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Recommendation for Board Action

Austin Housing Finance Corporation	Item ID	63819	Agenda Number	4.
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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 the Guadalupe Neighborhood Development Corporation, or an affiliated entity, in an amount not to exceed \$964,610 for the development of 8 homes to be sold to low- to moderate-income buyers in the Guadalupe-Saldaña Net-Zero Subdivision. (District 3)

Amount and Source of Funding

Funds are available in the Fiscal Year 2016-2017 Operating Budget of the Austin Housing Finance Corporation.

Fiscal Note

There is no unanticipated fiscal impact. 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

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 8 single-family homes in the 11-acre Guadalupe-Saldaña Net-Zero Subdivision, located near Tillery and Goodwin. The proposed new homes will be 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

- \$964,610 of federal funds will be used to assist with the development and construction of the 8 homes.

- 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:

<u>Sources:</u>		<u>Uses:</u>	
Owner Equity	\$1,177,000	Acquisition	\$ 890,150
Requested AHFC funding	319,850	Pre-Development	52,100
Private Lender Loan	<u>58,000</u>	Construction/Hard Costs	1,251,360
Total	\$2,199,610	Soft & Carrying Costs	<u>6,000</u>
		Total	\$ 2,199,610

Project Characteristics

- GNDC is using the Community Land Trust model of ownership, whereby, GNDC will retain ownership of the land, leasing it to the homebuyers for 99 years, and the homebuyer purchases the improvements.
- GNDC will be attempting achieve 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.

Population Served

- All homes will be affordable to households with incomes at or below 80% of the Median Family Income (MFI), or \$62,250 for a 4-person household.
- At least four homes will be made available to buyers with incomes at or below 60% MFI, or \$46,680 for a 4-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.

Guadalupe Neighborhood Development Corporation (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>