

--	--	--	--

Recommendation for Board Action

Austin Housing Finance Corporation	Item ID	16290	Agenda Number	4.
------------------------------------	----------------	-------	----------------------	----

Meeting Date:	8/2/2012	Department:	Neighborhood and Community Development
----------------------	----------	--------------------	--

Subject

Approve the negotiation and execution of a loan to FOUNDATION COMMUNITIES in an amount not to exceed \$2,360,000 to assist with the property acquisition and the new construction of a 135-unit single-room occupancy housing facility for homeless and low-income individuals to be located at 309 East 11th Street.

Amount and Source of Funding

Funding is available in the Fiscal Year 2011-2012 Capital and Operating Budgets of the Austin Housing Finance Corporation. \$2,000,000 is expected to come from Affordable Housing General Obligation Bond Funds and \$360,000 from Community Development Block Grant Funds.

Fiscal Note

A fiscal note is attached.

Purchasing Language:	
Prior Council Action:	
For More Information:	Contact Elizabeth A. Spencer, AHFC Treasurer, 974-3182
Boards and Commission Action:	
MBE / WBE:	
Related Items:	

Additional Backup Information

Approval of funding will allow Foundation Communities, Inc. to acquire and construct a new 135-unit Single Room Occupancy (SRO) facility that will provide housing for homeless and very low-income individuals. The development will be known as Capital Studios, and Foundation Communities has proposed twenty-seven (27) units of Permanent Supportive Housing at the facility.

- Funding Request**
- Foundation Communities has received an award/a forward commitment of Low Income Housing Tax Credits from the Texas Department of Housing and Community Affairs (TDHCA).
 - The \$2,360,000 requested will be used to assist with the acquisition and new construction of the facility.
 - If approved, Austin Housing Finance Corporation (AHFC) funds will represent \$17,481 per unit or approximately 20 percent of the total project cost.

- Estimated sources and uses for the project are as follows:

<u>Sources:</u>		<u>Uses:</u>	
Tax Credit Equity	\$ 8,669,174	Pre-development	\$ 967,000
Federal Funds (CDBG)	360,000	Acquisition	2,355,000
G.O. Bond Funds	2,000,000	Construction	4,940,000
Owner Equity	<u>451,501</u>	Soft & Carrying Costs	1,731,300
TOTAL	\$11,480,675	Other Costs	<u>1,487,375</u>
		TOTAL	\$11,480,675

- The request for funding 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.

Project Characteristics

- Capital Studios SRO will offer each resident a private efficiency unit with a kitchenette and bathroom.
- The location is served within one block of a bus stop with multiple routes at 11th and San Jacinto Streets, allowing residents easy access to transportation, services, and retail establishments.
- The unit sizes range from 260 to 330 square feet and rents will be in the range of \$450 to \$650 per month.
- Capital Studios will add affordable housing stock to the downtown Central Business District.
- Fourteen units will be designed accessible for persons with mobility disabilities and three units will be designed accessible to persons with sight or hearing disabilities.

Population Served

- Eighty-one units will be reserved for persons with incomes at or below 50 percent of the Median Family Income (MFI), currently \$26,600 for a single person. Twenty-seven units will be reserved for persons with incomes at or below 40 percent MFI, currently \$21,250 for a single person. The remaining 27 units will be used for Permanent Supportive Housing (PSH) for persons qualifying under federal guidelines as chronically homeless.
- Residents will be comprised of a variety of populations including single persons on fixed incomes such as elderly and disabled persons, persons who were formerly homeless and those at risk of being homeless.
- Supportive services will be available to all residents, including case management, adult education, money management, information and referral to community services and a monthly food pantry.
- Units will be made available to persons participating in transitional housing programs operated by the Salvation Army, Front Steps, Green Doors, Caritas and Lifeworks. In addition, Capital Studios will also provide housing to persons with Housing Choice Vouchers (Section 8).

Foundation Communities, Inc.

Foundation Communities, Inc. is a 501(c) (3) non-profit organization established in 1984, successfully developing just under 2,000 units of affordable rental housing in Austin. Foundation Communities has developed three successful SRO properties: Garden Terrace, Spring Terrace, and Skyline Terrace. A fourth SRO property, Arbor Terrace, is currently under construction. The organization is also known for its array of resident services and for utilizing green building practices in all of its developments.