



Recommendation for Action

File #: 21-2613, **Agenda Item #:** 7.

8/26/2021

Posting Language

Authorize negotiation and execution of a loan agreement and related documents with Foundation Communities, Inc., or an affiliated entity, in an amount not to exceed \$16,131,500 for the acquisition of a hotel to convert to 120 units of permanent supportive housing for individuals exiting homelessness to be known as Balcones Terrace, located at 10024 North Capital of Texas Highway North.

Lead Department

Housing and Planning Department.

Fiscal Note

Funding is available in the FY 2020-2021 Budget for the Austin Housing Finance Corporation. A fiscal note is attached.

For More Information:

Rosie Truelove, Treasurer, Austin Housing Finance Corporation, 512-974-3064; Mandy DeMayo, Interim Deputy Director, Housing and Planning Department, 512-974-1091.

Additional Backup Information:

If approved, the Austin Housing Finance Corporation is authorized to enter into a loan agreement with Foundation Communities, Inc., or an affiliated entity, for \$16,131,500 for the acquisition and conversion of a hotel into permanent supportive housing. The hotel is located in District 7.

Sources of Funding: \$8,131,500 from 2018 GO Bonds Rental Housing Development Assistance and \$8,000,000 from 2018 GO Bonds Land Acquisition.

Project Information: Project funding will be utilized for the acquisition of a hotel that will be converted into a 120-unit permanent supportive housing development for individuals exiting homelessness. Thirty units will be available for rent at or below 30% MFI, 30 units will be available for rent at or below 40% MFI, and 60 units will be available for rent at or below 50% MFI. The affordability period is 40 years.

Foundation Communities, Inc. is seeking funds to renovate the hotel for permanent supportive housing. At or near the time Foundation Communities, Inc. closes on the loans for those funds, staff will request the Austin Housing Finance Corporation Board of Directors to approve the creation of a nonprofit corporation to acquire and own the hotel and lease it back to Foundation Communities, Inc. or an affiliate, under a long-term lease. Austin Housing Finance Corporation will make a loan to the nonprofit corporation to acquire the hotel and will use American Recovery Plan funding to repay \$8,000,000 sourced from 2018 GO Bonds Land Acquisition funding.

Development Application: The developer's application to the City for the proposed development can be found here: <http://www.austintexas.gov/page/current-applications>.

Strategic Outcome(s):

Economic Opportunity and Affordability.