

Recommendation for Board Action																
Austin Housing Finance Corporation	Item ID	39312	Agenda Number	2.												
Meeting Date:	4/2/2015	Department:	Neighborhood and Community Development													
Subject																
<p>Authorize negotiation and execution of a loan agreement in an amount not to exceed \$500,000 with FOUNDATION COMMUNITIES, INC., or an affiliated entity, for the purpose of developing a multi-family residential facility at 13635 Rutledge Spur, to be known as the Lakeline Station Apartments, for low-income individuals and families.</p>																
Amount and Source of Funding																
Funding is available in the Fiscal Year 14-15 Capital Budget of the Austin Housing Finance Corporation.																
Fiscal Note																
A fiscal note is attached.																
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:	<p>February 13, 2014 – The AHFC Board authorized negotiation and execution of a loan for \$2,475,000, subject to the award of Low Income Housing Tax Credits from the state.</p> <p>August 7, 2014 – Subsequent to the award of Low Income Housing Tax Credits, authorized negotiation and execution of a loan for \$2,475,000.</p>															
MBE / WBE:																
Related Items:																
Additional Backup Information																
<p>If approved, the Austin Housing Finance Corporation (AHFC) will be authorized to negotiate and execute a \$500,000 loan to Foundation Communities, Inc., or an affiliate organization, which would increase total funding from AHFC for Lakeline Station to \$2,975,000. The purpose of the loan is to assist with the development of 128 units of multi-family rental housing that would be affordable to low-income families and individuals.</p> <p><u>Funding Request</u></p> <ul style="list-style-type: none"> If approved, the \$500,000 will be used to assist with the construction costs. AHFC funds would represent approximately 14.5 percent of the total project cost, with an average cost of AHFC funds at \$30,172 per unit. Estimated Sources and Uses for the project are as follows: <table border="0" style="width: 100%;"> <tr> <td colspan="2"><u>Sources:</u></td> <td colspan="2"><u>Uses:</u></td> </tr> <tr> <td>Tax Credit Equity</td> <td>\$ 12,794,468</td> <td>Acquisition</td> <td>\$ 4,010,000</td> </tr> <tr> <td>Owner equity</td> <td>903,251</td> <td>Pre-Development</td> <td>535,700</td> </tr> </table>					<u>Sources:</u>		<u>Uses:</u>		Tax Credit Equity	\$ 12,794,468	Acquisition	\$ 4,010,000	Owner equity	903,251	Pre-Development	535,700
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Tax Credit Equity	\$ 12,794,468	Acquisition	\$ 4,010,000													
Owner equity	903,251	Pre-Development	535,700													

Private Lender Loan	4,657,040	Construction/Hard Costs	15,393,906
Prior AHFC funding	2,475,000	Soft & Carrying Costs	<u>3,511,229</u>
Current AHFC funding	500,000	Total	\$23,450,835
Federal Home Loan Bank	750,000		
Deferred Developer Fee	<u>1,371,076</u>		
Total	\$23,450,835		

Project Characteristics

- One hundred twenty-eight affordable units to be built on property adjacent to the MetroRail Lakeline Station.
- Unit mix: 58 one-bedroom/one-bath units Rent: approximately \$570 750 square feet
50 two-bedroom/two-bath units Rent: approximately \$680 975 square feet
20 three-bedroom/three-bath units Rent: approximately \$750 1,200 square feet
- Lakeline Station will have 1 Permanent Supportive Housing units.
- Six units will be made accessible for persons with mobility disabilities, and at least 2 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 households with incomes less than \$22,600 per year (30% of the Median Family Income [MFI] for a 4-person household).
- Fifty percent of units will be reserved for households with incomes less than \$37,700 per year (50% of MFI for a 4-person household.)
- Forty percent of units will be reserved for households with incomes less than \$45,240 per year (60% of MFI for a 4-person household.)

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.