

<b>Recommendation for Board Action</b>				
Austin Housing Finance Corporation	Item ID	32762	Agenda Number	2.
Meeting Date:	5/22/2014		Department:	Neighborhood and Community Development
Subject				
<p>Authorize negotiation and execution of an amendment to the existing loan agreement with Foundation Communities, approved on August 8, 2013, to increase the loan amount by \$1,000,000 to assist with the construction of new affordable multi-family rental housing to be known as the Homestead Oaks Apartments, located at 3226 West Slaughter Lane, for a total loan amount not to exceed \$3,250,000.</p>				
Amount and Source of Funding				
Funding is available in the Fiscal Year 2013-14 Capital Budget of the Austin Housing Finance Corporation.				
Fiscal Note				
A fiscal note is attached.				
Purchasing Language:				
Prior Council Action:	February 14, 2013 – Resolution # 20130214-014 approved a conditional commitment of funding, subject to an award of tax credits by the Texas Department of Housing and Community Affairs.			
For More Information:	Contact Betsy Spencer, Austin Housing Finance Corporation Treasurer, 974-3182; or David Potter, Program Manager, 974-3192			
Boards and Commission Action:	August 8, 2013 – Austin Housing Finance Corporation Board approved negotiation and execution of a loan not to exceed \$2,250,000 for acquisition of 29 acres at 3226 West Slaughter Lane.			
MBE / WBE:				
Related Items:				
Additional Backup Information				
<p>If approved, this increase to the existing loan to Foundation Communities will be used to assist with the new construction of 140 units of affordable residential rental housing on a 29-acre tract located at 3226 West Slaughter Lane.</p> <p><b>Funding Request</b></p> <ul style="list-style-type: none"> <li>• The additional \$1 million is being requested to assist with funding new construction of the 140 units.</li> <li>• Foundation Communities used a \$2,250,000 loan from Austin Housing Finance Corporation (AHFC) to assist with the acquisition of the property in 2013.</li> <li>• The project also received an award of low income housing tax credits from the Texas Department of Housing and Community Affairs on July 25, 2013.</li> </ul> <p>Estimated sources and uses of funds for the project are as follows:</p>				

**Sources:**

Low-Income Housing Tax Credits	\$12,769,123
Private Lender Loan	6,521,220
Private Fundraising	1,500,000
Previous RHDA Funds	2,250,000
Proposed Additional RHDA Funds	1,000,000
Deferred Developer Fee	1,042,428
Foundation Grant	203,130
Solar Energy Rebate & Credits	373,984
<b>Total</b>	<b>\$25,659,885</b>

**Uses:**

Acquisition	\$ 4,028,410
Predevelopment	696,558
Construction	17,022,046
Soft costs	3,912,871
<b>Total</b>	<b>\$29,659,885</b>

- The request for funding is consistent with the City'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 \$23,214 per unit, or approximately 12.6 percent of the total project cost.

**Project Characteristics**

- Homestead Oaks Apartments will be family-focused and located near employment, parks, high-performing schools, and retail businesses.
  - The property is a former ranch located on West Slaughter Lane between Brodie Lane and Westgate Boulevard.
  - Foundation Communities will preserve trees and green space to offer a park-like setting to residents in a location very convenient to amenities and services.
  - The unit mix will be:
 

one bedroom/one bath	64 units	Approximately 698 square feet
two bedroom/two bath	57 units	Approximately 968 square feet
three bedroom/two bath	15 units	Approximately 1,165 square feet
three bedroom/three bath	4 units	Approximately 1,185 square feet
- Affordable rents, depending on unit size, will be in the range of \$425 to \$950 per month.
- Fourteen units will be designed to be accessible for persons with mobility disabilities, and three units will be designed to be accessible to persons with sight or hearing disabilities.
  - Homestead Oaks Apartments will have an on-site community learning center with after-school and summer programs for children as well as classes for adults such as money management, computer training, and homebuyer education.

**Population Served**

- Seventy-one units will be reserved for households with incomes at or below 50 percent of the Median Family Income (MFI), currently \$37,700 for a four-person household.
- Fifty-five units will be reserved for households with incomes at or below 60 percent MFI, currently \$45,240 for a four-person household.
- Fourteen units will be reserved for Permanent Supportive Housing. These households will have incomes at or below 30 percent MFI, currently \$22,600 for a four-person household.

**Foundation Communities, Inc.**

Foundation Communities, Inc. is a 501(c)(3) non-profit organization established in 1984, which has successfully developed approximately 2,200 units of affordable rental housing in Austin. Foundation Communities has recently developed other family-based properties including M Station and Sierra Vista. The organization is also known for its array of resident services and for utilizing green building practices in all of its developments.