



RBA:
CITY OF AUSTIN
RECOMMENDATION FOR BOARD ACTION

AGENDA ITEM NO: 2
AGENDA DATE: 12/7/2006
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SUBJECT: Approve the negotiation and execution of a loan to COMMUNITY PARTNERSHIP FOR THE HOMELESS, INCORPORATED, in compliance with applicable requirements and performance goals under the Rental Housing Development Assistance Program, in an amount not to exceed \$100,000 to assist in the acquisition of a minimum of two housing units, at locations to be determined, comprising **six** bedrooms to serve as transitional housing for very low-income homeless military veterans

AMOUNT & SOURCE OF FUNDING: Funding is available in the City of Austin Housing Trust Fund in the Fiscal Year 2006-2007 Austin Housing Finance Corporation budget allocation under the Rental Housing Development Assistance Program

FISCAL NOTE: N/A

REQUESTING
DEPARTMENT: Austin Housing Finance Corporation

DIRECTOR'S
AUTHORIZATION: _____

FOR MORE INFORMATION CONTACT: Paul Hilgers, Executive Director, Austin Housing Finance Corporation, 974-3108

PRIOR BOARD ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

Following Board approval, the requested financing will assist Community Partnership for the Homeless, Incorporated (CPH), in acquiring a minimum of two housing units at locations yet to be determined. The housing to be acquired will comprise a total of no less than six bedrooms to serve as transitional housing for very low-income homeless veterans. A loan will be negotiated and executed with CPH in an amount not to exceed \$100,000 for a term of 20 years at zero percent interest, or such other terms as determined necessary and appropriate to finance the project. Repayment of the loan will be deferred on a yearly basis for the duration of the 20-year period. Principal and interest will be forgiven at the end of the loan term contingent upon compliance with the loan agreement.

The project is proposed under the Rental Housing Development Assistance (RHDA) program that provides federal and non-federal assistance as gap financing for the development of affordable rental housing for low- and moderate-income families and persons with special needs. CPH also receives funding from the Department of Veterans Affairs for an array of support services that includes rent subsidies. Estimated sources and uses of funds for the project are as follows:

Sources:

RHDA funds	\$ 100,000
Dept of Veterans Affairs	<u>178,750</u>
Total	\$ 278,750

Uses:

Property	\$ 238,750
Repairs/modifications	30,000
Soft costs	<u>10,000</u>
Total	\$ 278,750

Performance measures associated with the project are as follows

- 1 Acquire a minimum of two housing units at locations to be determined comprising six bedrooms to serve as transitional housing for homeless veterans with yearly incomes of no more than 30 percent of the Austin area's MFI
- 2 Develop a minimum of one unit accessible for persons with mobility disabilities, and one unit accessible for persons with hearing and vision disabilities

CPH is a non-profit 501(c)(3) organization certified by the City of Austin as a Community Housing Development Organization (CHDO). CPH was established in 1990 to provide transitional and affordable housing and services to low-income families and individuals who are either homeless or at risk of being homeless. Since 1990, CPH has provided more than 5,400 individuals and families with case management services, life skills training, single parent training and referral, education and employment training and referral, and legal and health care services

CPH's transitional housing program currently consists of seven single-family homes comprising a total of twenty five bedrooms located at scattered sites in East and South Austin neighborhoods. The program serves approximately forty homeless veterans per year. Each client in the program is provided a private bedroom and shares common living areas with other clients. Yearly incomes of clients do not exceed thirty percent of the Austin area's median family income (MFI - currently \$14,950 per year for a one-person household). Monthly rents are based on a sliding scale not exceeding thirty percent of the individual's monthly income. Clients typically participate in the program for three to eighteen months, during which time they are provided critical support services designed to enable them to achieve greater levels of independence and self-sufficiency.

Board approval will enable staff to issue a commitment of RHDA program financing that will allow CPH to identify at least two single-family properties for acquisition that will expand their transitional program and improve CPH's ability to serve the homeless veteran population in the Austin community. The acquisition project is subject to RHDA program and applicable environmental review requirements

The requested funding is available in the Fiscal Year 2006-2007 budget allocation of the Austin Housing Finance Corporation (AHFC), 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