

Recommendation for Board Action				
Austin Housing Finance Corporation	Item ID	33922	Agenda Number	3.
Meeting Date:	8/7/2014		Department:	Neighborhood and Community Development
Subject				
<p>Approve the negotiation and execution of a loan agreement with Guadalupe Neighborhood Development Corporation for development of transitional housing providing supportive services for low-income, single-parent households completing post-secondary education, in an amount not to exceed \$2,000,000.</p>				
Amount and Source of Funding				
Funding is available in the Fiscal Year 2013-2014 Capital Budget of the Austin Housing Finance Corporation.				
Fiscal Note				
A fiscal note is attached.				
Purchasing Language:				
Prior Council Action:				
For More Information:	Contact Elizabeth A. Spencer, Treasurer, Austin Housing Finance Corporation, 512-974-3182; or David Potter, Neighborhood Development Program Manager, Neighborhood Housing and Community Development, 512-974-3192.			
Boards and Commission Action:				
MBE / WBE:				
Related Items:				
Additional Backup Information				
Funding Request <ul style="list-style-type: none"> • If approved, funding would be used to develop 35 units of transitional housing for participants of the Jeremiah Program, a program that offers rental support and daycare for single parents completing their post-secondary education. • Two million dollars from the Austin Housing Finance Corporation (AHFC) would be matched by a \$2,000,000 grant from the Moody Foundation, in addition to other funds raised, to assist with the development of the housing portion, as well as a community center and day care facility on site. • The entire development will be located within the 11-acre Guadalupe-Saldaña Subdivision being developed by the Guadalupe Neighborhood Development Corporation (GNDC). • AHFC's investment would represent about 21 percent of the total development cost, at approximately \$57,000 per housing unit. • Estimated Sources and Uses for the project are: 				
<u>Sources</u>		<u>Uses</u>		

Foundation Grants &		Housing Hard Costs	\$6,424,844
Other Fundraising	\$6,552,766	Non-housing Hard Costs	1,934,371
AHFC Funds	2,000,000	Housing Soft & Carrying	
Owner Equity	<u>714,780</u>	Costs	518,198
TOTAL	\$9,267,546	Non-housing Soft &	
		Carrying Costs	156,017
		Infrastructure Improvements	<u>234,116</u>
		TOTAL	\$9,267,546

- The request for funding is consistent with the City of Austin's currently approved Consolidated Plan and the AHFC's strategy to provide below market-rate financing to developers of affordable rental housing designed for low- and moderate-income individuals and households.
- AHFC staff is recommending funding for the proposed project because of the level of matching funds that are committed to the development and because of the type of programmatic support participating families will receive through the Jeremiah Program. The intention of the program is to break the cycle of poverty by providing supportive services and rental assistance to highly-motivated individuals completing their post-secondary education. In the event the Jeremiah Program ceased to exist, the 35 units would be converted into conventional rental housing that would be affordable to low-income households.
- The Housing Bond Review Committee met on June 9, 2014 and concurs with staff's review and scoring of the funding application.

Project Characteristics

- The housing portion will consist of 35 units that will have two bedrooms, one bathroom, and will average approximately 650 square feet in size.
- The development will consist of four stories. Housing will be on the upper three stories. The ground floor will include the child development center, two covered playground areas, and staff offices.
- The facility is adjacent to Austin Community College's (ACC's) Eastview Campus and the program already partners with ACC's ASPIRE life-skills program.
- Four units will be designed accessible for persons with mobility disabilities, and two units will be designed accessible for persons with sight or hearing disabilities. All 35 units will be adaptable for persons with sight and hearing disabilities.

Population Served

- Single-parent households with at least one pre-school age child.
- Jeremiah Program participants have total household incomes that range from five percent to 50 percent of the Median Family Income (MFI) for the Austin-Round Rock-San Marcos, TX Metropolitan Statistical Area.

The Development Partners

GNDC is a 501(c)(3) non-profit organization that was formed in 1981. GNDC has rehabilitated over 100 homes and has provided affordable ownership opportunities for 45 families. GNDC also owns and operates 79 affordable rental units, both single-family and multi-family rental units. Development is underway for the Guadalupe-Saldaña Net Zero Subdivision which will provide affordability for ownership and rental housing and will utilize energy-efficient building techniques and features that are intended to produce a "net-zero" utility cost to residents.

The Jeremiah Program is a nationally recognized nonprofit organization using a proven, holistic approach to transform families from poverty to prosperity two generations at a time. Through safe and affordable housing, quality early childhood education, empowerment and life skills training, and support for career-track education, Jeremiah Program prepares participants to succeed in the workforce, readies their children to succeed in school, and reduces generational dependence on public assistance. The Jeremiah Program currently has two fully operational sites in Minneapolis and St. Paul, Minnesota, which serve 300 women and children at any given time. Phase One of a campus serving four families in Austin opened in fall 2013, with plans to break ground on a permanent campus in late 2014. In addition, leaders in Fargo-Moorhead, North Dakota are making progress in establishing a campus in their community and exploration is underway with Endicott College to pilot programs in two locations in Boston, Massachusetts.