

## AGENDA



## Recommendation for Council Action

## AUSTIN CITY COUNCIL

Regular Meeting : February 1, 2018

Item Number: 027

## Neighborhood Housing and Community Development

Approve a resolution under the State of Texas 2018 Qualified Allocation Plan, supporting an application to be submitted by Foundation Communities, Inc., or an affiliated entity, competing for an award of Low Income Housing Tax Credits from the Texas Department of Housing and Community Affairs to help finance a proposed new construction, single room occupancy development to be called the Waters Park Studio Apartments.

District(s) Affected: District 7

<b>Lead Department</b>	Neighborhood Housing and Community Development.
<b>Fiscal Note</b>	This item has no fiscal impact.
<b>For More Information</b>	Rosie Truelove, Neighborhood Housing and Community Development Director, 512-974-3064; David Potter, Neighborhood Housing and Community Development Program Manager, 512-974-3192.

## Additional Backup Information:

If approved, a Resolution of Support from the Austin City Council will be included with Low Income Housing Tax Credit (LIHTC) Application Number 18099 to be submitted by Foundation Communities, Inc., or an affiliated entity, to the Texas Department of Housing and Community Affairs (TDHCA) for the proposed Waters Park Studios Apartments. The property is located in District 7.

For developments proposed within a municipality, an application will receive the maximum amount of scoring points in the category of "Local Government Support" if it includes a resolution from the

governing body of the municipality expressly supporting the tax credit application. An application will score fewer points if the municipality provides a resolution stating that it has “no objection” to the tax credit application.

Information about the proposed development is attached, and staff recommends approving a resolution supporting the tax credit application.

LIHTC applications are due to TDHCA on March 1, 2018.

### **Proposed Development**

102 Single Room Occupancy Units in the following mix:

- 102 studio apartments/1 bath 448 Square feet Estimated Rents: \$448-\$712

### **Population Served**

- 21 units will be reserved for persons with incomes at or below 30% Median Family Income (MFI); currently, \$17,100 for a single-person household.
- 81 units will be reserved for persons with incomes at or below 50% MFI; currently, \$28,500 for a single-person household.

### **Estimated Sources and Uses**

<u>Sources</u>		<u>Uses</u>	
Tax Credit Equity	\$ 9,066,593.00	Acquisition	\$ 2,076,000.00
Debt Financing	\$ 2,100,000.00	Hard Costs	\$ 13,952,878.00
Proposed City of Austin	\$ 3,000,000.00	Soft & Financing Costs	\$ 1,395,856.00
Fundraising and Other	\$ 4,009,977.00	Reserves & Developer Fees	\$ 1,372,218.00
Deferred Dev Fee	\$ 620,382.00	TOTAL	\$ 18,796,952.00
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The proposed development is located:

- **less than ½ mile** from an Imagine Austin Corridor.
- **less than ¾ mile** walking distance from a transit stop.

### **The Applicant**

Foundation Communities, Inc. has been in operation for 27 years and has successfully developed, and owns and operates 22 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. Foundation Communities currently provides affordable housing for over 2,800 families including 228 formerly homeless children.