

<b>Recommendation for Board Action</b>				
Austin Housing Finance Corporation	Item ID	68982	Agenda Number	1.
Meeting Date:	3/23/2017		Department:	Neighborhood and Community Development
Subject				
<p>Authorize an amendment to Austin Housing Finance Corporation Motion No. 20141211-002 to increase the amount of a loan agreement to be negotiated and executed with Austin Travis County Integral Care, or an affiliated entity, in an amount equal to \$888,112, for a total amount not to exceed \$3,888,112, that will assist with the development of a Permanent Supportive Housing facility to be located at 3000 Oak Springs Drive and serve extremely low-income persons. (District 1).</p>				
Amount and Source of Funding				
Funding is available in the Fiscal Year 2016-2017 Capital Budget of the Austin Housing Finance Corporation.				
Fiscal Note				
A fiscal note is attached.				
Purchasing Language:				
Prior Council Action:	May 5, 2016 – Council approved resolution No. 20160505-036 to be submitted with the Low Income Housing Tax Credit application to be submitted by Austin Travis County Integral Care (ATCIC) for the Housing First Oak Springs Apartments.			
For More Information:	Rosie Truelove, Treasurer, Austin Housing Finance Corporation, 512-974-3064; David Potter, Program Manager, Neighborhood Housing and Community Development, 512-974-3192.			
Boards and Commission Action:	<p>December 11, 2014 – The Austin Housing Finance Corporation Board of Directors by AHFC Motion No. 20141211-002 authorized negotiation and execution of a loan agreement with ATCIC in the amount of \$3,000,000 for this development.</p> <p>June 23, 2016 – AHFC Board authorized inducement of up to \$13,000,000 in private activity volume cap for the Housing First Oak Springs.</p> <p>August 4, 2016 – AHFC Board conducted a public hearing as required by the Tax Equity and Fiscal Reform Act of 1982 (TEFRA).</p> <p>March 23, 2017 – In a related item the AHFC Board will consider taking action on the issuance of up to \$13,000,000 in private activity bonds for Housing First Oak Springs.</p>			
MBE / WBE:				
Related Items:				
Additional Backup Information				
<p>If approved, this action would increase by \$888,112, \$3,000,000 loan amount that was approved by the Austin Housing Finance Corporation (AHFC) for the negotiation and execution of a loan to help finance the development of 50-units of Permanent Supportive Housing (PSH) using the “Housing First” model. The property, located at 3000 Oak Springs Drive, is located in District 1.</p>				

### **Proposed Project**

In 2014, Austin Travis County Integral Care (ATCIC) responded to a Request for Proposals issued by AHFC and was selected to develop 50-units of "Housing First" PSH. The development would be 100% affordable to households with incomes at or below 50% Median Family Income (MFI), currently \$27,250 for a 1-person household. The development, known as the Housing First Oak Springs, is proposed to be partially funded with 4% Low Income Housing Tax Credits, and Private Activity Bonds issued by AHFC.

### **Estimated Sources of Funds**

<b><u>Sources</u></b>		<b><u>Uses</u></b>	
Private Activity Bonds	\$ 12,254,310	Land	\$ 676,500
Department State Health Services	3,695,000	Construction Cost	15,597,091
AHFC	3,000,000	Financing	1,394,320
Additional AHFC Funding	888,112	Reserves & Developer Fee	<u>3,169,511</u>
Tax Credit Equity	<u>1,000,000</u>	<b>Total</b>	<b>\$ 20,837,422</b>
<b>Total</b>	<b>\$ 20,837,422</b>		

### **Project Attributes**

- The target population will be individuals with incomes at or below 30% of the Median Family Income (MFI), currently \$16,350 for a 1-person household, but will be restricted to persons with incomes no greater than 50% MFI.
- All units will be PSH units, and will be operated under the "Housing First" model, which serves individuals who have experienced chronic homelessness and have one or more barriers to maintaining housing.
- ATCIC currently owns the property.
- The unit mix will include:
  - 50 1-bed/1-bath efficiency units.
- Tenants will have access to a range of support services including person-centered services based on individual needs, ongoing case management, and access to mainstream services.
- This development will help to achieve the city-wide four-year goal of 400 Permanent Supportive Housing (PSH) units, to include 200 Housing First PSH units, by the year 2019.

### **Current Property Tax Status and Future Impact**

The property is currently 100% exempt from property taxation according to Travis Central Appraisal District and is owned by ATCIC.

### **Austin Travis County Integral Care**

ATCIC has developed 31 properties including 13 apartment complexes and 8 community living facilities, and currently operates 44 facilities. In the past ten years, ATCIC has acquired and rehabilitated 5 buildings, and continued to manage 15 additional properties during this time. Three of these properties were Permanent Supportive Housing (PSH) communities, with two of these communities serving individuals under the Housing First model.

ATCIC was established in 1967 and provides community-based mental health, and substance abuse services to adults and children who are the most severely disabled and who are most in need of services. These services include psychiatric evaluations, 24-hour crisis interventions, medication treatment, inpatient treatment, employment and vocational services, service coordination, family support and respite care, housing information and referral, supported living and residential services.

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: <http://austintexas.gov/page/fy-15-16-funding-applications>.