

Recommendation for Board Action				
Austin Housing Finance Corporation	Item ID	33412	Agenda Number	4.
Meeting Date:	6/12/2014		Department:	Neighborhood and Community Development
Subject				
<p>Authorize the negotiation and execution of a loan in an amount not to exceed \$1 million to FC SW Housing, LP, 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.</p>				
Amount and Source of Funding				
<p>Funding is available in the Fiscal Year 2013-2014 Capital Budget of the Austin Housing Finance Corporation.</p>				
Fiscal Note				
<p>A fiscal note is attached.</p>				
Purchasing Language:				
Prior Council Action:				
For More Information:	<p>Contact Elizabeth Spencer, Treasurer, Austin Housing Finance Corporation, 512-974-3182; or David Potter, Neighborhood Development Program Manager, Neighborhood Housing and Community Development, 512-974-3192.</p>			
Boards and Commission Action:	<p>August 8, 2013 – Austin Housing Finance Corporation Board approved the negotiation and execution of a loan not to exceed \$2,250,000 for acquisition of 29 acres at 3226 West Slaughter Lane.</p>			
MBE / WBE:				
Related Items:				
Additional Backup Information				
<p><u>Funding Request</u></p> <ul style="list-style-type: none"> • If approved, this loan 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. • Foundation Communities used a \$2,250,000 loan from Austin Housing Finance Corporation (AHFC) to assist with the acquisition of the property in 2013. It is anticipated that the loan to Foundation Communities will be assigned to and assumed by FC SW Housing, LP. • 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 				

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

Sources:

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

Uses:

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

- 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.

FC SW Housing, LP

FC SW Housing LP ("the LP"), will be a limited partnership that will own the Homestead Oaks Apartments. The LP will be affiliated with Foundation Communities, Inc., 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, and is known for its array of resident services and for utilizing green building practices in all of its developments.