

<b>Recommendation for Board Action</b>																												
Austin Housing Finance Corporation	Item ID	34507	Agenda Number	8.																								
Meeting Date:	8/7/2014		Department:	Neighborhood and Community Development																								
Subject																												
<p>Authorize an increase of \$300,000 to an existing loan to AUSTIN HABITAT FOR HUMANITY, INC., for the purpose of funding pre-development work on the 14-acre Meadow Lake Subdivision to be developed for homeownership opportunities for low- and moderate-income households, for a total loan amount not to exceed \$942,896.</p>																												
Amount and Source of Funding																												
Funding is available in the FY 2013-2014 Austin Housing Finance Corporation Operating Budget.																												
Fiscal Note																												
There is no unanticipated fiscal impact. A fiscal note is not required.																												
Purchasing Language:																												
Prior Council Action:																												
For More Information:	Contact Elizabeth A. 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:	April 11, 2013 – The Austin Housing Finance Corporation Board approved a loan in the amount of \$642,896 for the acquisition of a 14-acre tract to be developed as the Meadow Lake Subdivision.																											
MBE / WBE:																												
Related Items:																												
Additional Backup Information																												
<p>If approved, the existing loan to Austin Habitat for Humanity, Inc. (Habitat) will be increased by \$300,000 for pre-development work on the 14-acre Meadow Lake Subdivision located on Meadow Lake Drive off of Bluff Springs Road. The subdivision will be developed for no fewer than 60 new single-family homes.</p>																												
<b><u>Funding Request</u></b>																												
<ul style="list-style-type: none"> <li>If approved, the Austin Housing Finance Corporation (AHFC) funds will represent \$15,715 per unit or approximately 11 percent of the total project cost estimated to be \$8.6 million. The additional funding will come from Community Development Block Grant (CDBG) funds.</li> <li>Estimated sources and uses for the project are as follows:</li> </ul>																												
<table> <tr> <td colspan="2"><b>Sources:</b></td> <td colspan="2"><b>Uses:</b></td> </tr> <tr> <td>Austin Habitat for Humanity</td> <td>\$7,164,562*</td> <td>Acquisition</td> <td>\$ 642,896</td> </tr> <tr> <td>Lender Line of Credit</td> <td>525,000</td> <td>Pre-development</td> <td>300,000</td> </tr> <tr> <td>Existing AHFC Loan</td> <td>642,896</td> <td>Construction</td> <td>7,419,962</td> </tr> <tr> <td>New AHFC Funding</td> <td>300,000</td> <td>Soft &amp; Carrying Costs</td> <td>269,600</td> </tr> <tr> <td colspan="2" style="text-align: right;">TOTAL \$8,632,458</td> <td colspan="2" style="text-align: right;">TOTAL \$8,632,458</td> </tr> </table>					<b>Sources:</b>		<b>Uses:</b>		Austin Habitat for Humanity	\$7,164,562*	Acquisition	\$ 642,896	Lender Line of Credit	525,000	Pre-development	300,000	Existing AHFC Loan	642,896	Construction	7,419,962	New AHFC Funding	300,000	Soft & Carrying Costs	269,600	TOTAL \$8,632,458		TOTAL \$8,632,458	
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\*This amount includes in-kind volunteer services and donations of labor and supplies, as well as community support.

- The request for funding is consistent with the City of Austin's currently approved Consolidated Plan and the AHFC's strategy to provide assistance through below market-rate financing for the development of affordable ownership housing for low- and moderate-income households and for persons with special needs.

#### **Project Characteristics**

- Homes will consist of two to five bedrooms, depending upon the family's needs. The size of the homes will range from 900 square feet to 1,400 square feet.
- Prices will range from \$105,000 to \$120,000. However, each household's mortgage would range from \$65,000 to \$80,000. Habitat will provide a zero percent (0%) interest second mortgage which would require no repayment until the home is sold.
- The typical monthly payment for principal, interest, taxes, and insurance will be approximately \$500.
- To ensure long-term affordability of the homes, Habitat uses a Shared Equity and Right of First Refusal model of ownership.

#### **Population Served**

All buyers must have total household incomes at or below 80 percent of the Median Family Income (MFI) currently \$60,300 for a four-person household in the Austin area. Buyers must successfully complete Habitat's homeownership program and contribute a certain number of hours of "sweat equity" to qualify.

#### **Organization**

Austin Habitat for Humanity is a 501(c)(3) non-profit organization founded in 1985. Its mission and vision are anchored around our dedication to ending the cycle of poverty housing and the deeply held belief that everyone deserves a decent, affordable place to live. To date, Habitat has built more than 365 homes in the Austin area.