

AGENDA



Recommendation for Board Action

AUSTIN HOUSING FINANCE CORPORATION (AHFC)

Regular Meeting: December 14, 2017

Item Number: **AHFC007**

Consent

Authorize an increase in the amount of a proposed loan agreement by \$1,000,000 to be negotiated and executed with LifeWorks Affordable Housing Corporation, or an affiliated entity, for a total amount not to exceed \$1,810,000, to assist with the development of the Works at Pleasant Valley, Phase II, to provide affordable rental housing for LifeWorks' clients at the site located at 2800 Lyons Road.

District(s) Affected: District 3

| | |
|--------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Lead Department | Neighborhood Housing and Community Development Department. |
| Fiscal Note | There is no fiscal impact. |
| 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. |
| Council Committee, Boards and Commission Action | June 8, 2017 - Austin Housing Finance Corporation Board authorized negotiation and execution of a loan agreement in the amount of \$810,000 for the development of Works at Pleasant Valley, Phase II. |

Additional Backup Information:

If approved, this action would increase by \$1,000,000 the \$810,000 that was approved by the

Austin Housing Finance Corporation (AHFC) for the negotiation and execution of a loan agreement with LifeWorks Affordable Housing Corporation (“LifeWorks”), or an affiliate, for a total loan amount not to exceed \$1,810,000. The purpose of the loan is to provide funding for the development of a second phase of its existing 45-unit Works at Pleasant Valley multi-family rental housing at 2800 Lyons Road. The property is located in District 3.

Proposed Project

LifeWorks plans to build a second phase consisting of 29 affordable rental units designed for youth who might otherwise be homeless and for young families with children. The first phase opened in 2014 and occupancy has always exceeded 95%, highlighting the need for more housing for this significantly underserved population.

Estimated Sources and Uses of Funds

| <u>Sources</u> | | <u>Uses</u> | |
|---------------------------------------------|--------------------|------------------------|--------------------|
| Texas Dept. Housing & Community Affairs | \$800,000 | Pre-development | \$297,338 |
| Private Lender Loan | 500,000 | Construction Costs | 3,164,323 |
| Approved AHFC Funding | 810,000 | Soft and Carrying Cost | 391,315 |
| Current AHFC Funding Request | 1,000,000 | Total | \$3,852,976 |
| Federal Home Loan Bank | 250,000 | | |
| Foundation Grants and In-Kind Contributions | 492,976 | | |
| Total | \$3,852,976 | | |

Population Served

- The tenant population will be a mixture, including:
 - o youth/young adults aging out of foster care;
 - o unaccompanied youth/formerly homeless youth;
 - o young, single head of household families; and
 - o teen parents.

Project Characteristics

- § The units will consist of efficiency, 1, 2, and 3 bedrooms, ranging in size from 397 to 997 square feet.
- § The unit mix will be:
 - o 9 units for residents with incomes at or below 30% MFI
 - o 14 units for residents with incomes at or below 50% MFI
 - o 4 units for residents with incomes at or below 60% MFI
 - o 2 units for residents with incomes at or below 80% MFI

- § LifeWorks will be reserving 5 units for “Housing First” Permanent Supportive Housing.
- § Services will be provided as needed, including case management, financial assistance, mental health counseling, employment assistance, literacy tutoring, GED preparation, and life skills training.

Current Property Tax Status and Future Impact

According to Travis Central Appraisal District website www.traviscad.org, the property currently has a 50% exemption from property taxation under the exemption “Public property for housing indigent persons.” After the development is constructed, LifeWorks will need to apply to TCAD in the event other exemptions are available.

LifeWorks Affordable Housing Corporation

LifeWorks Affordable Housing Corporation is a 501(c)(3) non-profit corporation formed in 2001 to provide decent, safe, and affordable housing for clients of Youth and Family Alliance, doing business as LifeWorks. LifeWorks was formed in 1998 through the merger of four non-profit organizations providing services to youth and families. LifeWorks supports youth and families to achieve self-sufficiency through counseling, housing, education/workforce training, and youth development.

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-16-17-funding-applications>.