

<b>Recommendation for Board Action</b>				
Austin Housing Finance Corporation	<b>Item ID</b>	23299	<b>Agenda Number</b>	7.
<b>Meeting Date:</b>	4/11/2013		<b>Department:</b>	Neighborhood and Community Development
<b>Subject</b>				
<p>Authorize negotiation and execution of an increase in the loan amount for a loan to Foundation Communities, Inc. to increase the loan by \$790,000 for a total of \$3,150,000 for property acquisition and new construction of a 135-unit single-room occupancy housing facility for homeless and low-income individuals to be located at 309 East 11th Street.</p>				
<b>Amount and Source of Funding</b>				
<p>Funding is available in the Fiscal Year 2012-2013 Operating Budget of the Austin Housing Finance Corporation. The additional funds for this request are from Community Development Block Grant (CDBG) funds.</p>				
<b>Fiscal Note</b>				
<p>There is no unanticipated fiscal impact. A fiscal note is not required.</p>				
<b>Purchasing Language:</b>				
<b>Prior Council Action:</b>				
<b>For More Information:</b>	Contact Elizabeth A. Spencer, Treasurer, Austin Housing Finance Corporation, 974-3182.			
<b>Boards and Commission Action:</b>	August 2, 2012 – Austin Housing Finance Corporation Board Approved negotiation and execution of a loan in the amount of \$2,360,000. Agenda Item 20120802-AHFC004.			
<b>MBE / WBE:</b>				
<b>Related Items:</b>				
<b>Additional Backup Information</b>				
<p>If approved, additional funding will allow Foundation Communities, Inc. to continue its efforts to acquire and construct a new 135-unit Single Room Occupancy (SRO) facility that will provide housing for homeless and very low-income individuals. The development, Capital Studios, will include twenty-seven (27) units of Permanent Supportive Housing at the facility.</p> <p><b>Funding Request</b></p> <ul style="list-style-type: none"> <li>Foundation Communities' application for funding from Austin Housing Finance Corporation (AHFC) for Capital Studios was submitted in December 2011. Subsequently, Foundation Communities applied for and was awarded Low Income Housing Tax Credits from the Texas Department of Housing and Community Affairs (TDHCA) during the 2012 cycle.</li> </ul>				

- The \$3,150,000 requested will be used to assist with the acquisition and new construction of the facility. The additional funding for this item includes Community Development Block Grant (CDBG) funds as described in the chart below.
- Estimated sources and uses for the project are as follows:

<u>Sources:</u>		<u>Uses:</u>	
Tax Credit Equity	\$11,730,000	Pre-development	\$ 772,683
Federal Funds (CDBG)	1,150,000	Acquisition	2,914,400
G.O. Bond Funds	2,000,000	Construction	12,310,600
Foundation Grants	2,117,000	Soft & Carrying Costs	1,291,700
Remaining Financing Gap	<u>2,144,646</u>	Reserves & Developer Fee	<u>1,852,253</u>
TOTAL	\$19,141,646	TOTAL	\$19,141,646

- The request for funding 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.
- If approved, AHFC funds will represent \$23,333 per unit or approximately 16 percent of the total project cost.

#### Project Characteristics

- Capital Studios SRO will offer each resident a private efficiency unit with a kitchenette and bathroom.
- The location is served within one block of a bus stop with multiple routes at 11th and San Jacinto Streets, allowing residents easy access to transportation, services, and retail establishments.
- The unit sizes range from 260 to 330 square feet and rents will be in the range of \$450 to \$650 per month.
- Capital Studios will add affordable housing stock to the downtown Central Business District.
- Fourteen units will be designed accessible for persons with mobility disabilities and three units will be designed accessible to persons with sight or hearing disabilities.

#### Population Served

- Eighty-one units will be reserved for persons with incomes at or below 50 percent of the Median Family Income (MFI), currently \$25,650 for a single person. Twenty-seven units will be reserved for persons with incomes at or below 40 percent MFI, currently \$20,500 for a single person. The remaining 27 units will be used for Permanent Supportive Housing (PSH) for persons qualifying under federal guidelines as chronically homeless.
- Residents will be comprised of a variety of populations including single persons on fixed incomes such as elderly and disabled persons, persons who were formerly homeless and those at risk of being homeless.
- Supportive services will be available to all residents, including case management, adult education, money management, information and referral to community services and a monthly food pantry.
- Units will be made available to persons participating in transitional housing programs operated by the Salvation Army, Front Steps, Green Doors, Caritas and Lifeworks. In addition, Capital Studios will also provide housing to persons with Housing Choice Vouchers (Section 8).

#### Foundation Communities, Inc.

Foundation Communities, Inc. is a 501(c)(3) non-profit organization established in 1984, successfully developing approximately 2,000 units of affordable rental housing in Austin. Foundation Communities has developed four successful SRO properties: Garden Terrace, Spring Terrace, Skyline Terrace, and Arbor Terrace. The organization is also known for its array of resident services, and for utilizing green building practices in all of its developments.