

<b>Recommendation for Board Action</b>				
Austin Housing Finance Corporation	Item ID	40197	Agenda Number	5.
Meeting Date:	2/12/2015		Department:	Neighborhood and Community Development
Subject				
<p>Authorize the negotiation and execution of a loan agreement, subject to the award of Low Income Housing Tax Credits from the Texas Department of Housing and Community Affairs, with Foundation Communities, Inc., or an affiliate, in an amount not to exceed \$1,875,000 for a proposed multi-family rental development to be known as Cardinal Point Apartments, located at 11011 ½ Four Points Drive.</p>				
Amount and Source of Funding				
<p>Funding is available in the Fiscal Year 2014-2015 Capital Budget of the Austin Housing Finance Corporation.</p>				
Fiscal Note				
<p>There is no unanticipated fiscal impact. A fiscal note is not required.</p>				
Purchasing Language:				
Prior Council Action:				
For More Information:	Elizabeth A. Spencer, Treasurer, Austin Housing Finance Corporation, 512-974-3182; or David Potter, AHFC Neighborhood Development Program Manager, 512-974-3192.			
Boards and Commission Action:				
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., or an affiliated entity, provided its application No. 15232 to the Texas Department of Housing and Community Affairs (TDHCA) receives an award of Low Income Housing Tax Credits. TDHCA will announce tax credit awards at its July 2015 board meeting.</p> <p><b><u>Funding Request</u></b></p> <ul style="list-style-type: none"> <li>▪ If approved, the \$1,875,000 will be used to assist with the acquisition of the property.</li> <li>▪ AHFC funds would represent approximately 9.3 percent of the total project cost, with an average cost of AHFC funds at \$15,000 per unit.</li> <li>▪ Estimated Sources and Uses for the project are as follows:</li> </ul>				

**Sources:**

Tax Credit Equity      \$14,398,560  
 Private Lender Loan      3,135,000  
 Deferred Developer Fee      567,448  
 Proposed AHFC Funds      1,875,000  
**Total      \$19,976,008**

**Uses:**

Acquisition      \$ 2,502,500  
 Pre-Development      555,205  
 Construction/Hard Costs      13,026,971  
 Soft & Carrying Costs      1,440,735  
 Reserves & Developer Fee      2,450,597  
**Total      \$19,976,008**

**Project Characteristics**

- 125 affordable units to be built in the Four Points area.
- Unit mix: 56 one-bedroom/one-bath units      Rent: approximately \$565      775 square feet  
                  50 two-bedroom/two-bath units      Rent: approximately \$680      1,025 square feet  
                  19 three-bedroom/three-bath units      Rent: approximately \$730      1,302 square feet
- Cardinal Point Apartments will have 13 Permanent Supportive Housing units.
- 13 units will be made accessible for persons with mobility disabilities, and at least 3 units will be made accessible for persons with hearing and sight disabilities.
- Foundation Communities will offer its signature Children's HOME Initiative that provides intensive case management for families with children that are exiting homelessness and working to make lasting changes in their lives to help them achieve self-sufficiency.
- Other supportive services for residents will include an after-school program, adult classes including English as a Second Language, money management, homebuyer education, and computer training. Residents will also have access to Foundation Communities' programs for financial education, financial coaching, matched savings accounts, college Savings and financial assistance and free income tax return preparation.
- Smoking will not be permitted in resident units and only allowed in certain areas away from building entrances. This helps support Imagine Austin Priority Program # 7: Create a Healthy Austin.

**Population Served**

- Ten percent of units will be reserved for individuals with incomes less than \$20,350 per year (30% of the Median Family Income [MFI] for a 3-person household).
- Fifty percent of units will be reserved for individuals with incomes less than \$27,150 per year (40% of MFI for a 3-person household.)
- Forty percent of units will be reserved for individuals with incomes less than \$40,740 per year (60% of MFI for a 3-person household.)

**Foundation Communities**

Foundation Communities, Inc. has been in operation for over 20 years and has successfully developed and managed 19 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.