

# St. James Village

3815 W. Fuqua, Houston, TX | 150 units | 100% HAP



OFFERING MEMORANDUM

# THE OFFERING

## Property Overview

ADDRESS	3815 Fuqua St W
CITY, STATE	Houston, TX 77045
YEAR BUILT/RENOVATED	1966 / 2010
NUMBER OF UNITS	150 Units
AFFORDABLE TYPE	100% HAP & LIHTC
AVERAGE UNIT SIZE	866 SF
NET RENTABLE SF	129,890 SF
BUILDINGS	13 Buildings
ACRES	7.98 acres
CURRENT DENSITY (UNITS/ACRE)	19 units/acre
RENEWAL CONTRACT TYPE	Option 3
HAP CONTRACT RENEWAL YEAR	2009
HAP CONTRACT RENEWAL EXPIRATION	2029
YEAR PLACED-IN-SERVICE	2010
END OF YEAR 15	December 31, 2024
M2M USE AGREEMENT EXPIRATION	December 31, 2059





## Offering Procedures

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### TOUR SCHEDULE

Please contact Doug Childers (doug.childers@am.jll.com) or Michael Fox (michael.fox@am.jll.com) to schedule a tour. Under no circumstances are Investors allowed to visit the Property without approval from JLL. Failure to adhere to this request will be taken into consideration by the Seller when offers are selected.

### OFFER DATE

TBD

### BEST & FINAL

Upon review of the initial offers submitted, if appropriate, a select group of Investors will be notified of their participation within the Best and Final Round.

### TERMS AND CONDITIONS

The Property is offered on an “as is” basis, subject to the existing rent, income, and occupancy restrictions required by the existing Section 8 HAP Contract, M2M Use Agreement, and the Section 42 Regulatory Agreement.

### APPROVALS

Approval from HUD will be required for the assignment and assumption of the HAP contract. Additionally, approval from the Texas Department of Housing and Community Affairs will be required of a prospective Purchaser. However, approval shall not be unnecessarily withheld from Investors.

### SELECTION AND CRITERIA

The prospective Investor will be selected by the Owner, in its sole and absolute discretion, on the basis of a complement of factors, including, but not limited to, purchase price; the Investor’s financial strength/balance sheet capacity; level of discretion to invest funds; ability to close in a timely fashion; experience in closing similar transactions; reputation within the industry and the extent to which due diligence is completed.

# St. James Village



HAP Contract Provides  
Stable Cash Flow



Located in Premium  
Top 10 Largest MSA



Convenient Location  
Proximate to Nearby  
Employment Drivers



In-Place Rents  
Significantly Below  
Prevailing Market



Affordable Housing  
Preservation  
Opportunity

# PROPERTY OVERVIEW

Units	Unit Description	SF	Current Contract Rents	FMR	140% Median Rents	JLL Proforma Contract Rents (Eff. Jan. '22 - Oct. '22)	JLL Proforma Contract Rents (Eff. Nov. '22 - Dec. '22)	JLL Proforma Annual Rent
48	1 Bed, 1 Bath, HAP	694	\$658	\$968	\$1,371	\$670	\$683	\$387,358
82	2 Bed, 1 Bath, HAP	899	\$755	\$1,157	\$1,371	\$769	\$784	\$759,288
16	3 Bed, 2 Bath, HAP	1,110	\$1,001	\$1,551	\$1,371	\$1,020	\$1,039	\$196,426
4	4 Bed, 2 Bath, HAP	1,275	\$1,106	\$1,977	\$1,371	\$1,127	\$1,148	\$54,258
<b>150</b>		<b>866</b>	<b>\$760</b>	<b>\$1,160</b>	<b>\$1,371</b>	<b>\$774</b>	<b>\$788</b>	<b>\$1,397,330</b>

## COMMUNITY

- Clubhouse
- On-Site Laundry Facilities
- Business Center
- Playground
- Grill & Picnic Area

