



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

**AGENDA ITEM NO 6
AGENDA DATE: 4.10 08
PAGE: 1 OF 3**

SUBJECT: Approve the negotiation and execution of a loan to VINCARE SERVICES OF AUSTIN FOUNDATION, Austin, Texas, or its affiliate, under the Rental Housing Development Assistance Program, in an amount not to exceed \$1,765,294, in compliance with applicable Affordable Housing General Obligation Bond financing requirements and performance goals, to acquire and complete repairs and accessibility modifications to the property located at 2104 Berkett Drive, Austin, Texas, to serve as a 24-unit supportive rental housing apartment complex for homeless and low-income families

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 Affordable Housing General Obligation 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

Approval of funding will facilitate VinCare Services of Austin Foundation (VinCare) in acquiring and completing repairs and accessibility modifications to a 24-unit apartment complex at 2104 Berkett Drive to serve as supportive rental housing for homeless and low-income families. The property will allow VinCare to expand their St. Louise House transitional housing program currently operated on Nelray Boulevard through a 12-unit apartment complex. The Nelray Boulevard property was purchased in 2002 with assistance from the Austin Housing Finance Corporation (AHFC).

With the addition of the Berkett Drive property, St. Louise House II will allow VinCare to serve approximately 35 families, or 105 individuals, annually. In 2007, all families served by St. Louise House I on Nelray Boulevard had incomes of less than 30% of the Austin area's median family income (MFI - currently \$21,350 for a four-member household). Rents are based on a sliding scale relative to income, not to exceed 30% of a household's monthly income. Tenant families with Section 8 rent subsidies are accepted by VinCare's program.

St. Louise House II includes eight two-bedroom/one-bath units, and 16 two-bedroom/one and one-half bath units. Of the 24 units, two units will be used to provide on-site case-management and supportive services that include, but not limited to, debt counseling and referral, legal referral, job counseling, education and training assistance, emotional and mental healthcare, household skills training, parenting skills training, and childcare assistance. The request for financing was received in response to a Notice of Funding Availability under the Rental Housing Development Assistance (RHDA) program for Affordable Housing General Obligation (GO) Bond funding. 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, however, VinCare proposes to provide the units as affordable units for a minimum of 99 years. The project is subject to S M A R T Housing™ standards and applicable environmental review requirements.

Following Board approval, an RHDA program loan will be negotiated and executed with VinCare in an amount not to exceed \$1,765,294 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 contingent upon compliance with the loan agreement. Estimated sources and uses of funds for the project are as follows:

<u>Sources:</u>		<u>Uses:</u>	
Owner equity	\$ 85,415	Predevelopment	\$ 82,539
RHDA funding	<u>1,765,294</u>	Acquisition	1,750,000
Total	\$ 1,850,709	Construction	14,162
		Soft and carrying costs	<u>4,008</u>
		Total	\$ 1,850,709

Performance measures associated with the project are as follows:

- Acquire a 24-unit affordable housing facility for homeless and low-income families
- Ensure a minimum of 22 units are provided to homeless and low-income families of which two units will be 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

VinCare is a non-profit 501(c)(3) corporation established in 2000 to meet the needs of homeless and low-income families in the Austin community. St. Louise House initially consisted of leased apartment units in the Zilker neighborhood. Through St. Louise House, VinCare provides affordable housing and supportive services to homeless and low-income families to enable them to attain greater independence and self-sufficiency. Since 2001, VinCare has provided affordable housing and supportive services to more than 63 homeless and low-income families.

The requested funding is available in the Fiscal Year 2007-2008 budget allocation of the 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