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Recommendation for Board Action

Austin Housing Finance Corporation	Item ID	34235	Agenda Number	5.
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Meeting Date:	8/7/2014	Department:	Neighborhood and Community Development
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Subject

Approve the negotiation and execution of a loan to FOUNDATION COMMUNITIES, INC., or an affiliated entity, in an amount not to exceed \$2,475,000 for an affordable rental housing development to be known as Rutledge Spur Apartments, located at the northeast corner of Rutledge Spur & RM 620.

Amount and Source of Funding

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

Fiscal Note

A fiscal note is attached.

Purchasing Language:	
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Prior Council Action:	
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For More Information:	Contact Betsy Spencer, Treasurer, Austin Housing Finance Corporation, 512-974-3182; or David Potter, Program Manager, Neighborhood Housing and Community Development, 512-974-3192.
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Boards and Commission Action:	February 13, 2014 – Austin Housing Finance Corporation Board approved a conditional commitment of funding subject to the award of tax credits by the Texas Department of Housing and Community Affairs.
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MBE / WBE:	
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Related Items:	
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Additional Backup Information

If approved, the Austin Housing Finance Corporation (AHFC) would be authorized to enter into a loan agreement with Foundation Communities, Inc. Foundation Communities received an award of Low Income Housing Tax Credits for this project from the Texas Department of Housing and Community Affairs at its July 24, 2014 Board Meeting.

Funding Request

- If approved, the \$2,475,000 will be used to assist with the acquisition of the property.
- AHFC funds would represent approximately 11 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	4,417,213
AHFC funding	2,475,000
Deferred Developer Fee	<u>1,156,000</u>
Total	\$22,446,773

Uses:

Acquisition	\$ 4,000,000
Pre-Development	623,050
Construction/Hard Costs	13,603,425
Soft & Carrying Costs	<u>4,220,298</u>
Total	\$22,446,773

Project Characteristics

- One hundred fifty affordable units to be built on property adjacent to the MetroRail Lakeline Station.
- Location is within the Lakeline Transit Oriented Development Overlay.
- Unit mix: 68 one-bedroom/one-bath units Rent: approximately \$590 750 square feet
 60 two-bedroom/two-bath units Rent: approximately \$700 975 square feet
 22 three-bedroom/three-bath units Rent: approximately \$765 1,200 square feet
- Rutledge Spur will have eight Permanent Supportive Housing units.
- Fifteen 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.
- Foundation Communities will offer its signature Children’s HOME Initiative (CHI) 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. Eight 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 only allowed in certain areas away from building entrances. This helps support Imagine Austin Priority Program # 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 \$22,600 for a four-person household; \$15,850 for an individual.
- Fifty percent of units will be reserved for individuals or families with income at or below 50 percent MFI, currently \$37,700 for a four-person household; \$26,400 for an individual.
- Forty percent of units will be reserved for individuals or families with income at or below 60 percent MFI, currently \$45,240 for a four-person household; \$31,680 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.