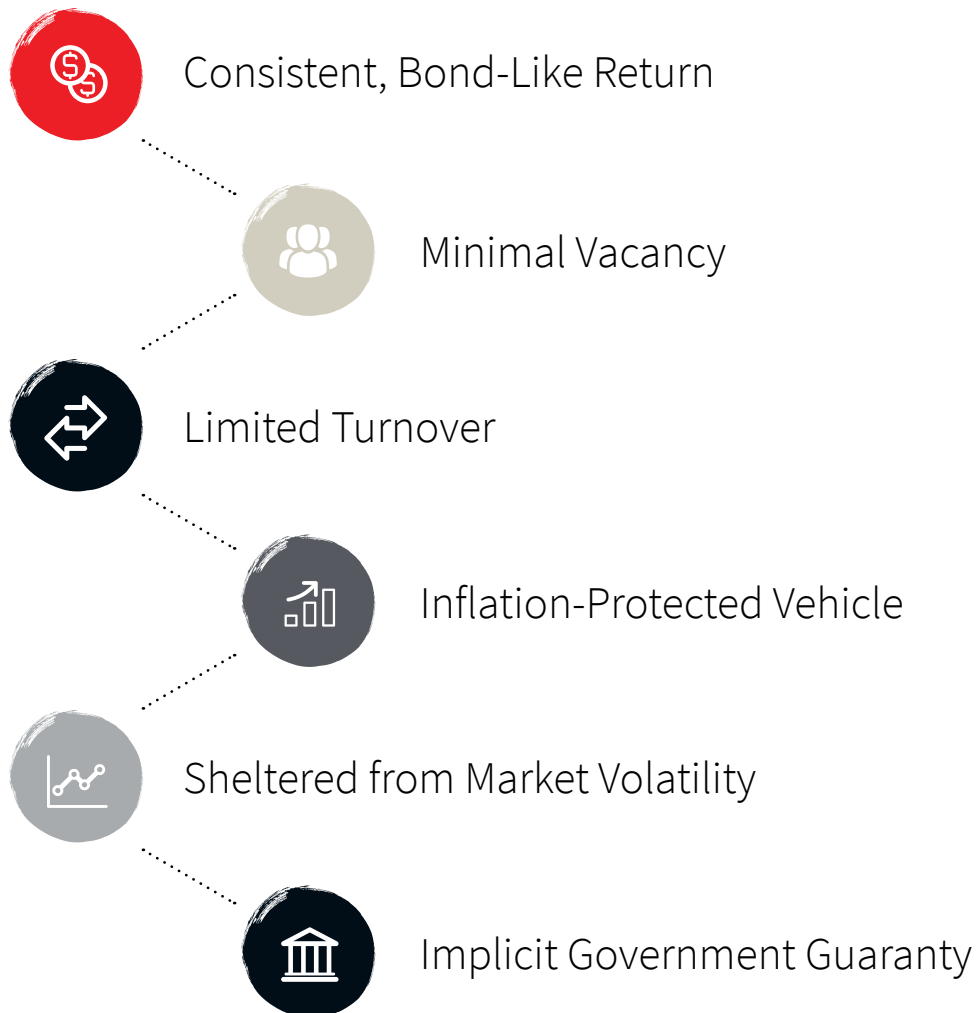
## INTERIORS

- Spacious Floor Plans and Closets
- Fully-Equipped Kitchens Include:
  - Gas Range
  - Refrigerator
  - Microwave
  - Double Sink



# STABLE, CONSISTENT RETURN PROFILE DUE TO EXISTING HAP CONTRACT

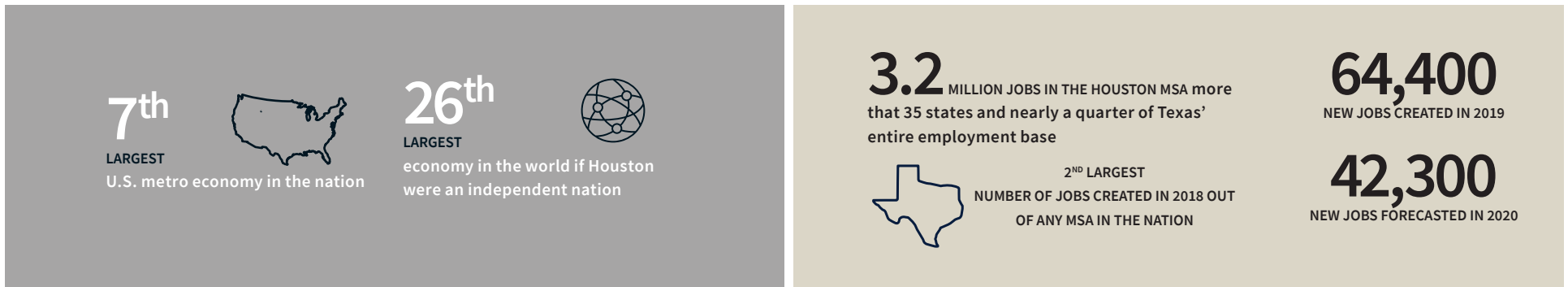
Saint James Village benefits from a project-based Section 8 (HAP) contract that generates bond-like returns and ensures consistently strong occupancy and limited turnover, evidenced by the Property's 300+ person waitlist. The Property stands as an ideal investment opportunity for an affordable housing owner looking to deploy capital into an inflation-protected vehicle that is sheltered from typical market volatility.



