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**Recommendation for Board Action**

Austin Housing Finance Corporation	<b>Item ID</b>	31616	<b>Agenda Number</b>	2.
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<b>Meeting Date:</b>	4/17/2014	<b>Department:</b>	Neighborhood Housing and Community Development
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**Subject**

Approve the negotiation and execution of a loan to the University of Texas Inter-Cooperative Council, Inc. in an amount not to exceed \$628,089 to assist with the development of a low-cost, cooperatively managed housing facility for post-secondary students, located at 915 West 22<sup>nd</sup> Street in the University Neighborhood Overlay District.

**Amount and Source of Funding**

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

**Fiscal Note**

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

<b>Purchasing Language:</b>	
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<b>Prior Council Action:</b>	
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<b>For More Information:</b>	Betsy Spencer, Treasurer, 512-974-3182; David Potter, Program Manager, 512-974-3192
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<b>Boards and Commission Action:</b>	
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<b>MBE / WBE:</b>	
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<b>Related Items:</b>	
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**Additional Backup Information**

If approved, AHFC would negotiate and execute a loan to the University Inter-Cooperative Council, Inc. (ICC) for the Ruth R. Schulze Cooperative House (Schulze Co-Op), located at the southeast corner of West 22<sup>nd</sup> and San Gabriel Streets. The Schulze Co-Op will be a 32-bed, cooperatively managed housing facility for post-secondary students.

**Funding Request**

- If approved, the \$628,089 would come from the University Neighborhood Overlay (UNO) Trust Fund and be used to assist with the construction of the facility.
- AHFC funding would represent approximately 26% of the total project cost, with an average cost per \$19,628 per bed.
- Estimated sources and uses are:

**SOURCES**

Owner Equity	\$ 380,000
UNO Funding	628,089
Private Financing	<u>1,491,911</u>
TOTAL	\$2,500,000

**USES**

Acquisition	\$ 475,000
Hard Costs	1,721,500
Pre-development & Soft Costs	<u>303,500</u>
TOTAL	\$2,500,000

**Project Characteristics**

- The Schulze Co-Op will have 20 beds in private rooms and 12 beds in shared rooms.
- Monthly rent will be approximately \$674 for a private room and \$548 for a shared room.
- Rent at \$674 is equivalent to a monthly rent affordable to a single person with a total annual income at 53% of the Median Family Income (MFI) for the Austin-San Marcos-Round Rock Metropolitan Statistical Area.
- Rent at \$548 is equivalent to a monthly rent affordable to a single person with a total annual income at 43% MFI.
- All ground floor housing will be accessible.
- The Schulze Co-Op will have shared kitchen and dining facilities. Room, board, and all utilities are included.
- The project will comply with the University Neighborhood Overlay District requirements.

**Population Served**

- College students, primarily those attending the University of Texas at Austin and Austin Community College.

**University Inter-Cooperative Council, Inc. (ICC)**

The ICC is a non-profit, cooperative organization owned and operated by its student members, and its houses are run by the students who live there. The ICC has operated group residential, cooperative student housing facilities for over 40 years. The organization currently owns and manages 9 houses, with a range of 15 to 31 students per house. ICC offers one of the lowest-cost housing alternatives for college students in Austin.