

A G E N D A



Recommendation for Council Action

Austin City Council	Item ID	30125	Agenda Number	17.
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Meeting Date:	2/13/2014	Department:	Neighborhood and Community Development
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Subject

Approve a resolution for the commitment of a loan in an amount not to exceed \$2,000,000 to Foundation Communities, Inc. for a proposed 120-unit affordable rental development, to be known as Bluebonnet Studios, located at 2301 South Lamar Boulevard, with funding being conditional upon the award of tax credits to Foundation Communities, Inc. by the Texas Department of Housing and Community Affairs for the proposed project.

Amount and Source of Funding

Funding for this commitment resides in the budget of the Austin Housing Finance Corporation, a Texas public non-profit corporation, which was created by and is an instrumentality of the City of Austin.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:

Prior Council Action:

For More Information: Betsy Spencer, Director, 512-974-3182; David Potter, Program Manager, 512-974-3192

Boards and Commission Action:

MBE / WBE:

Related Items:

Additional Backup Information

If approved, the resolution will be included in the application submitted by Foundation Communities, Inc. to the Texas Department of Housing and Community Affairs (TDHCA) for the 2014 Low Income Housing Tax Credit cycle. Applications that have a commitment of funding from a unit of local government, even if the commitment is conditioned upon the award of tax credits, will qualify for a certain number of points in this competitive process. One extra point will be given if the resolution specifies the funds are provided as a permanent loan with a minimum loan term of 15 years. The loans from the Austin Housing Finance Corporation provided to organizations that develop affordable housing have terms that are typically 20 years or more, up to 99 years.

This year, TDHCA has \$3.6 million in tax credits allocated to Texas Region 7 which includes Austin and surrounding counties. The maximum award of tax credits for a project in Region 7 is \$1.5 million. Therefore, it is likely that only two projects can be funded in this region. This resolution would only commit funding if Foundation Communities receives an award of tax credits for this proposed project.

Full applications are due to TDHCA on February 28, 2014, and the announcement of tax credit awards will take place in July 2014.