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Recommendation for Board Action

Austin Housing Finance Corporation	Item ID	30678	Agenda Number	1.
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Meeting Date:	2/13/2014	Department:	Neighborhood and Community Development
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Subject

Approve the negotiation and execution of a loan agreement, subject to the award of Low Income Housing Tax Credits from the Texas Department of Housing and Community Affairs, to Foundation Communities, Inc. in an amount not to exceed \$2,000,000 for a 120-unit affordable, single room occupancy development to be known as Bluebonnet Studios, and located at 2301 South Lamar Boulevard.

Amount and Source of Funding

Funding is available in the Fiscal Year 2013-2014 Capital Budget of the Austin Housing Finance Corporation.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	
For More Information:	Betsy Spencer, AHFC Treasurer, 974-3182; David Potter, Program Manager, 974-3192
Boards and Commission Action:	
MBE / WBE:	
Related Items:	

Additional Backup Information

If approved, the Austin Housing Finance Corporation (AHFC) would be authorized to enter into a loan agreement with Foundation Communities, Inc. provided its application No. 14068 to the Texas Department of Housing and Community Affairs (TDHCA) receives an award of Low Income Housing Tax Credits. TDHCA will announce tax credit awards at its July 2014 board meeting.

- Funding Request**
- If approved, the \$2,000,000 will be used to assist with the acquisition of the property.
 - AHFC funds would represent approximately 18 percent of the total project cost, with an average cost of AHFC funds at \$16,667 per unit.
 - Estimated sources and uses for the project are as follows:

Sources:

Tax Credit Equity	\$ 8,639,136
NeighborWorks America	250,000
AHFC funding	2,000,000
Owner Equity	76,076
Deferred Developer Fee	<u>535,000</u>
Total	\$11,500,212

Uses:

Acquisition	\$ 2,300,000
Pre-Development	746,200
Construction/Hard Costs	5,876,970
Soft & Carrying Costs	<u>2,577,042</u>
Total	\$11,500,212

Project Characteristics

- One hundred twenty single room occupancy units to be built on South Lamar Boulevard, offering affordability in a location where new, high-end multi-family properties predominate.
- Located within the South Lamar Vertical Mixed Use Overlay.
- Individual units will house one person only, and the size of each unit will be approximately 450 square feet.
- Bluebonnet Studios will have six Permanent Supportive Housing units.
- Twelve units will be made accessible for persons with mobility disabilities, and at least three units will be made accessible for persons with hearing and sight disabilities.
- A wide variety of services will be available to residents depending on their individual needs. The services available include: case management, mental health counseling, life skills training, budgeting and money management, advocacy for benefits or entitlements, computer literacy, and vocational and supported employment services.
- No smoking will be permitted anywhere on the property. This helps support Imagine Austin Priority Program No. 7: Create a Healthy Austin.

Population Served

- Twenty percent of units will be reserved for individuals with incomes at or below 30 percent of the Median Family Income (MFI), currently \$15,400 for an individual.
- Twenty percent of units will be reserved for individuals or families with incomes at or below 40 percent of MFI, currently \$20,500 for an individual.
- Sixty percent of units will be reserved for individuals or families with income at or below 50 percent of MFI, currently \$25,650 for an individual.

Foundation Communities

Foundation Communities, Inc. has been in operation for over 20 years and has successfully developed and managed 17 affordable communities in Austin and North Texas, and is known for its innovative programs to help residents become successful in meeting their financial, educational, or life goals and its commitment to creative and attractive sustainable building practices. If the proposed project moves forward, it will be the sixth single room occupancy property developed by Foundation Communities. The other properties are Garden Terrace, Spring Terrace, Skyline Terrace, Arbor Terrace, and Capital Studios which is currently under construction.