

AGENDA



Recommendation for Board Action

AUSTIN HOUSING FINANCE CORPORATION (AHFC)

AHFC Meeting: December 7, 2017

Item Number: AHFC003

Consent

Approve a resolution authorizing the issuance of Austin Housing Finance Corporation Multi-family Housing Revenue Bonds, in an aggregate principal amount not to exceed \$11,500,000; approving related documents, in substantially the form attached to the resolution, to provide financing for the development of the Housing First Oak Springs Project, located at 3000 Oak Springs Drive; and authorizing specific named representatives of the Austin Housing Finance Corporation to execute the documents relating to issuance of the bonds and closing of the transaction.

District(s) Affected: District 1

Fiscal Note	There is no anticipated fiscal impact.
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 for the Housing First Oak Springs Apartments.
For More Information	Rosie Truelove, Treasurer, Austin Housing Finance Corporation, 512-974-3182; David Potter, Neighborhood Development Program Manager, Austin Housing Finance Corporation, 512-974-3192.
Council Committee, Boards and Commission Action	<p>December 11, 2014- The Austin Housing Finance Corporation Board of Directors authorized negotiation and execution of a loan agreement with ATCIC in the amount of \$3,000,000 for this development.</p> <p><u>June 23, 2016</u>- Austin Housing Finance Corporation Board authorized inducement of up to \$13,000,000 in private activity volume cap for the Housing First Oak Springs Apartments.</p> <p><u>August 4, 2016</u>- Austin Housing Finance Corporation Board conducted a public hearing as required by the Tax Equity and Fiscal Reform Act of</p>

	<p>1982.</p> <p><u>March 23, 2017</u>- Austin Housing Finance Corporation Board authorized an increase of \$888,112 to the loan approved on December 11, 2014 in an amount not to exceed \$3,888,112.</p> <p><u>October 19, 2017</u>- Because more than one year had elapsed since the August 4, 2016 public hearing, Austin Housing Finance Corporation Board conducted another public hearing as required by the Tax Equity and Fiscal Reform Act of 1982.</p>
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Additional Backup Information:

If approved, this action would authorize the Austin Housing Finance Corporation (AHFC) to issue up to \$11,500,000 in multi-family housing non-recourse bonds to provide interim and permanent financing for the development of the Housing First Oak Springs Apartments.

Proposed Project

Austin Travis County Integral Care (ATCIC) responded to a 2014 Request for Proposals Permanent Supportive Housing(PSH) issued by the AHFC and was selected to develop 50-units of "Housing First"Permanent Supportive Housing. The development is located at 3000 Oak Springs Drive and would be 100% affordable to households with incomes at or below 50% Median Family Income (MFI), currently \$28,500 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 (LIHTC), and Private Activity Bonds issued by AHFC.

Estimated Sources & Uses of Funds

<u>Sources</u>		<u>Uses</u>	
Private Activity Bonds	\$11,500,000	Land	\$676,500
TX Department of State Health Services	1,033,773	Construction Cost	15,620,827
Austin Housing Finance Corporation	3,888,112	Financing & Soft Costs	3,661,992
Tax Credit Equity	1,581,305	Reserves & Developer Fee	<u>2,318,581</u>
ATCIC Loan to Project	2,274,710	Total	\$22,277,900
Deferred Developer Fee	<u>2,000,000</u>		
Total	\$22,277,900		

Project Attributes

- The target population will be individuals with incomes at or below 30% of the Median Family Income (MFI), currently \$17,100 for a 1-person household, but will be restricted to persons with incomes no greater than 50% MFI, currently \$28,500 for a 1-person household.
- 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:
 - o 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 (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. It is anticipated this 100% tax exemption will be continued.

Austin Travis County Integral Care (ATCIC)

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 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>.

