

Recommendation for Board Action				
Austin Housing Finance Corporation	Item ID	47650	Agenda Number	2.
Meeting Date:	8/6/2015		Department:	Neighborhood and Community Development
Subject				
Authorize negotiation and execution of a loan agreement with Foundation Communities, Inc., or an affiliate, in an amount not to exceed \$1,875,000 for a multi-family rental development to be known as Cardinal Point Apartments, located at 11011 ½ Four Points Drive.				
Amount and Source of Funding				
Funding is available in the Fiscal Year 2014-2015 Capital Budget of the Austin Housing Finance Corporation.				
Fiscal Note				
A fiscal note is attached.				
Purchasing Language:				
Prior Council Action:				
For More Information:	Elizabeth A. Spencer, Treasurer, Austin Housing Finance Corporation, 512-974-3182; or David Potter, AHFC Neighborhood Development Program Manager, 512-9743192.			
Boards and Commission Action:	February 12, 2015 – AHFC Board approved conditional funding in the amount of \$1,875,000, subject to the award of Low Income Housing Tax Credits from the Texas Department of Housing and Community Affairs (TDHCA).			
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., or an affiliated entity, to develop the Cardinal Point Apartments. Previously the AHFC Board approved a conditional commitment of funds, subject to the award of tax credits from TDHCA. The TDHCA Board of Directors approved an award of tax credits for this project at its July 30, 2015 meeting.				
<u>Funding Request</u>				
<ul style="list-style-type: none"> ▪ If approved, the \$1,875,000 will be used to assist with the acquisition of the property. ▪ AHFC funds would represent approximately 9.3 percent of the total project cost, with an average cost of AHFC funds at \$15,000 per unit. ▪ Estimated Sources and Uses for the project are as follows: 				

Sources:

Tax Credit Equity	\$14,398,560
Private Lender Loan	3,135,000
Deferred Developer Fee	567,448
Proposed AHFC Funds	<u>1,875,000</u>
Total	\$19,976,008

Uses:

Acquisition	\$ 2,502,500
Pre-Development	555,205
Construction/Hard Costs	13,026,971
Soft & Carrying Costs	1,440,735
Reserves & Developer Fee	<u>2,450,597</u>
Total	\$19,976,008

Project Characteristics

- 125 affordable units to be built in the Four Points area.
- Unit mix: 56 one-bedroom/one-bath units Rent: approximately \$565 775 square feet
50 two bedroom/two-bath units Rent: approximately \$680 1,025 square feet
19 three-bedroom/three-bath units Rent: approximately \$730 1,302 square feet
- Cardinal Point Apartments will have 13 Permanent Supportive Housing units.
- 13 units will be made accessible for persons with mobility disabilities, and at least 3 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

- Ten percent of units will be reserved for individuals with incomes less than \$20,350 per year (30% of the Median Family Income [MFI] for a 3-person household).
- Fifty percent of units will be reserved for individuals with incomes less than \$27,150 per year (40% of MFI for a 3-person household.)
- Forty percent of units will be reserved for individuals with incomes less than \$40,740 per year (60% 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 19 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.