# LOCATED IN PREMIUM TOP-10 LARGEST MSA NEAR MAJOR EMPLOYERS AND ECONOMIC DRIVERS

In addition to being the 7th largest metro economy in the United States, Houston also boasts economic resilience and a diversified range of industries. Houston is the home of the Texas Medical Center (Largest medical complex in the world), the world's largest energy firm's headquarters, and hosts the third largest number of Fortune 1,000 companies in the nation. Houston offers a diverse cultural experience as well, with its famed Museum district encompassing 19 museums, theater district with eight world-class performing arts organizations, and NRG stadium - home to the Houston Texans and world's largest Livestock show and Rodeo.

Being less than a 20 minute drive from the Texas Medical Center, NRG Stadium, and Houston's Central Business District, St. James Village provides tenants convenient access to some of the Nation's top amenities.



# CONVENIENT LOCATION IN RAPIDLY GROWING SUBMARKET

The Property is conveniently located between downtown Houston and Pearland, the 10th fastest growing city in the nation. As evidenced by the rising rents and expansion of millions of square feet of class A retail, the population of Pearland has increased by 19% since 2015. While St. James Village still remains in Houston city limits, the Property is benefiting from Pearland's burgeoning growth.

## Pearland Facts and Figures

**19%** Rent Growth Over Past 5 Years

**26%** Job Growth (2010 - 2017)

**47%** Population Holding 4-Year Degree



**World's Largest** Cancer Hospital & Children's Hospital

**106,000 +** Total Employees

**180,000 +** Annual Surgeries

**50 Million** Developed Square Feet



### NRG Center

1.4 Million square feet hosting international business conferences

### NRG Stadium

Hosts the Houston Texans and world's largest livestock show and rodeo

**500 +**

Annual events hosted





Downtown Houston

Texas Medical Center



- 10M+ patient visits per year
- 180,000+ Annual surgeries
- 9,200 Patient beds
- \$6B in regional annual spending
- 140,000+ Jobs



15 minute drive to Downtown Houston

288

Almeda Road

1.3M SF retail space



NRG Stadium



- 1.9M SF Home Stadium for the Houston Texans & Houston Rodeo
- 72,000+ seats
- 500+ Annual events
- \$227M Annual Economic Impact

William P. Hobby Airport



- 2nd Busiest airport in Houston
- 14M annual passengers
- Supports 10,000+ regional jobs
- \$4.34B Economic impact

