

Recommendation for Board Action												
Austin Housing Finance Corporation	Item ID	63795	Agenda Number	3.								
Meeting Date:	2/9/2017		Department:	Neighborhood and Community Development								
Subject												
<p>Approve the negotiation and execution of a loan agreement with the Guadalupe Neighborhood Development Corporation, or an affiliated entity, in an amount not to exceed \$1,281,460 for the development of seven affordable rental units to be located at 1902-B Willow Street, 2808-A and 2808-B Gonzales Street, 705-A and 705-B Lydia Street, and 2800-A and 2800-B Prado Street. (District 3).</p>												
Amount and Source of Funding												
Funding is available in the Fiscal Year 2016-2017 Operating Budget of the Austin Housing Finance Corporation.												
Fiscal Note												
There is no unanticipated fiscal note. A fiscal note is not required.												
Purchasing Language:												
Prior Council Action:												
For More Information:	Rosie Truelove, AHFC Treasurer, 512-974-3064; David Potter, 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 the non-profit Guadalupe Neighborhood Development Corporation (GNDC), or an affiliated entity, to develop four secondary dwelling units (also known as "Alley Flats") and three single-family rental homes at various locations in the Guadalupe Neighborhood. The proposed units will be located in Council District 3.</p> <p><u>Funding Request</u></p> <ul style="list-style-type: none"> \$1,281,460 of federal funds will be used to assist with the development and construction of the seven units. AHFC funding would represent approximately 50% percent of the total project cost, with an average cost of AHFC funds at \$183,065 per AHFC-assisted unit. Estimated Sources and Uses for the project are as follows: <table border="0" style="width: 100%;"> <tr> <td style="width: 30%;"><u>Sources:</u></td> <td style="width: 30%;"></td> <td style="width: 30%;"><u>Uses:</u></td> <td style="width: 10%;"></td> </tr> <tr> <td>Owner Equity</td> <td>\$1,177,000</td> <td>Acquisition</td> <td>\$1,210,000</td> </tr> </table>					<u>Sources:</u>		<u>Uses:</u>		Owner Equity	\$1,177,000	Acquisition	\$1,210,000
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Owner Equity	\$1,177,000	Acquisition	\$1,210,000									

Requested AHFC funding	1,284,460	Pre-Development	\$52,100
Private Lender Loan	58,000	Construction/Hard Costs	1,251,360
		Soft & Carrying Costs	6,000
Total	\$2,519,460	Total	\$2,519,460

Project Characteristics

- GNDC is aiming for a 5-star City of Austin Green Building rating for these units. At a minimum, a 3-star rating will be achieved.
- Housing on sites with adequate sun exposure and appropriate site conditions will be developed to include solar arrays.
- The four Alley Flats will be approximately 895 square feet each with one bedroom and one bathroom
- The three single-family homes to be constructed will be 3-bedroom/2.5-bath, approximately 1,350 to 1,400 square feet each.
- Rents will range from \$325 per month to \$800 per month.
- Two units will be made accessible for persons with mobility disabilities. Four units will be adaptable for persons with mobility disabilities, and all seven units will be adaptable for hearing and sight disabilities.

Population Served

- Two units will be reserved for households with incomes at or below 30% of the Median Family Income (MFI), or \$18,700 for a 2-person household.
- The remaining units will be reserved for households with incomes at or below 50% MFI, or \$35,050 for a 3-person household.

Current Property Tax Status and Future Impact

All of the properties are 50% tax exempt, and it is anticipated that this exemption will continue unless there is a change in the Property Tax Code.

GNDC

GNDC is a 501(c)(3) non-profit organization that was formed in 1981. GNDC has rehabilitated over 100 homes and has provided affordable ownership opportunities for more than 50 families. GNDC also owns and operates affordable rental units, both single-family and multi-family rental units.

For more information, go to the following link: <http://austintexas.gov/page/fy-15-16-funding-applications>