

NR:EP:SW

cc: CSC, FIN, MYR, LGL

<b>REQUIRED AUTHORIZATION</b>		
<b>Finance Department:</b>	<b>Other Authorization:</b>	<b>Other Authorization:</b>