



**RBA:**  
**CITY OF AUSTIN**  
**RECOMMENDATION FOR BOARD ACTION**

**AGENDA ITEM NO: 4**  
**AGENDA DATE 4 10 08**  
**PAGE: 1 OF 2**

**SUBJECT:** Approve the negotiation and execution of a loan to AUSTIN CHILDREN'S SHELTER, Austin, Texas, or its affiliate, under the Rental Housing Development Assistance Program, in an amount not to exceed \$1,000,000, in compliance with applicable affordable housing general obligation bond financing requirements and performance goals, for pre-development and construction of 28 units of transitional housing for homeless children at 4800 Manor Road, Austin, Texas

**AMOUNT & SOURCE OF FUNDING.** Funding is available in the Fiscal Year 2007-2008 Austin Housing Finance Corporation budget allocation under the Rental Housing Development Assistance Program using proceeds from General Obligation Affordable Housing Bonds

**FISCAL NOTE:** There is no unanticipated fiscal impact. A fiscal note is not required.

**REQUESTING**  
**DEPARTMENT:** Austin Housing Finance Corporation

**DIRECTOR'S**  
**AUTHORIZATION:**\_\_

**FOR MORE INFORMATION CONTACT** Margaret Shaw, Austin Housing  
Finance Corporation, 974-3184

**PRIOR COUNCIL ACTION:** N/A

**PRIOR BOARD ACTION:** N/A

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Approval of funding will assist Austin Children's Shelter (ACS) with pre-development and construction costs for 28 units of transitional housing for homeless children at 4800 Manor Road. ACS's transitional housing program will consist of two residential cottage buildings with 14 units in each structure. The proposed transitional units are part of a larger development by ACS on a 13-acre site adjacent to the former Robert Mueller Municipal Airport property.

ACS is a non-profit 501(c)(3) corporation established in 1984. It has a successful history of providing emergency shelter and care for children ages 0 to 17 years who have been removed from their home environment due to a crisis situation of abuse and neglect. The program provides assessment, stabilization, and intensive therapy for approximately 300 children annually in ACS's facilities in central Austin. More than 300 other children are turned away each year due to a lack of space or availability of appropriate supportive services. After receiving ACS services, most children are placed in foster care.

The transitional cottages will serve as long-term temporary housing for children without financial income, 8 to 17 years of age, with specialized long-term needs due to having

experienced acute physical and/or emotional trauma. One of the facilities will house girls and the other facility will house boys. The facilities will allow residents to receive individual and group supportive services. In-house psychiatric evaluations and counseling will be provided by licensed mental health professionals. Other supportive services include food and clothing, education and tutoring, transportation, family-based training, health and nutrition services, life skills training, and case-management designed to meet individual needs.

The request for funding was received in response to a Notice of Funding Availability under the Rental Housing Development Assistance (RHDA) Program using proceeds from Affordable Housing General Obligation Bonds (GO Bonds). The Housing Bond Review Committee reviewed the funding application and supports the proposed project. Under RHDA GO Bond Program Guidelines, units assisted are required to remain affordable for a minimum of 40 years. ACS proposes to make the 28 units affordable for 99 years. The project will be developed in accordance with S M A R T Housing™ standards, applicable environmental review requirements, and will meet the City of Austin’s Two-Star Green Building standards.

Following Board approval, an RHDA Program loan will be negotiated and executed with ACS in an amount not to exceed \$1,000,000 for a term of 99 years at zero percent interest, or such other terms as determined necessary and appropriate to finance the project. Repayment of the loan will be deferred on a yearly basis and forgiven at the end of the 99-year period subject to compliance with the loan agreement terms. Estimated sources and uses of funds for the project are as follows:

<u>Sources:</u>		<u>Uses:</u>	
Owner equity (land)	\$ 391,640	Predevelopment	\$ 98,919
Donations/contributions	789,887	Acquisition	391,640
RHDA funding	<u>1,000,000</u>	Construction	1,652,903
<b>Total</b>	<b>\$ 2,181,527</b>	Soft and carrying costs	<u>38,065</u>
		<b>Total</b>	<b>\$ 2,181,527</b>

Performance measures associated with the project are as follows:

- Develop a minimum of 28 units transitional housing for homeless children and youth
- Ensure a minimum of three units are made accessible for persons with mobility disabilities, and one unit for persons with hearing and vision disabilities
- Complete the project in accordance with applicable S M A R T Housing™ standards

The requested funding is available in the Fiscal Year 2007-2008 budget allocation of the Austin Housing Finance Corporation (AHFC), and the request is consistent with the City of Austin’s currently approved Consolidated Plan and the AHFC’s strategy to provide assistance through below market-rate financing for the development of affordable rental housing for low- and moderate-income households and persons with special needs.