

A G E N D A



Recommendation for Council Action

Austin City Council		Item ID	40279	Agenda Number	21.
Meeting Date:	2/12/2015			Department:	Neighborhood and Community Development
Subject					
Approve a resolution authorizing a loan in an amount not to exceed \$1,875,000 to Foundation Communities, Inc. or an affiliate, for a proposed rental development, to be known as Cardinal Point Apartments, located at 11011 1/2 Four Points Drive, with the loan being conditioned upon the award of tax credits to Foundation Communities, Inc. by the Texas Department of Housing and Community Affairs for the proposed project.					
Amount and Source of Funding					
Funding for this commitment resides in the budget of the Austin Housing Finance Corporation, a Texas public, non-profit corporation, which was created by and is an instrumentality of the City of Austin.					
Fiscal Note					
There is no unanticipated fiscal impact. A fiscal note is not required.					
Purchasing Language:					
Prior Council Action:					
For More Information:	Betsy Spencer, NHCD Director, 512-974-3182; David Potter, NCHD Program Manager, 512-974-3192				
Boards and Commission Action:					
MBE / WBE:					
Related Items:					
Additional Backup Information					
<p>If approved, the resolution will be included in the application submitted by Foundation Communities, Inc. to the Texas Department of Housing and Community Affairs (TDHCA) for the 2015 Low Income Housing Tax Credit cycle. Applications that have a commitment of funding from a unit a local government, even if the commitment is conditioned upon the award of tax credits, will qualify for a certain number of points in this competitive process.</p> <p>One extra point will be given if the resolution specifies the funds will be provided as a permanent loan with a minimum loan term of 15 years. The loans from the Austin Housing Finance Corporation provided to organizations that develop affordable housing have terms that are typically 20 years or more, up to 99 years.</p> <p>This year, TDHCA has \$3.7 million tax credits allocated to Texas Region 7 which includes Austin and surrounding counties. The maximum award of tax credits for a project in Region 7 is \$1.5 million. Therefore, it is likely that only two or three projects can be funded in this region. This resolution would only permit funding if Foundation Communities receives an award of tax credits for this proposed project.</p> <p>Full applications are due to TDHCA on February 27, 2015, and the announcement of tax credit awards will take place at the July 2015 TDHCA Board Meeting.</p>					