

AUSTIN HOUSING FINANCE CORPORATION



APPLICATION FUNDING RECOMMENDATIONS

Austin City Council Work Session

March 6, 2012

BRIEFING OBJECTIVE



- ❧ Provide an update on the \$55 million voter-approved affordable housing general obligation bonds
- ❧ Present overview of projects that will be recommended for funding at upcoming Austin Housing Finance Corporation (AHFC) Board Meetings for rental and ownership projects.

FY 2011-2012 FUNDING



- ❧ Program funding available for ownership and rental applications
 - ❧ \$5.7 million G.O. Bonds
 - ❧ \$2.1 million of combined federal and other local funds
- ❧ 21 funding applications submitted since Oct. 1 for affordable housing developments
- ❧ Total requests for funding: \$22.1 million

GENERAL OBLIGATION BONDS



- ❧ Funding approved by citizens in the 2006 General Obligation Bond Election
- ❧ Substantial increase in the City's ability to further housing affordability by providing funding for affordable housing programs (ownership, rental, home repair)
- ❧ Housing affordability to a variety of populations.
- ❧ 50 percent of the projects funded with G. O. Bonds since 2006 are located west of Interstate 35
- ❧ Units funded with G.O. bonds have **leveraged a total of \$177,516,139** in additional private and public financing; created and/or retained an estimated 1,496 jobs in the local economy

GO BOND UPDATE



Rental Housing

☞	Very-low Income Individuals/Families	\$17.6 million	677 units
☞	Workforce/Family Housing	\$11.2 million	529 units
☞	Persons with Mental Disabilities	\$ 3.3 million	61 units
☞	Seniors	\$ 3.0 million	108 units
☞	Children	\$ 1.9 million	42 units
☞	Persons with Mobility Disabilities	<u>\$ 0.5 million</u>	<u>45 units</u>
		\$37.5 million	1,462 units

Homeownership Housing

☞	Home Repairs for Low-Income Owners	\$ 4.3 million	592 units
☞	New Homebuyers	<u>\$ 7.2 million</u>	<u>188 units</u>
		\$11.5 million	780 units

Total

	\$49.0 million	2,242 units
--	----------------	-------------

AHFC EVALUATION PROCESS



- ❧ Feasibility, Compliance, and Underwriting Risk Analysis. The designated Single Point of Contact checks each application against a list of criteria for “red flags” that, unless addressed, may make the project ineligible.
- ❧ The Application Score. Scoring is based on a variety of factors such as:
 - ❧ Meeting the Core Values of deeper levels of affordability, longer-term affordability, and geographic dispersion of affordable housing;
 - ❧ Policy direction from City Council/AHFC Board;
 - ❧ Experience and capacity of the applicant to complete the project;
 - ❧ Cost per unit of AHFC funds requested;
 - ❧ Other funding sources committed or expected to commit funds to the project; and
 - ❧ Project readiness.

AHFC EVALUATION PROCESS CONT.



Additional factors. Additional factors considered also include:

- ❧ Applicant's current workload;
- ❧ Transformative impact (i.e., Will the project have a tangible and positive impact on the community as well as residents?);
- ❧ AHFC funding already approved for other projects not yet started or completed; and
- ❧ Ability, if feasible, to repay AHFC funding.

AHFC EVALUATION PROCESS CONT.



- ∞ Consensus scoring process. All members come to agreement on each scoring element (See Scoring Handout for more information)
- ∞ Applications that met scoring threshold were also evaluated according to the additional factors (Cost per unit, workload, production timeline, impact of development on community)

TIMELINE



- ❧ February 6 - Housing Bond Review Committee met to review applications recommended for General Obligation funding . Committee concurred with staff recommendations.
- ❧ March 6 – AHFC Work Session
- ❧ March 8 - Four proposals for consideration by the AHFC Board.
- ❧ August – AHFC staff to bring forward the remaining proposals seeking competitive Low Income Housing Tax Credit financing through the Texas Department of Housing and Community Affairs (TDHCA).
 - ❧ Due to the highly competitive nature of the TDHCA process, the possibility exists that these proposals may not receive tax credits. If an applicant has no alternative financing plan, then the staff recommendation would be withdrawn, and no AHFC Board action would be required. If an applicant is awarded tax credits, the proposal would be brought forth in August for consideration by the Board.
- ❧ Additional proposals may be brought forth subject to evaluation process and availability of funding.

RECOMMENDATIONS



- ❧ 8 Applications recommended for funding
 - ❧ Rental: 6 applications/ 305 total units, 250 affordable
 - ❧ Ownership: 2 applications / 42 units, 42 affordable
- ❧ Total funding
 - ❧ Rental: \$4,755,898
 - ❧ Ownership: \$1,685,768
- ❧ 67 Permanent Supportive Housing Units

SEE HANDOUT