




MEMORANDUM

TO: Mayor and Council Members

FROM: Rosie Truelove, Director, Neighborhood Housing and Community Development Department

DATE: August 2, 2019

SUBJECT: August 8, 2019 AHFC Agenda



Recognizing City Council's commitment to affordable housing and homelessness, we are pleased to highlight eight applications for funding under NHCD's Housing Development Assistance (HDA) Program that are slated for consideration at the August 8th Austin Housing Finance Corporation meeting.

As you may know, in January 2019, NHCD created a quarterly application process for HDA funding. NHCD received 18 applications for funding in the second quarter. After extensive review by internal staff, the independent Housing Investment Review Committee, and NHCD's Executive Team, eight of those applications have been recommended for funding.

Staff recommends funding these eight projects – totaling \$15,011,992 – with a variety of local and federal sources. Nearly \$6 million (\$5,807,308) comes from the 2018 Affordable Housing Bonds. Federal funds (HOME) are providing an additional \$2,240,000. The remainder is derived from a variety of fees collected from developer incentive programs. These investments are aligned with a variety of community priorities, as well as many of the priorities articulated in the Strategic Housing Blueprint and Strategic Direction 2023, namely:

Affordability. The City of Austin's \$15+ million investment will result in more than 300 income-restricted units, 296 of which are affordable to households making less than 50% Median Family Income (MFI). Fifty units will be restricted to households at or below 30% MFI.

Supportive Housing. NHCD recognizes the importance of developing housing for those experiencing homelessness and those at risk of homelessness. NHCD programs and funding play a crucial role in the city's overall homelessness strategy. The eight recommended projects include 235 affordable rental units, many of which will provide much-needed housing and supports for people experiencing homelessness or at risk of homelessness. The proposed projects include:

- 143 Supportive Housing Units. TDHCA's definition of Supportive Housing includes the provision of substantial on-site services to the resident population, which primarily includes the homeless or those at-risk of homelessness. Both Foundation Village (88 units) and Burnet Place (55 units) are 100% Supportive Housing. Burnet Place will serve extremely low-income individuals with HIV/AIDs and will provide intensive support services and rental subsidies funded through the

*The City of Austin is committed to compliance with the American with Disabilities Act.
Reasonable modifications and equal access to communications will be provided upon request.*

federal Housing Opportunities for Persons with AIDs (HOPWA) block grant. In addition, Foundation Village will include 18 Children's Home Initiative (CHI) units. One of Foundation Communities' signature programs, CHI provides housing and intensive on-site case management services to extremely low-income families who are either homeless or at-risk of homelessness.

- 14 Continuum of Care (CoC) Units. Both Foundation Communities and Project Transitions have agreed to designate CoC units within their respective developments. As the designated CoC agency, ECHO is the responsible referral point for people experiencing homelessness who have been prioritized through the Coordinated Assessment. Foundation Village will include five CoC units, and Burnet Place will include nine CoC units. Both organizations are in the process of drafting a Memorandum of Understanding with ECHO regarding these units.
- 30 Section 811 Units. TDHCA administers the Section 811 Project Rental Assistance program, which provides project-based rental assistance for extremely low-income people with disabilities linked with comprehensive supportive services. TDHCA incentivizes LIHTC developer participation in the Section 811 program through scoring criteria. Developers agree to set aside a certain number of units specifically for the following target populations: (1) people with disabilities living in institutions; (2) people with serious mental illness; and (3) youth with disabilities exiting foster care. All three 9% LIHTC projects – Foundation Village, Talavera Lofts, and The Abali – have committed to 10 units each either on-site or off-site. Through an interagency agreement, the state's Health and Human Services Commission will make services available to the Section 811 residents.

Leverage. The City of Austin is stretching its resources by ensuring a significant amount of leverage. The per-unit subsidy recommended ranges from \$49,180 to \$155,000. City of Austin funding (as a proportion of total project costs) ranged from 6% to 53% of total project costs. Applicants' additional funding includes a variety of sources, such as Low Income Housing Tax Credit equity, Federal Home Loan Bank Affordable Housing Program grants, private financing, and foundation support.

