



RBA:
CITY OF AUSTIN
RECOMMENDATION FOR BOARD ACTION

AGENDA ITEM NO: 2
AGENDA DATE: 1/15/2009
PAGE: 1 OF 2

SUBJECT: Approve the negotiation and execution of two loans to COMMUNITY PARTNERSHIP FOR THE HOMELESS, INC., or its affiliate, in an amount not to exceed a total of \$1,300,000, under the Rental Housing Development Assistance Program, in compliance with applicable state and federal requirements, and affordable housing general obligation bond financing requirements and performance goals, to acquire and rehabilitate six properties consisting of 24 units of multi-family housing located at 5802, 5804, 5805, 5807, 5809, and 5811 Sweeney Circle, to serve as permanent affordable rental housing with supportive services to low-income families.

AMOUNT & SOURCE OF FUNDING: Funding is available in the Fiscal Year 2008-2009 Austin Housing Finance Corporation budget allocation under the Rental Housing Development Assistance Program. Loan proceeds are anticipated to consist of \$508,842 in HOME Investment Partnership Act Program funds; and \$791,158 in General Obligation Affordable Housing Bond funds.

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 R. Shaw, Treasurer, Austin Housing Finance Corporation, 974-3184

PRIOR COUNCIL ACTION:

PRIOR BOARD ACTION:

Approval of funding will assist Community Partnership for the Homeless (CPH), or its affiliate, with the acquisition and rehabilitation of six properties consisting of 24 units of multi-family housing to serve as permanent affordable rental housing with supportive services to low-income families. The six properties are four-plex structures with a total of nine one-bedroom units and 15 two-bedroom units.

All units in the project will be preserved as affordable rental housing for 99 years for low-income working families and individuals with yearly household incomes of no more than 50 percent of the Austin area's median family income (MFI - currently \$35,550 for a family of four). Projected monthly rents are approximately \$675 not to exceed allowable rent limits published yearly by the Texas

Department of Housing and Community Affairs. Tenants with Housing Choice Vouchers (Section 8) will be accepted. Three units will be made accessible for persons with mobility disabilities and one unit will be made accessible for persons with hearing or vision disabilities.

The request for financing was received in response to a Notice of Funding Availability (NOFA) under the Rental Housing Development Assistance (RHDA) program. 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. The project is subject to S.M.A.R.T. Housing™ standards and applicable environmental review requirements.

Following Board approval, funds will be provided to CPH in the form of two deferred-payment loans in an amount not to exceed a total of \$1,300,000 with terms of zero percent interest for 99 years, or such other terms as may be reasonable and necessary to finance the project. Repayment of the loans will be deferred on a yearly basis and forgiven at the end of the loan periods, contingent upon compliance with the loan agreements. Estimated sources and uses of funds for the project are as follows:

Sources:		Uses:	
Private lender	\$ 575,000	Predevelopment	\$ 17,500
CPH funds/donations	113,432	Acquisition	972,000
RHDA HOME	508,842	Construction	659,999
RHDA GO Bond	<u>791,158</u>	Soft costs	<u>338,933</u>
Total	\$1,988,432	Total	\$1,988,432

CPH is a non-profit 501(c)(3) organization certified by the City as a Community Housing Development Organization (CHDO). CPH was established in 1990 to provide transitional and affordable housing and services to low-income families and individuals who are either homeless or at risk of being homeless. Since 1990, CPH has provided more than 5,400 individuals and families with case management services, life skills training, single parent training and referral, education and employment training and referral, and legal and health care services.

The requested funding is available in Fiscal Year 2008-2009 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 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.