

<b>Recommendation for Board Action</b>				
Austin Housing Finance Corporation	Item ID	25931	Agenda Number	4.
Meeting Date:	8/8/2013	Department:	Neighborhood and Community Development	
Subject				
Approve the negotiation and execution of a loan in amount not to exceed \$2,000,000 to 2013 TRAVIS OAK CREEK, LP for the demolition of 170 existing affordable rental units and the new construction of 173 affordable rental units at the Oak Creek Village Apartments located at 2324 Wilson Street.				
Amount and Source of Funding				
Funding is available in the Fiscal Year 2012-2013 Capital Budget of the Austin Housing Finance Corporation through a \$10 million budget transfer authorized on February 14, 2013.				
Fiscal Note				
A fiscal note is attached.				
Purchasing Language:				
Prior Council Action:	February 14, 2013 – Resolution 20130228-013 approved a conditional commitment of funding subject to the project being awarded tax credits by the Texas Department of Housing and Community Affairs. June 27, 2013 – Ordinance 20130627-093 approved a zoning change from MF-3-NP to MF-6-CO-NP.			
For More Information:	Contact Elizabeth A. Spencer, Treasurer, 974-3182; or David Potter, Housing Development Manager, 974-3192.			
Boards and Commission Action:				
MBE / WBE:				
Related Items:				
Additional Backup Information				
<b><u>Funding Request</u></b> <ul style="list-style-type: none"> <li>Eureka Holdings, Inc., the parent corporation of the entity that owns Oak Creek Village Apartments, submitted an application for funding from Austin Housing Finance Corporation (AHFC) in the amount of \$2,000,000 to assist with the demolition of 170 existing rental units built in 1970, and the new construction of 173 units of Project-based Section 8 rental housing.</li> <li>The Austin City Council approved a conditional commitment of funding subject to the award of Low Income Housing Tax Credits from the Texas Department of Housing and Community Affairs (TDHCA). The project received a tax credit award from the TDHCA Board of Directors on July 25, 2013.</li> </ul>				

- Funding for this item comes from the \$10 million budget amendment approved by the AHFC Board on April 11, 2013.
- Proposed, estimated sources and uses for the project are as follows:

<u>Sources</u>		<u>Uses</u>	
Tax Credit Equity	\$19,630,627	Demolition & Site Work	\$ 1,832,955
Permanent Loan	9,538,787	Acquisition	3,024,190
Owner Equity	2,964,892	Hard Costs	22,450,741
Deferred Developer Fee	461,970	Soft, Carrying Costs	4,174,390
AHFC RHDA Funds	2,000,000	Other Costs	<u>3,114,000</u>
TOTAL	\$34,596,276	TOTAL	\$34,596,276

- 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.
- If approved, AHFC funds will represent \$11,561 per unit or approximately 5.7 percent of the total project cost.

#### Project Characteristics

- The property is located at 2324 Wilson Street, near West Oltorf and South First Streets, with easy access to transit, services, and retail businesses.
- The 173 new units to be constructed will be six stories in height, with structured parking. The unit sizes range from 720 to 1,500 square feet and will consist of 1-, 2-, 3- and 4-bedroom units. Depending on unit size, the rents will range from \$412 to \$1,275 per month.
- Oak Creek Village currently receives and will continue receiving rental subsidies under a contract with the U.S. Department of Housing and Urban Development (HUD).
- Eighteen units will be designed accessible for persons with mobility disabilities, and nine units will be designed accessible for persons with sight or hearing disabilities.

#### Population Served

- Eighty-five units will be reserved for households with incomes at or below 60 percent of the Austin area Median Family Income (MFI), currently \$43,920 for a four-person household.
- Seventy units will be reserved for households with incomes at or below 50 percent MFI, currently \$36,600 for a four-person household, and fourteen will have no income restrictions.
- Eighteen units will be reserved for households with incomes at or below 30 percent MFI, currently \$21,950 for a four-person household.
- Each household will pay no more than 30 percent of their monthly income for rent plus utilities. The HUD subsidy to the property will pay the difference.

#### Eureka Holdings, Inc.

Founded in 2001, Eureka Holdings, Inc. (Dallas, TX) is a private, for-profit company that owns and manages 22 properties with a total of 4,354 units. Approximately two-thirds of its units are Project-based Section 8 and receive HUD subsidies, as does Oak Creek Village and Eureka's other Austin holding, the Mount Carmel Village Apartments at 2504 New York Avenue. The bulk of Eureka's properties are in Texas, but it also owns properties in Oklahoma, Louisiana, Mississippi, Pennsylvania, and Ohio.