Geographic Dispersion. The City of Austin will invest in affordable rental and ownership housing in District 1, 3, 7, and 9. The proposed developments are located in both High Opportunity Areas and areas experiencing gentrification pressures.

Transit. All eight properties are located within ¼ mile of transit service. Seven of the eight properties are located within ¼ mile of a High Frequency transit stop.

Multi-Generational Units. Many of the proposed developments will serve families with children and provide other multi-generational opportunities. In fact, the new properties will provide 161 2- and 3-bedroom units.

Affordability Unlocked. It is important to note that Burnet Place will be able to take advantage of City Council's recently approved Affordability Unlocked initiative. As a result of the increased project density, Project Transitions is able to build more on-site units and generate additional CoC units.

We look forward to the discussion at the Austin Housing Finance Corporation board meeting on August 8, 2019. Detailed information on each of the eight projects is attached as well as a more detailed breakdown of the supportive housing units. In the meantime, if you have any questions, or need additional information on any of the projects, please do not hesitate to contact me or Mandy DeMayo, Community Development Administrator.

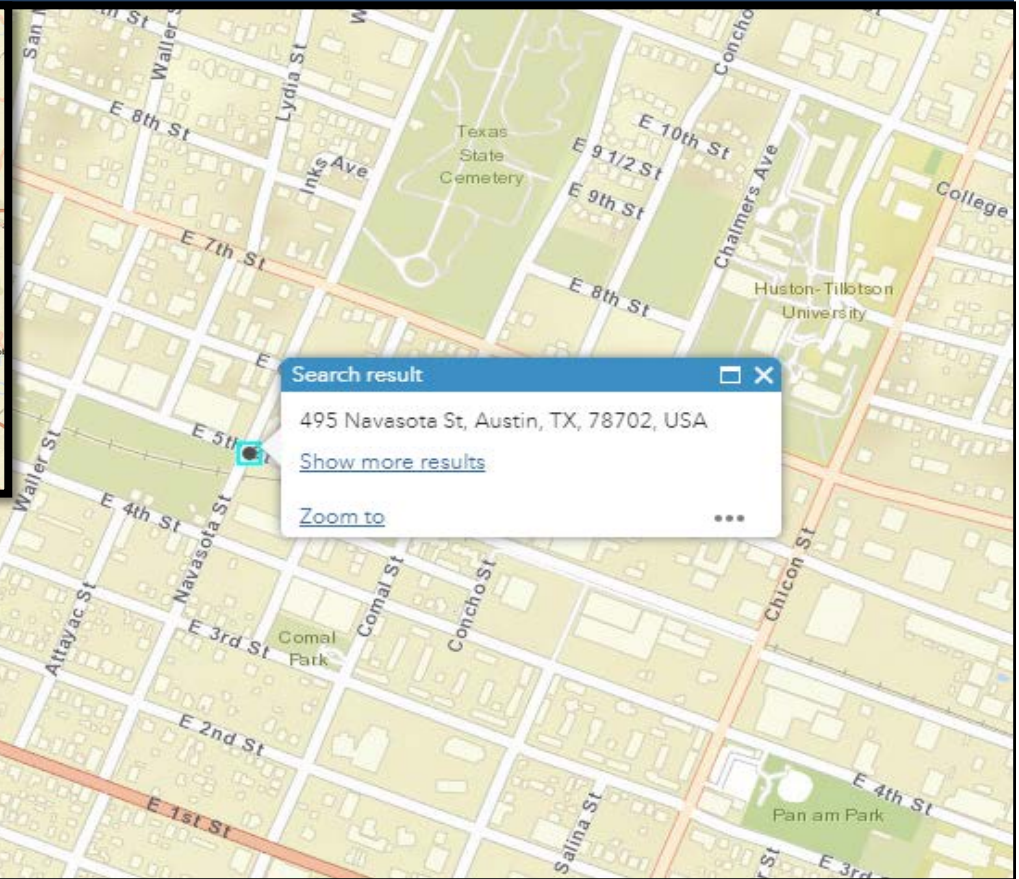
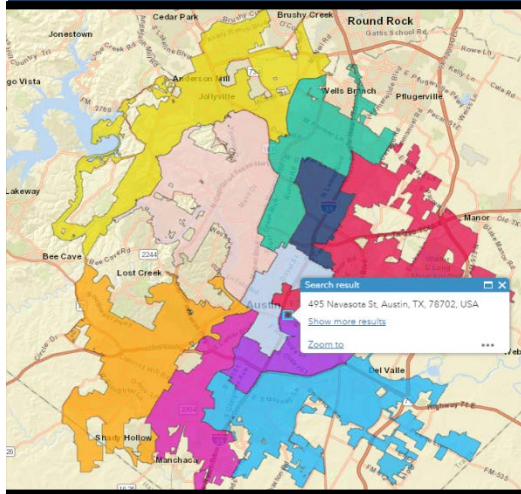
cc: Spencer Cronk, City Manager
Rodney Gonzales, Assistant City Manager

