



NEWS

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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Affordable housing in north Houston gets boost with announcement of major new development

(AUSTIN) — Recognizing that many young families and older residents are struggling to keep pace with rising rent levels, the Texas Department of Housing and Community Affairs (TDHCA) has announced a major funding award to the private developers of a new 216-unit rental affordable rental property in north Houston that will bring much-needed stability to the lives of tenants and economic benefits to the region's construction industry.

TDHCA awarded the developers of Costa Ibiza Apartments \$15 million in multifamily mortgage revenue bond proceeds and an additional \$879,252 in housing tax credits.

"Houston's housing market is quickly pushing rents beyond what many Texans can afford, undermining families and the community alike," noted Michael Gerber, TDHCA Executive Director. "Our goal is to provide attractive, high quality housing with an affordable rent while offering tenants the long-term benefits of a stable, secure home life. The added bonus of this award will be additional construction jobs and a significant infusion of payroll funds into the local economy."

The bond and tax credit financing will allow the property's developers to construct new, high quality rental housing that can offer tenants a reduced rent. Costa Ibiza Apartments will serve households earning no more than 60 percent of the area median family income, which for Harris County would equal an annual income of \$36,660 for a family of four.

In addition to a lowered rent, properties funded through the Mortgage Revenue Bond and Housing Tax Credit programs also provide supportive services designed to foster self-sufficiency among young families or promote a healthy environment for older tenants. Examples typically include credit counseling, financial and computer literacy classes, and General Educational Development (GED) courses for younger adults; and transportation services, health screening, and nutrition programs for seniors.

Costa Ibiza will be constructed in the 17000 block of Hafer Road in north Houston, just west of IH-45 North and south of FM 1960. The unit mix will include 12 one-bedroom/one-bath units, 108 two-bedroom/two-bath units, 95 three-bedroom/two-bath units, and one four-bedroom/two-bath units. Proposed rents will range from \$625 to \$967 per month, depending on the unit size and number of bedrooms.

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TDHCA issues tax-exempt and taxable multifamily mortgage revenue bonds to fund low interest loans to for-profit and qualifying nonprofit developers for the acquisition or new construction of affordable rental units. Properties financed through the Mortgage Revenue Bond program are subject to unit set aside restrictions for low income tenants and persons with special needs, maximum rent limitations, and other requirements as determined by TDHCA.

The Housing Tax Credit Program is the state's primary means of directing private capital towards the creation of affordable rental housing. The tax credits provide investors of affordable rental housing with a benefit that is used to offset a portion of their federal tax liability in exchange for the production of affordable rental housing. The value associated with the tax credits allows residences in tax credit developments to be leased to qualified families at below market rate rents.

About The Texas Department of Housing and Community Affairs

The Texas Department of Housing and Community Affairs is the state agency responsible for affordable housing, community services, energy assistance, and colonia housing programs. The Department annually administers more than \$400 million through for-profit, nonprofit, and local government partnerships to deliver local housing and community-based opportunities and assistance to Texans in need.