



## Legislation Text

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**File #:** 21-6608, **Version:** 1

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**Department:** Community Services

**Department Head/Elected Official:** Adrienne M. Holloway, Ph.D., Executive Director

**Regular or Supplemental RCA:** Supplemental RCA

**Type of Request:** Contract - Award

**Project ID** (if applicable): D2017-089

**Vendor/Entity Legal Name** (if applicable): Magnificat Permanent Affordable, LLC ("Subrecipient and Maker")

**MWDBE Participation** (if applicable): N/A

**Request Summary (Agenda Caption):**

Request by Community Services for approval of a contract between Harris County, NHPF Caroline Conduit, LLC, and Magnificat Permanent Affordable, LLC, in the amount of \$8,538,278.00 for the 3300 Caroline Street Project in Precinct 1.

**Background and Discussion:**

Attached for Commissioners Court review and approval is the funding for the new construction of 3300 Caroline Street, a new four-story elevator-served building consisting of 149 efficiency apartments, shared space for the supportive programs and office space for the Magnificat Houses, Inc. staff, for permanent supportive housing (PSH) for homeless adults of Harris County, of which 76 units will be set aside as CDBG-DR assisted units for homeless adults of Harris County through the Continuum of Care's (CoC) Coordinated Access System, and Magnificat Permanent Affordable, LLC will maintain ownership at Project Completion. The total CDBG-DR funding will be \$8,538,278.00, the total of all funding is \$39,228,425.00. The Project is jointly funded by the City of Houston with Community Development Block Grant-Disaster Recovery Harvey funds.

On May 9, 2018, the GLO notified Harris County to complete a Supplemental Action Plan for 2017 Hurricane Harvey Texas CDBG-DR Round One funding, which will be amended into the State's Action Plan. In accordance with GLO requirements, on July 10, 2018, Harris County Commissioners Court approved the Supplemental Action Plan and resolved to submit to GLO. On February 11, 2019, the GLO and Harris County entered into a Subrecipient Agreement to provide hurricane disaster recovery housing and planning services utilizing HUD Community Development Block Grant Disaster Recovery (CDBG-DR) funds appropriated under the Continuing Appropriations Act, 2018 and Supplemental Appropriations for Disaster Relief Requirements Act, 2017 (Public Law No. 115-56). The Subrecipient Agreement, as amended, commits \$1.092 billion to Harris County housing recovery programs. HUD approved Amendment 3 to the State Action Plan on June 13, 2019, and (a) increased the Affordable Rental Housing Program allocation from \$204.5 million to \$224.5 million. On August 11, 2020, Harris County Commissioners Court approved funding for and submission of the Project (Project Number D2017-089). On March 18, 2021, the GLO notified Harris County it conditionally approved the 3300 Caroline Street Project, including the Affirmatively Furthering Fair Housing review. The project was selected to receive CDBG-DR funds via a project application process that opened November 6, 2019 and closed January 22, 2020.

**Expected Impact:**

The expected impact will be for Magnificat Permanent Affordable, LLC to utilize CDBG-DR funds and enter into a Loan from Harris County to NHPF Caroline Conduit, LLC, which will in turn simultaneously loan such funds to Magnificat Permanent Affordable, LLC to pay for the partial costs of new construction of the Project and increase affordable housing for low-income households of Harris County.

**Alternative Options:**

Alternative options would be that the construction of 3300 Caroline Street would not begin, as Harris County would not enter into a Loan to NHPF Caroline Conduit, LLC, and NHPF Caroline Conduit, LLC would not in turn simultaneously loan such funds to Magnificat Permanent Affordable, LLC to pay for the partial costs of new construction of the Project and increase affordable housing for low-income households of Harris County.

**Alignment with Goal(s):**

- ☐ Justice and Safety
- ☐ Economic Opportunity
- ☒ Housing
- ☐ Public Health
- ☐ Transportation
- ☐ Flooding
- ☐ Environment
- ☐ Governance and Customer Service

**Prior Court Action (if any):**

Date	Agenda Item #	Action Taken
7/10/2018	III.1.2	Approval of and resolution to submit Harris County Supplemental Action Plan to the GLO
08/11/2020	8.h.1	Approval of funding for the 3300 Caroline Street Project

**Location:**

Address (if applicable): 3300 Caroline Street, Houston, Texas, 77004

Precinct(s): Precinct 1

Fiscal and Personnel Summary			
Service Name			
	FY 21-22	FY 22	Next 3 FYs
<b>Incremental Expenditures (do NOT write values in thousands or millions)</b>			
Labor Expenditures	\$	\$	\$
Non-Labor Expenditures	\$	\$	\$
<b>Total Incremental Expenditures</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

<b>Funding Sources (do NOT write values in thousands or millions)</b>			
<b>Existing Budget</b>			
Grant	\$8,538,278	\$8,538,278	\$8,538,278
Choose an item.	\$	\$	\$
Choose an item.	\$	\$	\$
<b>Total Current Budget</b>	<b>\$8,538,278</b>	<b>\$8,538,278</b>	<b>\$8,538,278</b>
<b>Additional Budget Requested</b>			
Choose an item.	\$	\$	\$
Choose an item.	\$	\$	\$
Choose an item.	\$	\$	\$
<b>Total Additional Budget Requested</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Total Funding Sources</b>	<b>\$8,538,278</b>	<b>\$8,538,278</b>	<b>\$8,538,278</b>
<b>Personnel (Fill out section only if requesting new PCNs)</b>			
Current Position Count for Service	-	-	-
Additional Positions Requested	-	-	-
<b>Total Personnel</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Anticipated Implementation Date:** November 30, 2021

**Emergency/Disaster Recovery Note:** Disaster Recovery related item

**Contact(s) name, title, department:** Rene Martinez, Chief Housing & Community Development Officer, Housing and Community Development, Harris County Community Services Department

**Attachments (if applicable):** Loan Agreement between Harris County, NHPF Caroline Conduit, LLC, and Magnificat Permanent Affordable, LLC for the 3300 Caroline Street Project