Attachments: August 8th Agenda Item Overview
Project Summaries

Affordable UnitsTarget Populations														
Project Name	Developer	Address	Program	Recommended Funding	Total Project Cost		30% MFI	40% MFI	50% MFI	Total Affordable (<50% MFI Rental or <80% MFI Owner)	Total Units	Supportive Housing*	Continuum of Care Units**	Section 811 Units***
Foundation Village	Foundation Communities	11706 and 11704 N Lamar Blvd	Rental	\$ 5,500,000	\$ 23,192,594		18	26	44	88	88	88	5	10
Talavera Lofts	DMA Development	SE Corner of Navasota and East 5th	Rental	\$ 2,000,000	\$ 18,030,434		15		46	61	92			10
The Abali	Saigebrook	4603-4611 IH 35	Rental	\$ 2,000,000	\$ 14,603,654		6		23	29	56			10
Burnet Place	Project Transitions, INC	8007 Burnet Road	Rental	\$ 2,901,992	\$ 11,638,883		11	11	33	55	55	55	9	
4th & Onion	Austin Habitat for Humanity	1409-1411 East 4th Street	Owner	\$ 2,030,000	\$ 15,995,365					57	57			
1140 Salina Street Reh	Blackshear NDC	1140 Salina Street	Rental	\$ 100,000	\$ 251,101				2	2	2			
6711 Porter	GNDC	6711 Porter Street	Owner	\$ 240,000	\$ 668,000					2	2			
Springdale Arts	Springdale Arts	732 Springdale Road	Owner	\$ 240,000	\$ 5,148,750					2	21			

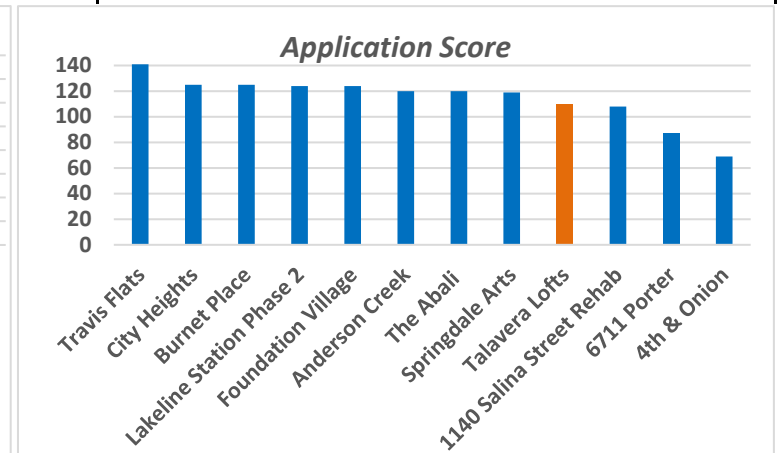
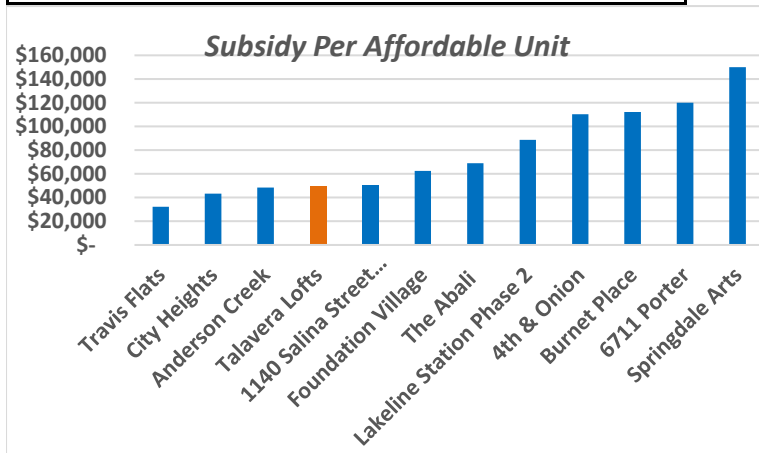
Talavera Lofts

