

## NOTICE OF INTENT TO REQUEST RELEASE OF FUNDS

May 3, 2022

City of Houston,

Housing and Community Development Department (HCDD)

2100 Travis St., 9<sup>th</sup> floor

Houston, TX 77002

(832) 394-6183/(832)394-6056

**This notice shall satisfy procedural requirements for activities to be undertaken by the Houston Housing Authority, HHA and reviewed by the City of Houston, HCDD on HHA's behalf.**

### REQUEST FOR RELEASE OF FUNDS (CONVERSION OF FUNDS)

On or about May 11, 2022 on behalf of the Houston Housing Authority (HHA), the City of Houston's Housing and Community Development Department will submit a request to the U.S. Department of Housing and Urban Development (HUD) for the conversion of federal Capital Funds authorized by Section 9(d) and Section 30 of the U.S. Housing Act of 1937 (42 U.S.C. 1437g(d) and 1437z-2) and described in regulations found at 24 CFR part 905 and part 968, and Operating Funds authorized by Section 9(e) of the U.S. Housing Act of 1937 (42 U.S.C. 1437g(e)) and described in regulations found at 24 CFR part 990, to undertake a project known as Historic Oaks of Allen Parkway Village, Rental Assistance Demonstration (RAD) Conversion.

**Project Location:** 1600 Allen Pkwy, Houston, TX 77019

**Project description:** Historic Oaks of Allen Parkway Village ("HOAPV") entails the acquisition and substantial rehabilitation of a 222-unit mixed-finance LIHTC/public housing rental development that currently serves both seniors and families. The development was constructed in 1944 under the Federal Low-Income Public Housing program and is on the National Register of Historic Places. The property was redeveloped in 2000 under the HUD HOPE VI program. The elderly portion also received 9% Low-Income Housing Tax Credits (LIHTCs). Through this conversion, the two sections will be combined into one 222-unit elderly development.

Historic Oaks of Allen Parkway Village consists of 156 LIHTC/Public Housing units serving seniors aged 62 and above and 66 Public Housing units available to families. The 14.459-acre site consists of two parcels containing 16 two- and three-story low-rise garden and townhouse-style residential buildings, a two-story community center which contains a manager's unit, and one three-story leasing office/administrative building.

As part of this transaction, the Houston Housing Authority (HHA) is requesting that HUD allow for an elderly preference (age 62+) for the 66 general population units at HOAPV to better align with the existing 156 designated elderly units. In other words, once the project converts to RAD/Section 18 project-based rental assistance, the project would be treated as a unified elderly preference development. The current elderly units are located on the eastern portion of the site.

The current family units are located on the western portion of the site. HHA submitted a request for change in occupancy through the RAD Resource Desk on June 29, 2021.

This project will not change its unit density more than 20 percent and does not involve changes in land use from residential to non-residential. Also, the cost of rehabilitation is less than 75 percent of the total estimated cost of replacement after rehabilitation.

As discussed below, the project will utilize a "RAD/Section 18 Construction Blend." The development will take advantage of the financing strategy allowed by HUD under PIH 2021-07, "Demolition and/or disposition of public housing property, eligibility for tenant-protection vouchers, and associated requirements," which allows for up to 40% of units in the Converting Project to be disposed of under Section 18 in developments where rehab costs are at least 60% of HUD Housing Construction Cost. Per this policy, 60% of the units, or 134 units, at HOAPV will be converted to Rental Assistance Demonstration project-based rental assistance, and 40%, or 88 units, will be disposed of under Section 18 and converted to project-based vouchers at the HHA Payment Standard, which is 130% of FMR for this site.

The proposed financing rents subsidies of the project will be from Public Housing Operating Funds and Public Housing Capital Funds.

This environmental is being performed to document that the project will be converted to RAD Section 18 blend. This environmental review is for the Historic Oaks of Allen Parkway Village. However, the full project includes the Allen Parkway Village (APV) site and the Historic Oaks of Allen Parkway Village (HOAPV) site. The APV will be cleared under a separate review. No federal funds are expected to be spent as part of the rehabilitation and other physical work done at the APV and HOAPV sites, and federal funds are strictly related to the RAD, and to the fact these properties receive HUD funds overall.

The full scope of work includes acquisition and substantial rehabilitation; however, the physical work is not federally funded. This review is for RAD Conversion purposes using Operating and Capital funds. This review takes the future physical work into account in order to cover project aggregation per 24 CFR 58.32.

Funding information:

Public Housing Operating Funds (TX005000016) ..... \$3,681,600.00  
 Public Housing Capital Funds (TX005000016) ..... \$3,368,290.57  
**TOTAL ..... \$7,049,890.57**

<b>Historic Oaks of Allen Parkway Village</b>	
Estimated cost of replacement after rehabilitation	\$56,760,100.00
Estimated rehabilitation hard cost	\$15,164,706.00
<b>Rehabilitation Cost as a % of Replacement Cost</b>	<b>26.71%</b>

## **PUBLIC COMMENTS**

Any individual, group, or agency may submit written comments on the ERR to the City of Houston, Housing and Community Development Department, ATTN: Environmental Review Officer, 2100 Travis, 9th Floor, Houston, Texas 77002 or by email to [hcdenvironmental@houstontx.gov](mailto:hcdenvironmental@houstontx.gov). The ERR can be accessed online at the following website <https://www.hudexchange.info/programs/environmental-review/environmental-review-records/>. All comments received by the close of business on May 10, 2022 will be considered by the City of Houston prior to authorizing submission of a request for conversion of funds. Commenters should specify which part of this Notice they are addressing.

## **ENVIRONMENTAL CERTIFICATION**

The City of Houston certifies to HUD, that Sylvester Turner, in his capacity as Mayor consents to accept the jurisdiction of the Federal Courts if an action is brought to enforce responsibilities in relation to the environmental review process and that these responsibilities have been satisfied. HUD's approval of the certification satisfies its responsibilities under NEPA and related laws and authorities and allows the HHA to use Program funds.

## **OBJECTIONS TO CONVERSION OF FUNDS**

HUD will accept objections to its conversion of funds and the City of Houston certification for a period of fifteen days following the anticipated submission date or its actual receipt of the request (whichever is later) only if they are on one of the following bases: (a) the certification was not executed by the Certifying Officer of the City of Houston; (b) the City of Houston has omitted a step or failed to make a decision or finding required by HUD regulations at 24 CFR part 58; (c) the grant recipient or other participants in the development process have committed funds, incurred costs or undertaken activities not authorized by 24 CFR Part 58 before approval of a conversion of funds by HUD; or (d) another Federal agency acting pursuant to 40 CFR Part 1504 has submitted a written finding that the project is unsatisfactory from the standpoint of environmental quality. Objections must be prepared and submitted in accordance with the required procedures (24 CFR Part 58, Sec. 58.76) and shall be addressed to U.S. Department of Housing and Urban Development, 1301 Fannin Street, Suite 2200, Houston, Texas 77002. Potential objectors should contact HUD to verify the actual last day of the objection period.

*Sylvester Turner, Mayor  
City of Houston*

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