

Recommendation for Board Action				
Austin Housing Finance Corporation	Item ID	71138	Agenda Number	3.
Meeting Date:	6/8/2017		Department:	Neighborhood and Community Development
Subject				
<p>Authorize the negotiation and execution of a loan agreement in an amount not to exceed \$810,000 to the LifeWorks Affordable Housing Corporation, or an affiliated entity, that will assist with the development of the Works at Pleasant Valley, Phase II, that will provide affordable rental housing for LifeWorks' clients and is located at 2800 Lyons Road. (District 3)</p>				
Amount and Source of Funding				
<p>Funding is available in the Fiscal Year 2016-2017 Capital and Operating Budgets of the Austin Housing Finance Corporation.</p>				
Fiscal Note				
<p>A fiscal note is attached.</p>				
Purchasing Language:				
Prior Council Action:				
For More Information:	Rosie Truelove, Treasurer, Austin Housing Finance Corporation, 512-974-3064; David Potter, Program Manager, Neighborhood Housing and Community Development, 512-974-3192.			
Boards and Commission Action:				
MBE / WBE:				
Related Items:				
Additional Backup Information				
<p>If approved, this action would authorize negotiation and execution of a loan agreement with LifeWorks Affordable Housing Corporation ("LifeWorks"), or an affiliate, for a total loan amount not to exceed \$810,000. The purpose of the loan is to provide funding for the development of a second phase of its existing 45-unit Works at Pleasant Valley multi-family rental housing. The property is located at 2800 Lyons Road in District 3.</p> <p><u>Proposed Project</u> LifeWorks plans to build a second phase consisting of 29 affordable rental units designed for youth who might otherwise be homeless and for young families with children. The first phase opened in 2014 and occupancy has always exceeded 95%, highlighting the need for more housing for this significantly underserved population.</p> <p><u>Estimated Sources of Funds</u></p>				

Sources

Texas Dept. Housing & Community Affairs	\$ 800,000
Private Lender Loan	500,000
Current AHFC Request	810,000
Anticipated Future AHFC Request	1,040,000
Federal Home Loan Bank	250,000
Foundation Grants and In-Kind Contributions	<u>452,976</u>
Total	\$3,852,976

Uses

Pre-development	\$ 297,338
Construction Costs	3,164,323
Soft and Carrying Costs	<u>391,315</u>
Total	\$3,852,976

Population Served

- The tenant population will be a mixture, including:
 - youth/young adults aging out of foster care;
 - unaccompanied youth/formerly homeless youth
 - young, single head of household families; and
 - teen parents.

Project Characteristics

- The units will consist of efficiency, 1, 2, and 3 bedrooms, ranging in size from 397 to 997 square feet.
- The unit mix will be:
 - 9 units for residents with incomes at or below 30% MFI
 - 14 units for residents with incomes at or below 50% MFI
 - 4 units for residents with incomes at or below 60% MFI
 - 2 units for residents with incomes at or below 80% MFI
- LifeWorks will be reserving 5 units for "Housing First" Permanent Supportive Housing.
- Services will be provided as needed, including case management, financial assistance, mental health counseling, employment assistance, literacy tutoring, GED preparation, and life skills training.

Current Property Tax Status and Future Impact

According to Travis Central Appraisal District website (www.traviscad.org), the property currently has a 50% exemption from property taxation under the exemption "Public property for housing indigent persons." After the development is constructed, LifeWorks will need to apply to TCAD in the event other exemptions are available.

LifeWorks Affordable Housing Corporation

LifeWorks Affordable Housing Corporation is a 501(c)(3) non-profit corporation formed in 2001 to provide decent, safe, and affordable housing for clients of Youth and Family Alliance, doing business as LifeWorks. LifeWorks was formed in 1998 through the merger of four non-profit organizations providing services to youth and families. LifeWorks supports youth and families to achieve self-sufficiency through counseling, housing, education/workforce training, and youth development.

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-16-17-funding-applications>