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Recommendation for Board Action

Austin Housing Finance Corporation	Item ID	12322	Agenda Number	5.
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Meeting Date:	3/8/2012	Department:	Neighborhood and Community Development
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Subject

Approve the negotiation and execution of a loan to ESCT AUSTIN HOUSING IV, INC., in an amount not to exceed \$624,898 to acquire ten condominium units at 3204 Manchaca Road to be rented to very low-income persons with disabilities.

Amount and Source of Funding

Funding is available in the Austin Housing Finance Corporation Fiscal Year 2011-2012 Capital and Operating Budget.

Fiscal Note

A fiscal note is attached.

Purchasing Language:	
Prior Council Action:	
For More Information:	Contact Elizabeth A. Spencer, Treasurer, Austin Housing Finance Corporation, 974-3182.
Boards and Commission Action:	August 8, 2010 – Board authorized negotiation and execution of a loan to ESCT Austin Housing III, Inc., to acquire eight condominium units at 3204 Manchaca Road.
MBE / WBE:	
Related Items:	

Additional Backup Information

Approval of funding will allow the ESCT Austin Housing IV, Inc, an affiliate of Easter Seals Central Texas, to acquire ten condominium units to be leased to very low-income persons with disabilities.

Funding Request

- If approved, the \$624,898 requested will be used to assist with the acquisition of ten condominium units. The proposed funding sources are: Community Development Block Grant funds (\$209,790); G.O. Bond Funds (\$395,108); and Housing Trust Funds (\$20,000).
- Austin Housing Finance Corporation (AHFC) funds would represent approximately 37 percent of the total project cost, with an average cost of \$62,490 per unit.

- The requested funding is consistent with the City of Austin's currently approved Consolidated Plan and 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.
- Estimated Sources and Uses for the project are as follows:

Sources:		Uses:	
HUD Section 811 Grant	\$1,070,400	Acquisition	\$1,574,000
Owner equity	5,352	Closing/Soft Costs	<u>126,650</u>
AHFC funding	<u>624,898</u>	TOTAL	\$1,700,650
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Project Characteristics

- The ten condominium units are located within a 104-unit condominium complex, the Ivy Condominiums, built in 1985.
- Unit mix:
 - Seven one-bedroom units / rents: approximately \$600 / area: 520-620 square feet
 - Three two-bedroom units / rents: approximately \$750 / area: 900-920 square feet
- Residents will pay no more than 30 percent of their monthly income toward rent and utilities. The U.S. Department of Housing and Urban Development (HUD) will provide rent subsidies for a minimum of five years and up to a maximum of 40 years.
- The ten units have undergone major renovations and have already been made accessible for persons with mobility disabilities, and one unit has been made accessible for persons with hearing and sight disabilities.
- This type of project allows people with disabilities the opportunity to choose where they live and be fully integrated into a community setting.
- The units are considered permanent supportive housing (PSH) and supportive services are available to residents who elect to use them. The services available to residents will include case management, skills training, employment assistance and referral, psychiatric services, self-advocacy, respite services, and transportation.

Population Served

- Residents must be low-income persons with disabilities with yearly incomes at or below 50 percent of the Median Family Income for the Austin-Round Rock Metropolitan Statistical Area, currently \$26,250 for a one-person household and \$30,000 for a two-person household.

ESCT Austin Housing IV, Inc.

ESCT Austin Housing IV, Inc. is a Texas non-profit corporation and affiliate entity of Easter Seals Central Texas, Inc. which merged with United Cerebral Palsy of Texas, Inc. (UCP) in 2009.

Prior to merging with Easter Seals, UCP had successfully completed two similar projects using the same business model of purchasing completed condominium units and making them available as rental housing to very low-income clients with disabilities. In 2004, UCP acquired six condominium units at the Boulevard Condominiums, and in 2007, ten units were acquired at the Allandale Condominiums. Another corporate affiliate of Easter Seals, ESCT Austin Housing III, Inc., acquired eight units at the Ivy Condominiums in 2011.