



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

**AGENDA ITEM NO: 3**  
**AGENDA DATE: 5/15/08**  
**PAGE: 1 OF 2**

**SUBJECT** Authorize the negotiation and execution of a loan to the GUADALUPE NEIGHBORHOOD DEVELOPMENT CORPORATION, Austin, Texas, or its affiliate, under the Rental Housing Development Assistance Program in an amount not to exceed \$850,000 00 in compliance with applicable federal requirements and performance goals to assist in the acquisition of eight newly-constructed affordable rental housing units located at 1127 and 1145 Perry Road, Austin, Texas for low- and moderate-income families

**AMOUNT & SOURCE OF FUNDING:** \$850,000 is available in the Fiscal Year 2007-2008 Austin Housing Finance Corporation Budget allocation under the Rental Housing Development Assistance Program. Loan proceeds are anticipated to consist of HOME Investment Partnership Act Program funds

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

**REQUESTING** **DIRECTOR'S**  
**DEPARTMENT. Austin Housing Finance Corporation** **AUTHORIZATION: \_\_\_\_**

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

**PRIOR BOARD ACTION N/A**

**PRIOR COUNCIL ACTION N/A**

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Following Board approval, a Rental Housing Development Assistance (RHDA) Program loan will be negotiated and executed with the Guadalupe Neighborhood Development Corporation (GNDC), or its affiliate, in an amount not to exceed \$850,000 00 to assist in the acquisition of eight newly constructed affordable single-family rental housing units for low- and moderate-income families in the Govalle-Johnston Terrace Neighborhood at 1127 and 1145 Perry Road.

The units to be constructed will have the following characteristics:

<u>Number of Units</u>	<u>Bed/Bath</u>	<u>Size</u>	<u>Rent</u>
2	1-1	540 Sq. Ft.	\$250-\$300
2	2-1	930 Sq. Ft.	\$425-\$450
4	3-2	1230 Sq. Ft.	\$450-\$825

All eight units will serve families with yearly household incomes not to exceed 60 percent of the Austin area's Median Family Income (MFI - currently \$42,660 00 for a family of four). Three units will be reserved for families with yearly household incomes not to exceed 50 percent of

MFI (currently \$35,550 00 for a family of four), and three other units will be reserved for families with yearly household incomes not to exceed 30 percent of MFI (currently \$21,350 00 for a family of four) Rents plus tenant-paid utilities will not exceed 30 percent of a household's monthly income, and families with Housing Choice Vouchers (Section 8) will be accepted Two units will be made accessible for persons with impaired mobility and one unit will be accessible for persons with hearing and vision disabilities The project will meet applicable environmental review and federal fund release requirements and S M A R T Housing™ standards

The RHDA program provides federal and non-federal assistance as gap financing for the development of affordable rental housing for low- and moderate-income families and persons with special needs Estimated sources and uses of funds for the project are as follows

<u>Sources:</u>		<u>Uses:</u>	
Private financing	\$ 263,000 00	Acquisition	\$ 1,596,000 00
Owner equity	493,000 00	Soft/carrying costs	10,000 00
Developer note (deferred)	95,760 00	Developer fee	<u>95,760 00</u>
RHDA	<u>850,000 00</u>	<b>Total</b>	<b>\$ 1,701,760 00</b>
<b>Total</b>	<b>\$ 1,701,760.00</b>		

GNDC is a non-profit 501(c)(3) organization and is certified by the City of Austin as a Community Housing Development Organization (CHDO) GNDC was established in 1981 to provide affordable housing to low and moderate-income families in the Guadalupe neighborhood GNDC has developed 149 units of affordable housing, including 67 units of rental housing

Following Board approval, a loan will be negotiated and executed with GNDC in an amount not to exceed \$850,000 00 as a deferred-payment forgivable loan for a term of 99 years at zero percent interest, or such other terms as determined necessary and appropriate to finance the project Principal and interest will be forgiven at the end of the 99-year loan period contingent upon GNDC, or its affiliate, meeting the conditions of the loan agreement

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

GNDC will receive \$1,470,000 00 in funding to create 16 housing units for low to moderate income residents on Perry Road