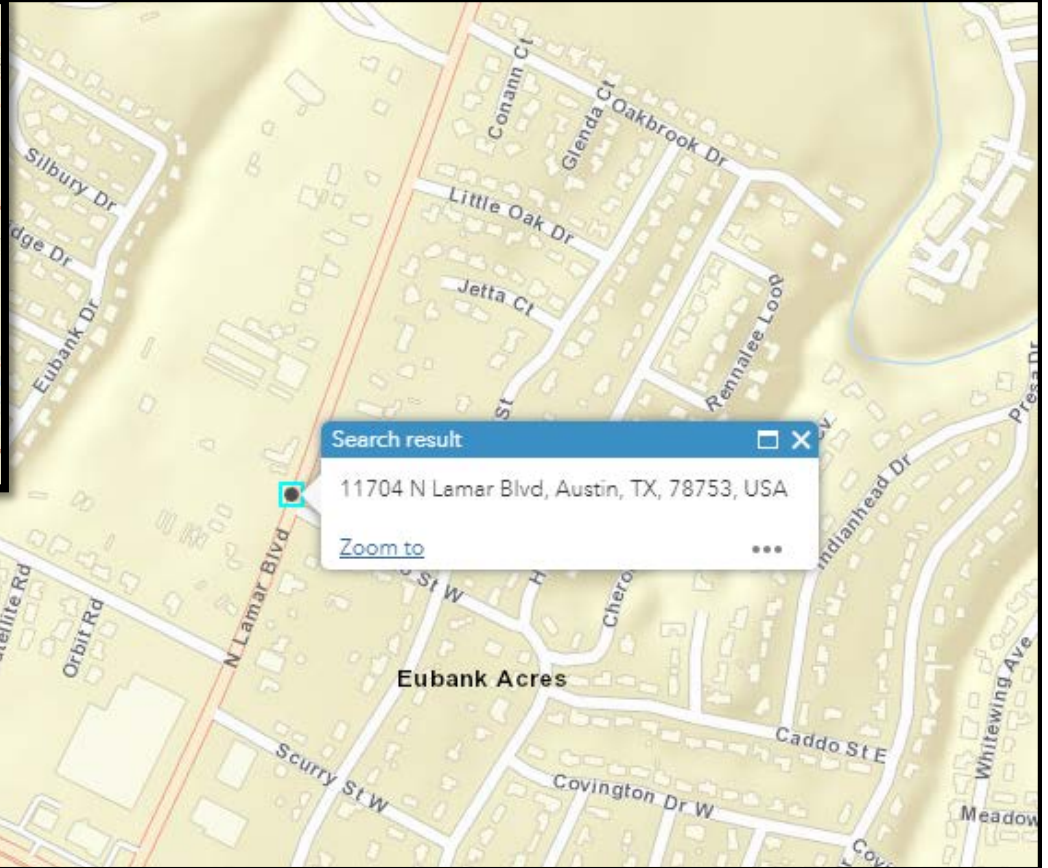
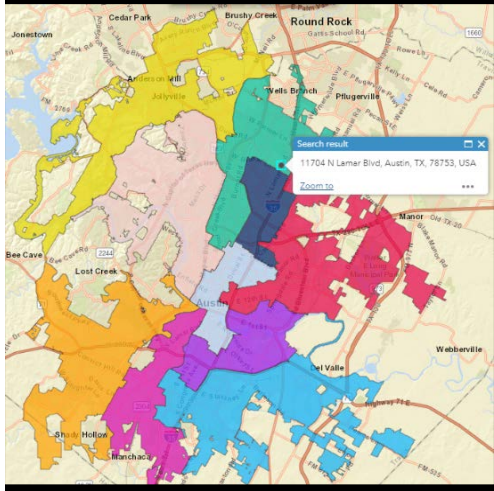
DMA Development



