

<b>Recommendation for Board Action</b>																
Austin Housing Finance Corporation	Item ID	39242	Agenda Number	3.												
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 \$1,000,000 with FOUNDATION COMMUNITIES, INC., or an affiliated entity, for the purpose of developing a single room occupancy residential facility at 2301 South Lamar Boulevard, to be known as Bluebonnet Studios, for very low-income individuals and individuals exiting homelessness.</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 \$2,000,000, 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 \$2,000,000.</p>															
MBE / WBE:																
Related Items:																
Additional Backup Information																
<p>If approved, the Austin Housing Finance Corporation (AHFC) would be authorized to negotiate and execute a loan to Foundation Communities, Inc. The purpose of the loan is to develop a 107-unit Single Room Occupancy (SRO) facility, meaning that each unit houses only one person.</p> <p><b>Funding Request</b></p> <ul style="list-style-type: none"> <li>If approved, the \$1,000,000 will be used to assist with the construction of the new facility. Prior AHFC funds were used for acquisition of the property.</li> <li>AHFC funds would represent approximately 19 percent of the total project cost, with an average cost of AHFC funds at \$28,037 per unit.</li> <li>Estimated Sources and Uses for the project are as follows: <table border="0" style="width: 100%;"> <tr> <td colspan="2"><b>Sources:</b></td> <td colspan="2"><b>Uses:</b></td> </tr> <tr> <td>Tax Credit Equity</td> <td>\$ 8,623,328</td> <td>Acquisition</td> <td>\$ 2,323,000</td> </tr> <tr> <td>NeighborWorks America</td> <td>550,000</td> <td>Pre-Development</td> <td>689,923</td> </tr> </table> </li> </ul>					<b>Sources:</b>		<b>Uses:</b>		Tax Credit Equity	\$ 8,623,328	Acquisition	\$ 2,323,000	NeighborWorks America	550,000	Pre-Development	689,923
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Tax Credit Equity	\$ 8,623,328	Acquisition	\$ 2,323,000													
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Previous AHFC funding	2,000,000	Construction/Hard Costs	10,869,232
Proposed AHFC funding	1,000,000	Soft & Carrying Costs	<u>2,057,769</u>
Owner Equity	1,999,672	<b>Total</b>	<b>\$15,939,924</b>
Deferred Developer Fee	766,924		
Federal Home Loan Bank	<u>1,000,000</u>		
<b>Total</b>	<b>\$15,939,924</b>		

#### **Project Characteristics**

- One hundred seven Single Room Occupancy units to be built on South Lamar Boulevard, offering affordability in a location where new, high-end multi-family properties predominate.
- Located within the South Lamar Vertical Mixed Use Overlay.
- Individual units will house one person only, and the size of each unit will be approximately four hundred fifty square feet.
- Bluebonnet Studios will have twenty-one Permanent Supportive Housing units.
- Twelve units will be made accessible for persons with mobility disabilities, and at least three units will be made accessible for persons with hearing and sight disabilities.
- A wide variety of services will be available to residents depending on their individual needs. The services can include: case management, mental health counseling, life skills training, budgeting and money management, advocacy for benefits or entitlements, computer literacy, and vocational and supported employment services.
- No smoking will be permitted anywhere on the property. This helps support *Imagine Austin* Priority Program #7: Create a Healthy Austin.

#### **Population Served**

- Twenty percent of units will be reserved for individuals with incomes less than \$15,850 per year (30 percent of the Median Family Income [MFI] for a 1-person household).
- Twenty percent of units will be reserved for individuals with incomes less than \$21,100 per year (40 percent of MFI for a 1-person household).
- Sixty percent of units will be reserved for individuals with incomes less than \$26,400 per year (50 percent of MFI for a 1-person household).

#### **Foundation Communities**

Foundation Communities, Inc. has been in operation for over twenty years and has successfully developed and managed eighteen 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. Bluebonnet Studios will be the sixth SRO property developed by Foundation Communities. The other properties are Garden Terrace, Spring Terrace, Skyline Terrace, Arbor Terrace, and the recently completed Capital Studios.