

Recommendation for Board Action				
Austin Housing Finance Corporation	Item ID	36919	Agenda Number	2.
Meeting Date:	11/6/2014		Department:	Neighborhood and Community Development
Subject				
<p>Approve the negotiation and execution of a loan to Foundation Communities, Inc. in an amount not to exceed \$1,200,000 for the construction of Garden Terrace, Phase III, an expansion of the existing Garden Terrace, a single room occupancy facility located at 1015 West William Cannon Drive, which provides housing for extremely low-income and formerly homeless individuals.</p>				
Amount and Source of Funding				
<p>Funding is available in the Fiscal Year 2014-15 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:	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:				
MBE / WBE:				
Related Items:				
Additional Backup Information				
<p>If approved, funding would be made available for a \$1,200,000 loan to Foundation Communities, Inc. to construct a 20-unit expansion of Garden Terrace, a single room occupancy facility originally opened in 2003. Garden Terrace is a former nursing home converted to an 88-unit facility to house extremely low-income and formerly homeless individuals. A second phase was completed in 2008, creating 15 new units by rehabilitating unused vacant space, and the third phase will bring the total unit count to 123.</p> <p>Funding Request Foundation Communities, Inc. submitted an application for funding to Austin Housing Finance Corporation (AHFC) requesting \$1,200,000 to assist with the expansion of Garden Terrace, located at 1015 West William Cannon Drive.</p> <ul style="list-style-type: none"> • If approved, the funding will represent \$60,000 per unit. • Estimated sources and uses for the project are as follows: 				

<u>Sources</u>		<u>Uses</u>	
AHFC Funds	\$1,200,000	Construction	\$1,429,405
Federal Home Loan Bank	<u>350,000</u>	Pre-development	79,595
TOTAL	\$1,550,000	Soft Costs	<u>41,000</u>
		TOTAL	\$1,550,000

- The funding source anticipated to be used for the expansion is General Obligation (GO) Bond funds.
- 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 rental housing for low- and moderate-income households and persons with special needs.
- AHFC staff recommends funding for the proposed project because it creates new affordable rental units for extremely low-income persons, offers long-term affordability, Permanent Supportive Housing (PSH), and is located on West William Cannon Drive in close proximity to public transportation, retail services, healthcare and employment.
- The Housing Bond Review Committee met on February 12, 2014 and concurred with staff's review of the funding application.
- Garden Terrace is located in the Far South Austin Community Association, and the association had no opposition to the expansion.

Project Characteristics

- The location is 1015 West William Cannon. The property currently consists of 103 units of approximately 400 square feet each with a kitchenette and bathroom. Common spaces for resident use will include a lounge and community kitchen.
- Four of the 20 new units will be operated as Permanent Supportive Housing.

Population Served

Garden Terrace will be contractually obligated to serve individuals with incomes at or below 50 percent of the Median Family Income (MFI), currently \$26,400 for a single person. However, the average current resident's income at Garden Terrace is less than half that at \$11,658, or 22 percent MFI.

Foundation Communities

Foundation Communities, Inc. has been in operation for over 20 years and has successfully developed and managed 18 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 sixth SRO property developed by Foundation Communities. The other properties are Spring Terrace, Skyline Terrace, Arbor Terrace, and Capital Studios, which is nearing completion, and Bluebonnet Studios which is currently being developed.