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Recommendation for Board Action

Austin Housing Finance Corporation	Item ID	30679	Agenda Number	2.
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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 \$2,805,000 for a 170-unit affordable, multi-family rental development to be known as Cardinal Point Apartments, located at 11108 and 11300 Zimmerman Lane.

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. in the event its application No. 14071 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 \$2,805,000 will be used to assist with the acquisition of the property.
 - AHFC funds would represent approximately 13 percent of the total project cost, with an average cost of AHFC funds at \$27,500 per AHFC-assisted unit.
 - Estimated sources and uses for the project are as follows:

Sources:

Tax Credit Equity	\$14,398,560
Private Lender Loan	5,000,000
AHFC funding	2,805,000
Deferred Developer Fee	<u>454,519</u>
Total	\$22,658,079

Uses:

Acquisition	\$ 2,080,000
Pre-Development	623,050
Construction/Hard Costs	15,472,875
Soft & Carrying Costs	<u>4,482,154</u>
Total	\$22,658,079

Project Characteristics

- One hundred seventy affordable units to be built on property in the vicinity of the intersection of RM 620 and RM 2222.
- **Unit mix:** 76 one-bedroom/one-bath units Rent: approximately \$595 750 square feet
 68 two-bedroom/two-bath units Rent: approximately \$700 975 square feet
 26 three-bedroom/three-bath units Rent: approximately \$750 1,200 square feet
- Cardinal Point will have nine Permanent Supportive Housing units.
- Seventeen units will be made accessible for persons with mobility disabilities, and at least four units will be made accessible for persons with hearing and sight disabilities.
- Foundation Communities will offer its signature Children’s HOME Initiative that provides intensive case management for families with children that are exiting homelessness and working to make lasting changes in their lives to help them achieve self-sufficiency. Nine units will be reserved for families that will be assisted through this program.
- Other supportive services for residents will include an after-school program, adult classes including English as a Second Language, money management, homebuyer education, and computer training. Residents will also have access to Foundation Communities’ programs for financial education, financial coaching, matched savings accounts, college savings and financial assistance, and free income tax return preparation.
- No smoking will be permitted in resident units and will only be allowed in certain areas away from building entrances. This helps support Imagine Austin Priority Program No.7: Create a Healthy Austin.

Population Served

- Ten percent of units will be reserved for individuals or families with incomes at or below 30 percent of the Median Family Income (MFI), currently \$21,950 for a four-person household; \$15,400 for an individual.
- Fifty percent of units will be reserved for individuals or families with income at or below 50 percent of MFI, currently \$36,600 for a four-person household; \$25,650 for an individual.
- Forty percent of units will be reserved for individuals or families with income at or below 60 percent of MFI, currently \$43,920 for a four-person household; \$30,780 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.