

Recommendation for Board Action				
Austin Housing Finance Corporation	Item ID	68271	Agenda Number	2.
Meeting Date:	4/6/2017		Department:	Neighborhood and Community Development
Subject				
<p>Authorize a \$300,000 increase in funding previously authorized by AHFC Motion No. 20140417-AHFC002 for the negotiation and execution of a loan agreement with the University of Texas Inter-Cooperative Council, Inc., for a total loan amount not to exceed \$928,089, that will assist with the development of a low-cost, cooperatively-managed housing facility for post-secondary students at 915 West 22nd Street in the University Neighborhood Overlay District. (District 9)</p>				
Amount and Source of Funding				
Funding is available in the Fiscal Year 2016-2017 Operating Budget of the Austin Housing Finance Corporation.				
Fiscal Note				
There is no unanticipated fiscal impact. A fiscal note is not required.				
Purchasing Language:				
Prior Council Action:				
For More Information:				
Boards and Commission Action:	April 17, 2014 - Approval by AHFC of loan to the University of Texas Inter-Cooperative Council, Inc. in an amount not to exceed \$628,089.			
MBE / WBE:				
Related Items:				
Additional Backup Information				

On April 17, 2014, the Austin Housing Finance Corporation (AHFC) Board of Directors by AHFC Motion No. 20140417-AHFC002 approved negotiation and execution of a loan agreement with the University of Texas Inter-Cooperative Council, Inc., (ICC) in an amount not to exceed \$628,089, with funding from the University Neighborhood Overlay (UNO) Trust Fund.

If approved, AHFC would authorize a \$300,000 increase to the existing loan authority with the ICC for a total loan amount of \$928,089 for the Ruth R. Schulze Cooperative House ("Schulze Co-Op"), located at the southeast corner of West 22nd and San Gabriel Streets. The Schulze Co-Op will be a 34-bed, cooperatively-managed housing facility for post-secondary students.

Funding Request

- If approved, the additional \$300,000 would come from the University Neighborhood Overlay (UNO) Trust Fund and be used to increase the total amount available to assist with the construction of the facility.
- AHFC total funding would represent approximately 28% of the total project cost, with an average cost per \$35,696 per bed.
- Estimated sources and uses are:

SOURCES

Owner Equity	\$ 496,200
UNO Funding	928,089
Private Financing	<u>1,875,711</u>
TOTAL	\$3,300,000

USES

Acquisition	\$ 504,800
Hard Costs	2,545,200
Pre-development & Soft Costs	<u>250,000</u>
TOTAL	\$3,300,000

Project Characteristics

- The Schulze Co-Op will have 18 beds in private rooms and 16 beds in shared rooms.
- Monthly rent will be approximately \$545 to \$850 for a private room and \$1,280 for a shared room.
- Rent at \$545 is equivalent to a monthly rent affordable to a single person with a total annual income at 50% of the Median Family Income (MFI) for the Austin-San Marcos-Round Rock Metropolitan Statistical Area.
- The Schulze Co-Op will have shared kitchen and dining facilities. Room, board, meals, and all utilities are included.
- The project will comply with the University Neighborhood Overlay District requirements.

Population Served

- College students, primarily those attending the University of Texas at Austin and Austin Community College.

Current Property Tax Status and Future Impact

The site is currently property tax exempt. The Travis Central Appraisal District will determine whether the residential use of this vacant property will be eligible for any exemptions after the property is developed.

University Inter-Cooperative Council, Inc. (ICC)

The ICC is a non-profit, cooperative organization owned and operated by its student members, and its houses are run by the students who live there. The ICC has operated group residential, cooperative student housing facilities for 45 years. The organization currently owns and manages 9 houses, with a range of 15 to 31 students per house. ICC offers one of the lowest-cost housing alternatives for college students in Austin.