

AGENDA



Recommendation for Board Action

Austin Housing Finance Corporation	Item ID	63793	Agenda Number	2.
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Meeting Date:	2/9/2017	Department:	Neighborhood and Community Development
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Subject

Approve the negotiation and execution of a loan agreement with Govalle Affordable Housing L.P., an affiliate of the Cesar Chavez Foundation, or an affiliated entity, in an amount not to exceed \$2,808,000 for a mixed-income multi-family rental development to be known as the Govalle Terrace, located on Shady Lane within the thinkEAST Planned Unit Development. (District 3)

Amount and Source of Funding

Funding is available in the Fiscal Year 2016-2017 Capital and Operating Budgets of the Austin Housing Finance Corporation.

Fiscal Note

A fiscal note is attached.

Purchasing Language:	
Prior Council Action:	
For More Information:	Rosie Truelove, AHFC Treasurer, 512-974-3064; David Potter, Program Manager, 512-974-3192.
Council Committee, Boards and Commission Action:	
MBE / WBE:	
Related Items:	

Additional Backup Information

If approved, the Austin Housing Finance Corporation (AHFC) would be authorized to enter into a loan agreement with the non-profit Cesar Chavez Foundation, or an affiliated entity, to develop 97 units of mixed-income multi-family rental housing in the thinkEAST Planned Unit Development (PUD). The proposed development is located in Council District 3.

The Housing Bond Review Committee (HBRC) met October 4, 2016 to review this application proposed to be funded with General Obligation Bond (G.O. Bond) funds. The HBRC is an advisory committee created to ensure applications that may be funded with G.O. Bond funds are scored in compliance with program guidelines.

Funding Request

- If approved, \$1,600,000 of federal Community Development Block Grant funding will be used for acquisition of the property, and \$1,208,000 of affordable housing General Obligation Bond funds will be used to assist with the development and construction.

- AHFC funding would represent approximately 18 percent of the total project cost, with an average cost of AHFC funds at \$80,228 per AHFC-assisted unit.
- Additional financing is anticipated from non-competitive Low Income Housing Tax Credits and from Private Activity Bonds issued by the Austin Housing Finance Corporation.
- Estimated Sources and Uses for the project are as follows:

Sources:

Private Activity Bonds	\$ 6,932,000
Tax Credits	4,599,962
AHFC funding	2,808,000
Deferred Developer Fee	<u>1,069,922</u>
Total	\$ 15,409,844

Uses:

Acquisition	\$ 1,600,000
Pre-Development	650,000
Construction/Hard Costs	9,643,759
Soft & Carrying Costs	<u>3,516,125</u>
Total	\$ 15,409,844

Project Characteristics

- 97 units to be built on property in the thinkEAST PUD.
- Unit mix: 10 studio/one-bath units (approximately 500 square feet)
 35 one-bedroom/one-bath units (approximately 600 square feet)
 38 two-bedroom/two-bath units (approximately 800 square feet)
 14 three-bedroom/two-bath units (approximately 1,000 square feet)
- Ten 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.

Population Served

- CCF has obtained a written agreement from LifeWorks to provide 4 PSH units to Youth Aging out of Foster Care. These four (4) units will be reserved for individuals with incomes at or below 30% of the Median Family Income (MFI), currently \$16,350 for a single-person household.
- Thirty-one (31) units will be reserved for individuals or families with incomes at or below 50% MFI, currently \$27,250 for a single-person household and \$38,900 for a 4-person household.
- Forty-two (42) units will be reserved for individuals and families with income at or below 60% MFI, currently \$32,700 for a single-person household and \$46,680 for a 4-person household.
- Nineteen (19) units will have no income restrictions.
- One (1) unit will be reserved for the property manager.

Current Property Tax Status and Future Impact

The property currently has no property tax exemptions. The Travis Central Appraisal District will determine whether the residential use of this vacant property will be eligible for any exemptions after the property is developed.

The Cesar Chavez Foundation

CCF is a California 501(c)(3) nonprofit corporation, founded in 1966 by César E. Chávez who envisioned an organization that would provide social services, alongside the work being done by the United Farm Workers, for the farm workers laboring in the fields. Since its inception, the Foundation's emphasis on housing integrated with social services has been crucial to the enrichment of the communities they serve. CCF serves tens of thousands of individuals through affordable housing development, educational programming, and broadcast communications and through their conference center in Keene, CA. The organization has expanded its reach from primarily serving farm workers to addressing quality of life issues for individuals, families and communities throughout the Southwest.

For more information on the proposed project, as well as socioeconomic characteristics and amenities in the surrounding area, please see the project's Development Information Packet here:

<https://austintexas.gov/page/fy-16-17-funding-applications>