Affordability Levels

Total Aff (<50% Rental)	30% MFI	40% MFI	50% MFI	60% MFI	80% MFI	Market Rate	COC	Total Units
61	15		46	29		2		92
Council District 3			Bedroom Count					
Sanchez Elementary			Efficiency	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom	Total Units
TEA Grade - 78			52	20	12	8		92
9% Tax Credit applicant located in the Saltillo TOD. Mixed income new construction.			Funding & Score					
			Funding Requested	Prior AHFC Funding Amt	Total Project Cost	Funding % of Tot Project	Subsidy Per Aff Unit (<50%)	Application Score
			\$3,000,000	-	\$18,030,434	17%	\$49,180	110
Funding Recommendation			Funding Sources					
\$2 Million			\$1,202,079 Plaza Saltillo & \$797,921 GO Bonds					

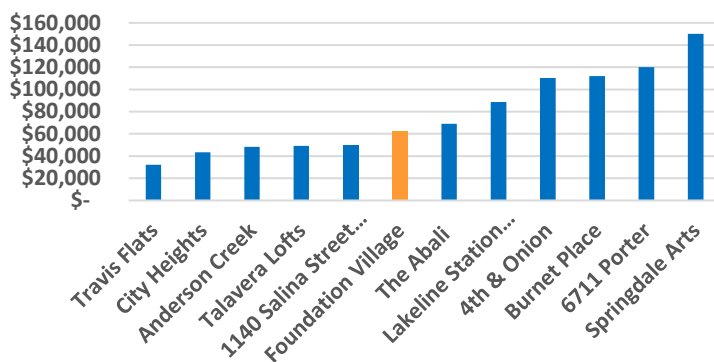




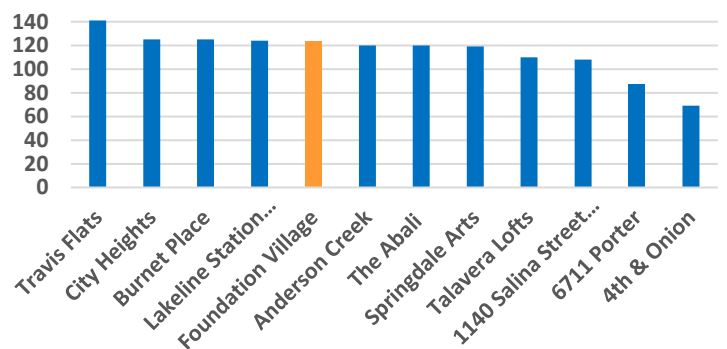
Affordability Levels

