



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

**AGENDA ITEM NO: 6
AGENDA DATE: 07 24 08
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SUBJECT: Approve the negotiation and execution of a loan to GUADALUPE NEIGHBORHOOD DEVELOPMENT CORPORATION, or its affiliate, under the Acquisition and Development Program, in an amount not to exceed \$1,000,000, in compliance with applicable affordable housing general obligation bond financing requirements and performance goals, to fund acquisition of four acres located at 1126 Tillery Street to be developed for at least 28 single-family homes to be sold to low- and moderate-income buyers

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

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:

PRIOR COUNCIL ACTION:

Approval of funding will facilitate the acquisition by the Guadalupe Neighborhood Development Corporation (GNDC), or its affiliate, of four acres at 1126 Tillery Street to be developed for at least 28 single-family homes to be sold to low- and moderate-income buyers All homes constructed in this subdivision will be for families with incomes no higher than 80 percent of the Median Family Income (MFI) for the Austin area, currently \$56,900 for a family of four One-half of the homes will be made available to families with incomes at or below 60 percent MFI, currently \$42,660 for a family of four Families purchasing these homes will be required to complete a homebuyer education course To ensure long-term affordability, GNDC will use a shared-equity model of homeownership or place the units in a community land trust

The purchase price of \$1,000,000 for the four acres is below market value since the property is appraised at \$1,130,000 The property is adjacent to seven acres on Goodwin Avenue already owned by Guadalupe-Saldaña Affordable Homes, LP, a partnership between GNDC and Saldaña Homes, LLC, a family-owned local homebuilder that has constructed quality, affordable single-family homes for the Austin Housing Finance Corporation (AHFC) and other non-profit housing

providers. Development plans for the seven-acre tract include a mix of affordable rental and homeownership units.

A proposal to acquire four acres on Tillery Street was submitted to the AHFC in response to a Notice of Funding Availability for Affordable Housing General Obligation Bond funding. The Housing Bond Review Committee met on June 3rd, 2008 and supported the project. The project is subject to Acquisition and Development program requirements, S M A R T Housing™ standards, and environmental review and fund release requirements, as applicable.

Following Board approval, an Acquisition and Development program loan will be negotiated and executed with GNDC 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.

Estimated sources and uses of funds for the project are as follows:

<u>Sources</u>		<u>Uses</u>	
AHFC GO Bond Funds	\$1,000,000	Acquisition	\$1,000,000
Other Funds	<u>4,235,000</u>	Predevelopment	90,000
		Hard Costs	4,104,000
		Soft & Carrying Costs	<u>41,000</u>
Total	\$5,235,000	Total	\$5,235,000

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 160 units of affordable housing, including the new construction of 17 homeownership units.

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 housing for low- and moderate-income households and persons with special needs.