20 min

# St. James Village



10 min

W Fuqua Street



10 min

HCA Houston Healthcare - Pearland



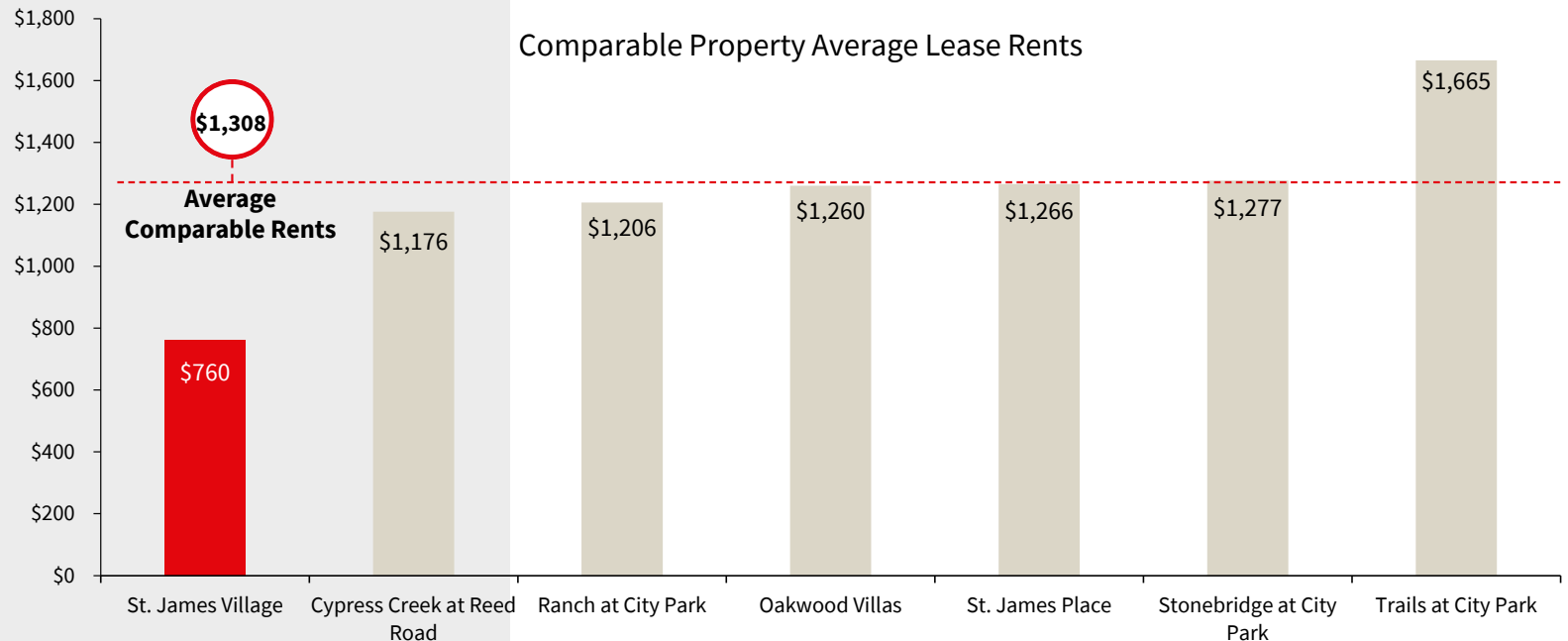
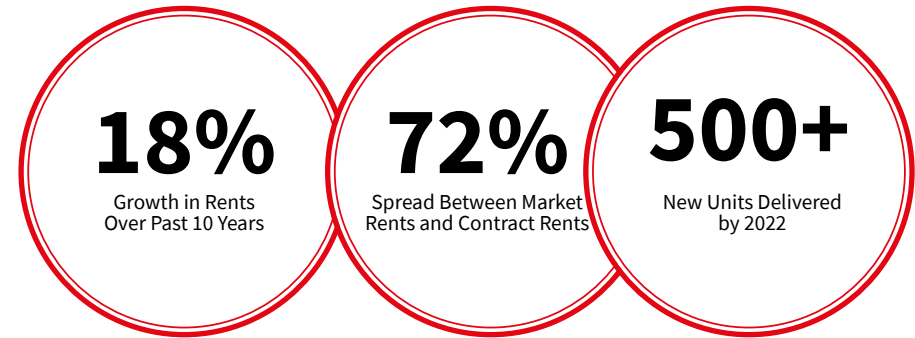
- 450 Full time equivalents
- 49 Total Staffed Beds
- \$555M Patient revenue

10 min



# CONTRACT RENTS FAR BELOW NEARBY MARKET-RATE RENT COMPARABLES

St. James Village underwent a LIHTC rehabilitation in 2010. At the time of the property's rehab, the Southwest Houston Submarket was not yet benefiting from Pearland & Southwest Houston's explosive growth. Recently, population in the immediate submarket has greatly increased, leading to considerable growth in development inventory and market rents. Costar estimates over 500 units will be delivered by the end of 2022 and projects submarket effective rents to rise an additional 18% over the next five years.



# AFFORDABLE HOUSING PRESERVATION OPPORTUNITY

The guaranteed rental revenue provided by the HAP contract, coupled with an income qualified resident base, makes Saint James Village an ideal candidate for preservation in 2024 when the Property will be eligible for resyndication using Tax Exempt Bond financing and Low Income Housing Tax Credits (LIHTCs). Investors that pursue a LIHTC execution will benefit from:



LIHTC Equity to Off-Set Acquisition and Renovation Costs;



20-Year Section 8 HAP Contract Renewal;



Ability To Break Chain Of Title But Still Receive Acquisition Credits;



Increased LIHTC Pricing Due to Existing HAP Contract and CRA Demand;



Dislocation in municipal bond markets allows Investors to pursue short-term bonds at low interest rates;



30% increase in eligible basis due to Property's location inside a Qualified Census Tract (QCT)



PICNIC AREA



COMMUNITY AREA



LAUNDRY ROOM



COMMUNITY KITCHEN



BUSINESS CENTER



PLAYGROUND

## Contact information

### AFFORDABLE HOUSING ADVISORS

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