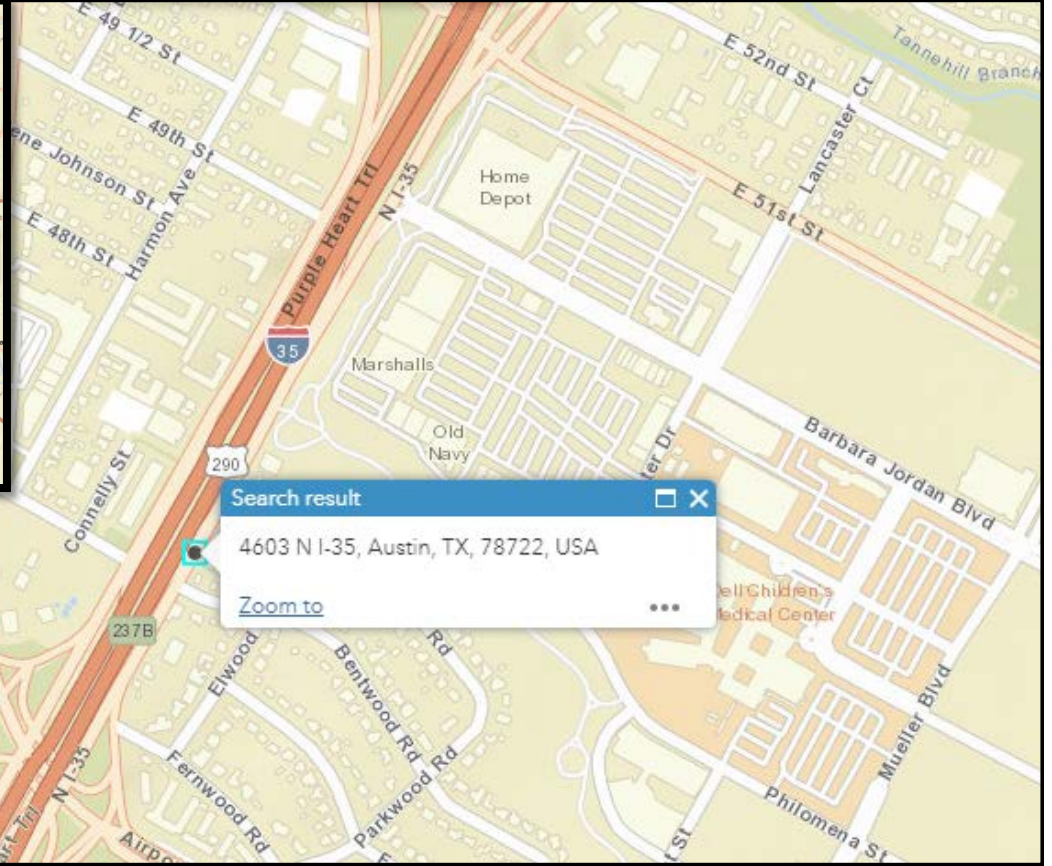
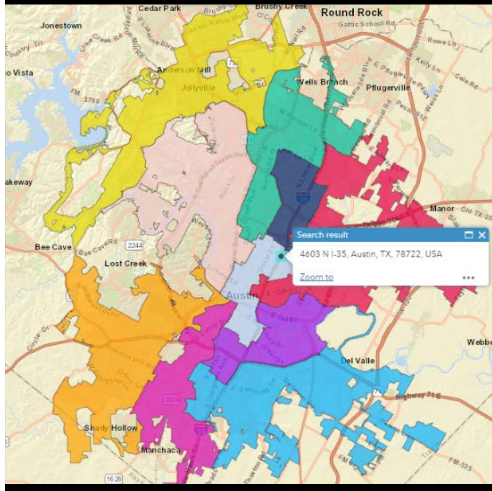
Total Aff (<50% Rental)	30% MFI	40% MFI	50% MFI	60% MFI	80% MFI	Market Rate	COC	Total Units
88	18	26	44				5	88
Council District 7			Bedroom Count					
River Oaks Elementary			Efficiency	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom	Total Units
TEA Grade - 84				16	48	24		88
9% Tax Credit applicant. Development located near North Lamar and Breaker Ln. 100% affordable, mixed income.			Funding & Score					
			Funding Requested	Prior AHFC Funding Amt	Total Project Cost	Funding % of Tot Project	Subsidy Per Aff Unit (<50%)	Application Score
			\$5,500,000	-	\$23,192,594	24%	\$62,500	124
Funding Recommendation			Funding Sources					
\$5.5 Million			\$3,285,115 Housing Trust Fund & \$2,214,885 Austin Energy					

