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Recommendation for Board Action

Austin Housing Finance Corporation	Item ID	39311	Agenda Number	1.
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Meeting Date:	4/2/2015	Department:	Neighborhood and Community Development
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Subject

Authorize negotiation and execution of a loan agreement in an amount not to exceed \$500,000 with FOUNDATION COMMUNITIES, INC., or an affiliated entity, for the purpose of developing a multi-family residential facility at 8500 U.S. Highway 71, to be known as Live Oak Trails, for low-income individuals and families.

Amount and Source of Funding

Funding is available in the Fiscal Year 14-15 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:	Elizabeth A. Spencer, Treasurer, Austin Housing Finance Corporation, 512-974-3182; or David Potter, AHFC Neighborhood Development Program Manager, 512-974-3192.
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Boards and Commission Action:	February 13, 2014 – The AHFC Board authorized negotiation and execution of a loan for \$1,250,000, subject to the award of Low Income Housing Tax Credits from the state. August 7, 2014 – Subsequent to the award of Low Income Housing Tax Credits, authorized negotiation and execution of a loan for \$1,250,000.
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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) will be authorized to negotiate and execute a \$500,000 loan to Foundation Communities, Inc., or an affiliate organization, which would increase total funding from AHFC for the project to \$1,750,000. The purpose of the loan is to develop a 58-unit multi-family rental development that would be affordable to low-income families and individuals.

Funding Request

- If approved, the \$500,000 will be used to assist with the construction costs.
- AHFC funds would represent approximately 14.5 percent of the total project cost, with an average cost of AHFC funds at \$30,172 per unit.
- Estimated Sources and Uses for the project are as follows:

<u>Sources:</u>		<u>Uses:</u>	
Tax Credit Equity	\$ 9,179,082	Acquisition	\$ 1,710,000
Owner equity	42,950	Pre-Development	329,360
Prior AHFC funding	1,250,000	Construction/Hard Costs	7,761,335

Current AHFC funding	500,000		
Federal Home Loan Bank	500,000	Soft & Carrying Costs	<u>2,269,226</u>
Deferred Developer Fee	<u>597,889</u>	Total	\$12,069,921
Total	\$12,069,921		

Project Characteristics

- Fifty-eight affordable units to be built on property adjacent to Foundation Communities’ existing Southwest Trails Apartments.
- Unit mix: 12 one-bedroom/one-bath units Rent: approximately \$475 750 square feet
 29 two-bedroom/two-bath units Rent: approximately \$525 975 square feet
 17 three-bedroom/three-bath units Rent: approximately \$600 1,200 square feet
- Live Oak Trails will have 12 Permanent Supportive Housing units.
- Six units will be made accessible for persons with mobility disabilities, and at least 2 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.
- 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.
- Smoking will not 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

- Twenty percent of units will be reserved for households with incomes less than \$20,350 per year (30% of the Median Family Income [MFI] for a 3-person household).
- Twenty percent of units will be reserved for households with incomes less than \$27,150 per year (40% of MFI for a 3-person household.)
- Sixty percent of units will be reserved for households with incomes less than \$33,950 per year (50% of MFI for a 3-person household.)

Foundation Communities

Foundation Communities, Inc. has been in operation for over 20 years and has successfully developed and managed 18 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.