



RBA:
CITY OF AUSTIN
RECOMMENDATION FOR BOARD ACTION

AGENDA ITEM NO: 2
AGENDA DATE: 4/30/2009
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SUBJECT: Approve the negotiation and execution of a loan to BLACKLAND COMMUNITY DEVELOPMENT CORPORATION, under the Rental Housing Development Assistance Program, in an amount not to exceed \$230,000 in compliance with applicable financing requirements and performance goals, to rehabilitate seven units of affordable rental housing located at 2009 and 2110 Salina Street.

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 using HOME or HOME CHDO funding.

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, Austin Housing Finance Corporation, 974-3184

PRIOR COUNCIL ACTION:

PRIOR BOARD ACTION:

Approval of funding will facilitate rehabilitation of seven units of affordable housing owned by Blackland Community Development Corporation (BCDC). The six units at 2009 Salina are small cottages housing very low-income seniors. The single-family home at 2110 Salina needs extensive work in order to make it fully accessible for a household with a person with disabilities. All of the units will be affordable to persons at 50 percent MFI and below (currently \$36,650 for a four-person household).

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 will be developed in accordance with applicable environmental review requirements. In addition, BCDC has applied for and will receive lead abatement services from the City of Austin's LeadSmart Program for the house at 2110 Salina.

Following Board approval, an RHDA program loan will be negotiated and executed with BCDC in an amount not to exceed \$230,000 for a term of 10 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 10-year period subject to compliance with the loan agreement.

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

| <u>Sources:</u> | | <u>Uses:</u> | |
|----------------------------------|------------------|-----------------------|-------------------|
| RHDA Funding | \$230,000 | Predevelopment | \$ 2,400 |
| Travis County | 26,233 | Hard Costs | 272,675 |
| City of Austin LeadSmart Program | 14,780 | Soft & Carrying Costs | <u>3,866</u> |
| Owner Equity | <u>7,928</u> | | |
| Total | \$278,941 | Total | \$ 278,941 |

BCDC is a non-profit 501(c)(3) organization and is certified by the City of Austin as a Community Housing Development Organization (CHDO). The BCDC was established in 1983 to provide affordable housing for low- and moderate-income families residing in the Blackland neighborhood. Since 1983, the BCDC has developed and currently owns and operates 35 units of affordable rental housing, including nine units of transitional housing.

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