Subsidy Per Affordable Unit



Application Score

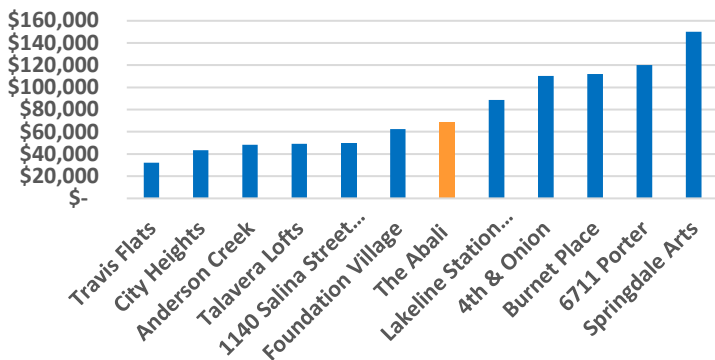




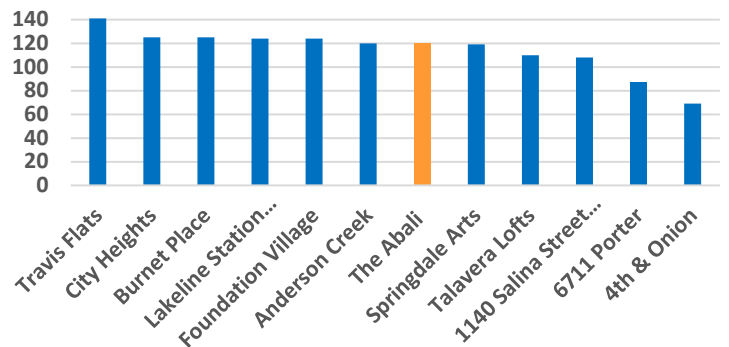
Affordability Levels

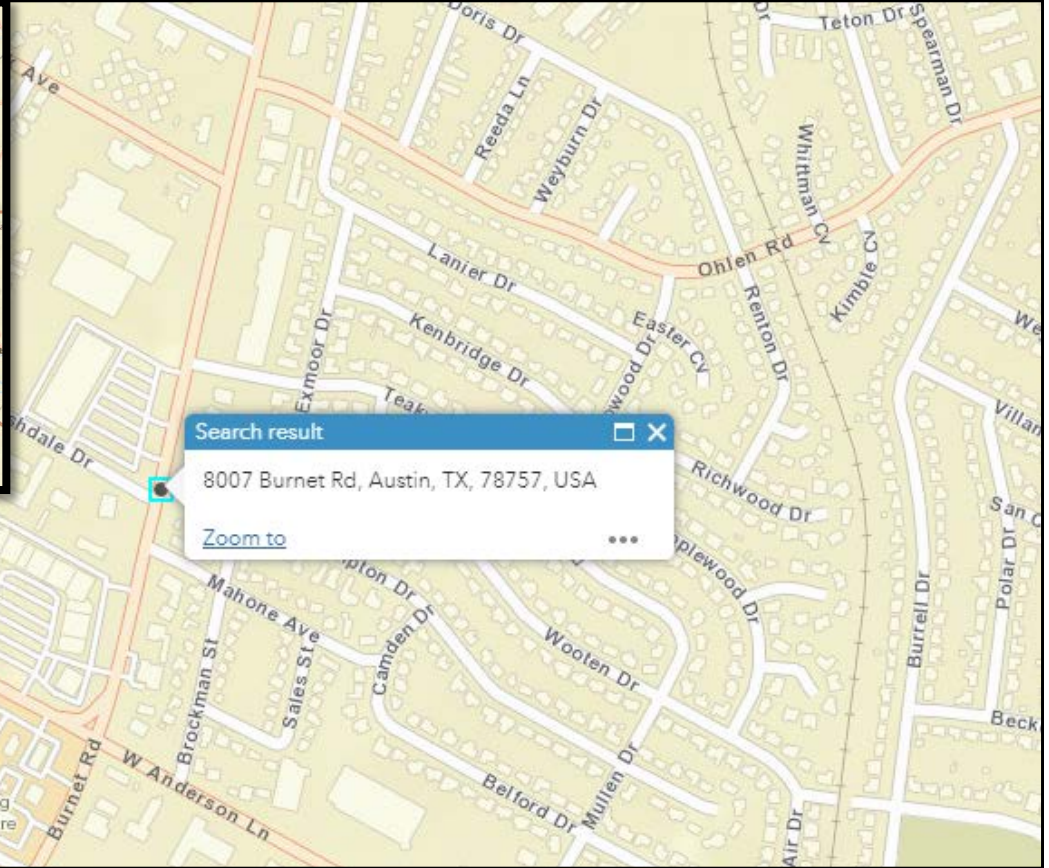
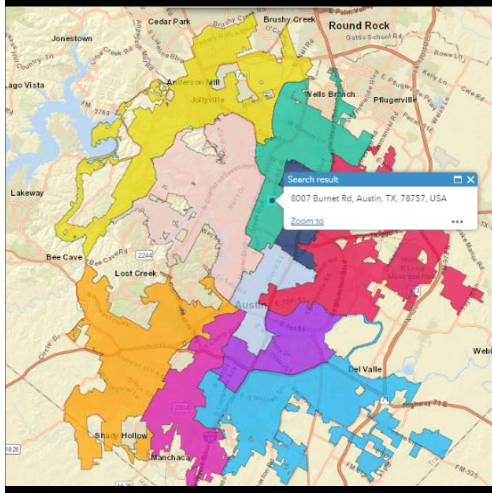
Total Aff (<50% Rental)	30% MFI	40% MFI	50% MFI	60% MFI	80% MFI	Market Rate	COC	Total Units
29	6		23	22		5		56
Council District 9			Bedroom Count					
Maplewood Elementary			Efficiency	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom	Total Units
TEA Grade - 77			16	10	19	11		56
9% tax credit applicant. I35 service road south of RMMA.			Funding & Score					
			Funding Requested	Prior AHFC Funding Amt	Total Project Cost	Funding % of Tot Project	Subsidy Per Aff Unit (<50%)	Application Score
			\$2,000,000	-	\$14,603,654	14%	\$68,966	120
Funding Recommendation			Funding Sources					
\$2 Million			\$262,605 Austin Energy & \$1,737,395 GO Bonds					

