

## CIP EXPENSE DETAIL

**DATE OF BOARD CONSIDERATION:**  
**CONTACT DEPARTMENT(S):**

3/8/12  
Austin Housing Finance Corporation

**SUBJECT:** Approve the negotiation and execution of a loan to the CHESTNUT NEIGHBORHOOD REVITALIZATION CORPORATION, or an affiliate organization, in an amount not to exceed \$1,375,268 to acquire six properties located at 1212, 1301, 1301 ½, 1305 and 1309 Chicon Street and 1807 East 13<sup>th</sup> Street for a mixed-use development which would include thirty-three (33) attached ownership units to be sold to low- to moderate-income buyers.

**CURRENT YEAR IMPACT:**

<b>Department:</b>	<b>Austin Housing Finance Corporation</b>
Project Name:	Chestnut Corridor Acquisition
Fund/Department/Unit:	8605-7207-0400
Funding Source:	GO Bonds
Current Appropriation:	55,000,000.00
Unencumbered Balance:	5,669,580.18
Amount of This Action:	(1,081,610.00)
Remaining Balance:	<u>4,587,970.18</u>
 Total Amount of this Action	 <u><u>1,081,610.00</u></u>

**ANALYSIS / ADDITIONAL INFORMATION:** The \$1,375,268 requested will fund the acquisition of the properties and soft costs related to the development. The loan is requested to be forgivable so that the sales prices of the ownership units would be affordable to low- to moderate-income buyers. In addition, CNRC intends to put the property in a Community Land Trust to ensure permanent affordability.

If funding is approved, AHFC funds will represent \$41,675 per housing unit. The funding request for property acquisition amounts to 27 percent of the total project cost. The proposed funding sources are G. O. Bond Funds (\$1,081,610) and HOME Funds (\$293,658).

The request is consistent with the City of Austin's currently approved Consolidated Plan and the AHFC's strategy to provide assistance through below market-rate financing for the development of affordable rental housing for low- and moderate-income households and persons with special needs.