

**RBA
AUSTIN HOUSING FINANCE CORPORATION
RECOMMENDATION FOR BOARD ACTION**

**AGENDA ITEM NO.: AHFC-3
AGENDA DATE: Thu 03/03/2005
PAGE: 1 of 2**

SUBJECT: Authorize the negotiation and execution of a Rental Housing Development Assistance Program deferred-payment forgivable loan in an amount not to exceed \$181,717 to UNITED CEREBRAL PALSY OF TEXAS, or its affiliate, for the acquisition of six units of affordable rental housing at 1201 Grove Boulevard for persons with disabilities.

AMOUNT & SOURCE OF FUNDING: Funding is available in Community Development Block Grant funding or HOME funding in the Fiscal Year 2004-2005 Austin Housing Finance Corporation budget allocation under the Rental Housing Development Assistance Program.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Austin Housing Finance
DEPARTMENT: Corporation

DIRECTOR'S
AUTHORIZATION: Paul Hilgers

FOR MORE INFORMATION CONTACT: Paul Hilgers, Director, Neighborhood Housing and Community Development, 974-3108.

PRIOR BOARD ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

United Cerebral Palsy (UCP) of Texas is a 501(c)3 private non-profit organization and member of a national of a national network of 106 affiliates that provide direct services and advocacy on behalf of individuals with disabilities. UCP Texas was established in 1954 and has been on the forefront in developing and providing quality innovative programs and services to help advance in the independence of people of disabilities. On a yearly basis, UCP Texas provides more than 1,000 people with disabilities with training and technical assistance, system advocacy, and new approaches to programs and services.

Rental Housing Development Assistance (RHDA) funds will be used to assist in the acquisition of six units of affordable rental housing for persons with disabilities in a 120-unit condominium complex located at 1201 Grove Boulevard. Historically, people with disabilities have been housed in congregate settings in which housing and supportive services have been linked. Through this innovative project, people with disabilities will choose where they want to live and become fully integrated into the community.

The condominium development consists of 30 buildings and a clubhouse scattered over an approximate nine-acre site. The complex is made of one-, two-, and three-bedroom units ranging in size from 550 to 1,200 square feet. UCP Texas will purchase two, two-bedroom units and four, one-bedroom units ranging in size from 610 to 1,036 square feet. All six units will serve families with yearly incomes not to exceed 50 percent of the Austin area's median family income (MFI – currently \$35,550 for a family of four), and residents will pay no more than 30 percent of their adjusted gross income toward rent and utilities. The difference between rental income and actual operating costs will be provided through Housing and Urban

RCA Serial#: 8073 Date: 03/03/05 Original: Yes

Published:

Disposition:

Adjusted version published:

**RBA
AUSTIN HOUSING FINANCE CORPORATION
RECOMMENDATION FOR BOARD ACTION**

**AGENDA ITEM NO.: AHFC-3
AGENDA DATE: Thu 03/03/2005
PAGE: 2 of 2**

Development (HUD) rent subsidies for a minimum of five years, available for up to forty years through renewals.

All six units are fully accessible for persons with mobility hearing and vision disabilities. All units have been developed in accordance with S.M.A.R.T. Housing™ standards. In addition, the project is compatible with the Montopolis Neighborhood Plan adopted by the Austin City Council in 2001.

The project was received in response to the Rental Housing Development Assistance (RHDA) program's Notice of Funding Availability (NOFA) that provides financial assistance for the development of affordable rental housing for low- and moderate-income households and persons with special needs. Estimated sources and uses of funds for the project are as follows:

<u>Sources:</u>		<u>Uses:</u>	
HUD Section 811 Grant	\$413,088	Acquisition	\$554,705
Owner Equity	2,065	Closing/Soft Costs	<u>42,165</u>
RHDA Financing	<u>181,717</u>		
Total	\$596,870	Total	\$596,870

Performance measures associated with the project are as follows:

1. Acquire six units of affordable rental housing for families with disabilities having yearly incomes not to exceed 50 percent of the Austin area's MFI.
2. Ensure that all six units are accessible for persons with mobility, hearing and vision disabilities.
3. Ensure that all units are in accordance with S.M.A.R.T. Housing™ standards.

Following Board approval, a deferred payment forgivable loan in an amount not to exceed \$181,717 for a term of 10 years at a zero percent interest rate, or such other terms as may be reasonable and proper to finance the project, will be negotiated and executed with UPC Texas, or its affiliate. Principal and interest will be forgiven at the end of the loan term contingent upon compliance with the loan agreement.

The requested funding is available in Fiscal Year 2004-2005 Austin Housing Finance Corporation's (AHFC) budget allocations, and the request is consistent with the City of Austin's currently approved Consolidated Plan and the AHFC's strategy to provide assistance through below market rate financing for the development of affordable rental housing for low- and moderate-income households and persons with special needs.