

<b>Recommendation for Board Action</b>				
Austin Housing Finance Corporation	Item ID	34234	Agenda Number	4.
Meeting Date:	8/7/2014		Department:	Neighborhood and Community Development
Subject				
Approve the negotiation and execution of a loan to FOUNDATION COMMUNITIES, INC., or an affiliated entity, in an amount not to exceed \$2,000,000 for an affordable, single room occupancy development to be known as Bluebonnet Studios, located at 2301 South Lamar Boulevard.				
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:	Betsy Spencer, Treasurer, Austin Housing Finance Corporation, 512-974-3182; or David Potter, Program Manager, Neighborhood Housing and Community Development, 512-974-3192.			
Boards and Commission Action:	February 13, 2014 – Austin Housing Finance Corporation Board approved a conditional commitment of funding subject to the award of tax credits by the Texas Department of Housing and Community Affairs.			
MBE / WBE:				
Related Items:				
Additional Backup Information				
<p>If approved, the Austin Housing Finance Corporation (AHFC) would be authorized to enter into a loan agreement with Foundation Communities, Inc. Foundation Communities received an award of Low Income Housing Tax Credits for this project from the Texas Department of Housing and Community Affairs at its July 24, 2014 Board Meeting.</p> <p><b><u>Funding Request</u></b></p> <ul style="list-style-type: none"> <li>▪ If approved, the \$2,000,000 will be used to assist with the acquisition of the property.</li> <li>▪ AHFC funds would represent approximately 18 percent of the total project cost, with an average cost of AHFC funds at \$16,667 per unit.</li> <li>▪ Estimated Sources and Uses for the project are as follows:</li> </ul>				

**Sources:**

Tax Credit Equity	\$ 8,639,136
NeighborWorks America	250,000
AHFC funding	2,000,000
Owner Equity	76,076
Deferred Developer Fee	<u>535,000</u>
<b>Total</b>	<b>\$11,500,212</b>

**Uses:**

Acquisition	\$ 2,300,000
Pre-Development	746,200
Construction/Hard Costs	5,876,970
Soft & Carrying Costs	<u>2,577,042</u>
<b>Total</b>	<b>\$11,500,212</b>

**Project Characteristics**

- One hundred twenty Single Room Occupancy units to be built on South Lamar Boulevard, offering affordability in a location where new, high-end multi-family properties predominate.
- Located in within the South Lamar Vertical Mixed Use Overlay.
- Individual units will house one person only, and the size of each unit will be approximately 450 square feet.
- Bluebonnet Studios will have six Permanent Supportive Housing units.
- Twelve units will be made accessible for persons with mobility disabilities, and at least three units will be made accessible for persons with hearing and sight disabilities.
- A wide variety of services will be available to residents depending on their individual needs. The services can include: case management, mental health counseling, life skills training, budgeting and money management, advocacy for benefits or entitlements, computer literacy, and vocational and supported employment services.
- No smoking will be permitted anywhere on the property. This helps support Imagine Austin Priority Program #7: Create a Healthy Austin.

**Population Served**

- Twenty percent of units will be reserved for individuals with incomes at or below 30 percent of the Median Family Income (MFI), currently \$15,850 for an individual.
- Twenty percent of units will be reserved for individuals or families with incomes at or below 40 percent MFI, currently \$21,100 for an individual.
- Sixty percent of units will be reserved for individuals or families with income at or below 50 percent MFI, currently \$26,400 for an individual.

**Foundation Communities**

Foundation Communities, Inc. has been in operation for over 20 years and has successfully developed and managed 17 affordable communities in Austin and North Texas, and is known for its innovative programs to help residents become successful in meeting their financial, educational, or life goals and its commitment to creative and attractive sustainable building practices. If the proposed project moves forward, it will be the 6<sup>th</sup> SRO property developed by Foundation Communities. The other properties are Garden Terrace, Spring Terrace, Skyline Terrace, Arbor Terrace, and Capital Studios which is currently under construction.