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**Recommendation for Board Action**

Austin Housing Finance Corporation	<b>Item ID</b>	53488	<b>Agenda Number</b>	3.
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<b>Meeting Date:</b>	01/28/2016	<b>Department:</b>	Neighborhood Housing and Community Development
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**Subject**

Authorize an increase of \$700,000 to an existing loan agreement with Foundation Communities, Inc., or an affiliated entity, for a total loan amount not to exceed \$2,575,000 for the development of Cardinal Point Apartments, a multi-family rental development located at 11011 ½ Four Points Drive.

**Amount and Source of Funding**

Funding is available in the Fiscal Year 2015-2016 Capital Budget of the Austin Housing Finance Corporation.

**Fiscal Note**

A fiscal note is attached.

<b>Purchasing Language:</b>	
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<b>Prior Council Action:</b>	
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<b>For More Information:</b>	Elizabeth A. Spencer, Treasurer, Austin Housing Finance Corporation, 512-974-3182; or David Potter, AHFC Neighborhood Development Program Manager, 512-9743192.
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<b>Boards and Commission Action:</b>	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). August 6, 2015 – Subsequent to the award of Low Income Housing Tax Credits, authorized negotiation and execution of a loan for \$1,875,000.
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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, this action would authorize an increase of \$700,000 to an existing loan to Foundation Communities, Inc., for a total amount not to exceed \$2,575,000. The purpose of the loan is to develop a 120-unit, 100% affordable multi-family housing. The development is located in District 6.

Funding Request

- If approved, the \$2,575,000 will be used to assist with construction of the property.
- AHFC funds would represent approximately 10 percent of the total project cost, with an average cost of AHFC funds at \$21,458 per unit.
- Estimated Sources and Uses for the project are as follows:

<u>Sources:</u>		<u>Uses:</u>	
Tax Credit Equity	\$ 15,898,410	Acquisition	\$ 2,501,610
Private Lender Loan	4,126,239	Pre-Development	716,295
Previous AHFC funding	1,875,000	Construction/Hard Costs	18,632,522
Proposed AHFC funding	700,000	Soft, Carrying & Other	<u>3,575,439</u>
Owner Equity	794,493	<b>Total</b>	<b>\$25,425,866</b>
Deferred Developer Fee	1,081,724		
Federal Home Loan Bank	500,000		
Other Source	<u>450,000</u>		
<b>Total</b>	<b>\$25,425,866</b>		

Project Characteristics

- 120 affordable units to be built in the Four Points area.
- Unit mix: 54 one-bedroom/one-bath units Rent: approximately \$565 775 square feet  
 48 two bedroom/two-bath units Rent: approximately \$680 1,025 square feet  
 18 three-bedroom/three-bath units Rent: approximately \$730 1,302 square feet
- Cardinal Point Apartments will have 12 Permanent Supportive Housing units.
- 12 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 \$20,750 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 \$27,650 per year (40%

of MFI for a 3-person household.)

- Forty percent of units will be reserved for individuals with incomes less than \$41,520 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.

For more information on the proposed project, as well as socioeconomic characteristics and amenities in the surrounding area, please see the project's Development Information Packet here:

<http://austintexas.gov/page/fy-15-16-funding-applications>.