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Recommendation for Board Action

Austin Housing Finance Corporation	Item ID	34845	Agenda Number	3.
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Meeting Date:	9/25/2014	Department:	Neighborhood and Community Development
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Subject

Authorize an increase of \$1,053,241 to the existing loan with VINCARE SERVICES OF AUSTIN, INC., for the purpose of rehabilitating the affordable rental property at 3200 South Lamar Boulevard, for a total loan amount not to exceed \$2,553,241.

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.

Purchasing Language:	
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Prior Council Action:	
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For More Information:	Contact Elizabeth A. 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:	August 6, 2009 – The Austin Housing Finance Corporation board approved negotiation and execution of a loan not to exceed \$1,500,000 for acquisition of the property at 3200 South Lamar Boulevard.
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MBE / WBE:	
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Related Items:	
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Additional Backup Information

Funding Request

Vincare Services Foundation of Austin, Inc. submitted an application for funding to Austin Housing Finance Corporation (AHFC) requesting \$1,053,214 to assist with the rehabilitation of its rental property at 3200 South Lamar.

- If approved, the rehabilitation funds will represent \$43,890 per unit.
- Estimated sources and uses for the project are as follows:

<u>Sources</u>		<u>Uses</u>	
Previous AHFC Funds	\$1,500,000	Acquisition	\$1,500,000
AHFC Funds (Rehab)Costs	1,053,241	Renovation Costs	1,367,634
Owner Equity	<u>414,393</u>	Project Management	50,000
TOTAL	\$2,967,634	Developer Fee	<u>50,000</u>
		TOTAL	\$2,967,634

- The funding source anticipated to be used for the rehabilitation is federal HOME funds.
- 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.
- The property lies within the boundaries of the Barton Hills Neighborhood Association and is included in the South Lamar Combined Neighborhood Plan area. The status of the South Lamar Combined Neighborhood Planning process indicates "suspended" per the Planning and Development Review Department's website.
- AHFC staff recommends funding the proposed project because it preserves existing affordable rental units; offers long-term affordability and Permanent Supportive Housing (PSH); and is located on South Lamar with proximity to public transportation (four transit stops within 0.25 miles of the property), retail services, healthcare, and employment.

Project Characteristics

- The property is located at 3200 South Lamar, and consists of 24 units in four buildings with six units of 770 square feet in each building. All units are two-story with bedrooms on the second floor. The accessibility requirement of three units was transferred to and implemented in another affordable rental property owned by Vincare, increasing that property's number of accessible units.
- The apartment complex was constructed in 1969. Permit records on the property indicate some electrical work was done in 2011, but does not indicate that any substantial rehabilitation has been undertaken.
- Twelve units will be operated as PSH. Vincare has committed to operating the remaining 12 units as PSH as funding for rental assistance and services become available.
- Vincare has committed to a 99-year affordability period for the property.

Population Served

Vincare focuses on single-parent families defined as homeless under federal statutes. Residents typically are exiting shelter. Vincare offers stable housing. Four units are exclusively reserved for Housing Choice Voucher holders (formerly called "Section 8 vouchers"). Additionally, residents can receive services if necessary that will help them work toward self-sufficiency. All incomes are at or below 50 percent Median Family Income (MFI), currently \$33,950 for a three-person household. The majority of residents have incomes at or below 30 percent MFI, currently \$20,350 for a three-person household.

Vincare Services of Austin Foundation

Vincare does business as Saint Louise House and is a non-profit 501 (c)(3) corporation formed to meet the needs of homeless and low-income families in the Austin community. Saint Louise House has grown from five apartments in 2001 to two 24-unit apartment complexes and the capacity to serve 46 families.