Subsidy Per Affordable Unit



Application Score

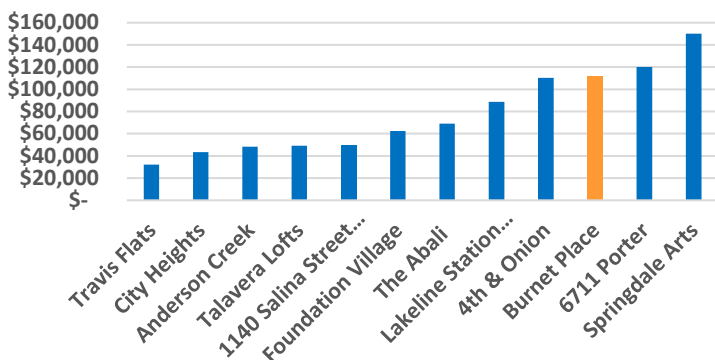




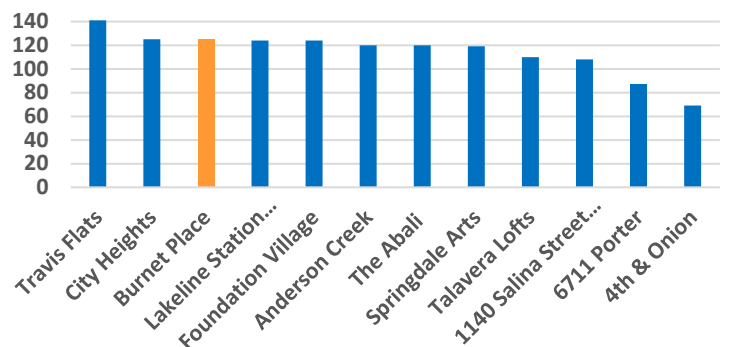
Affordability Levels

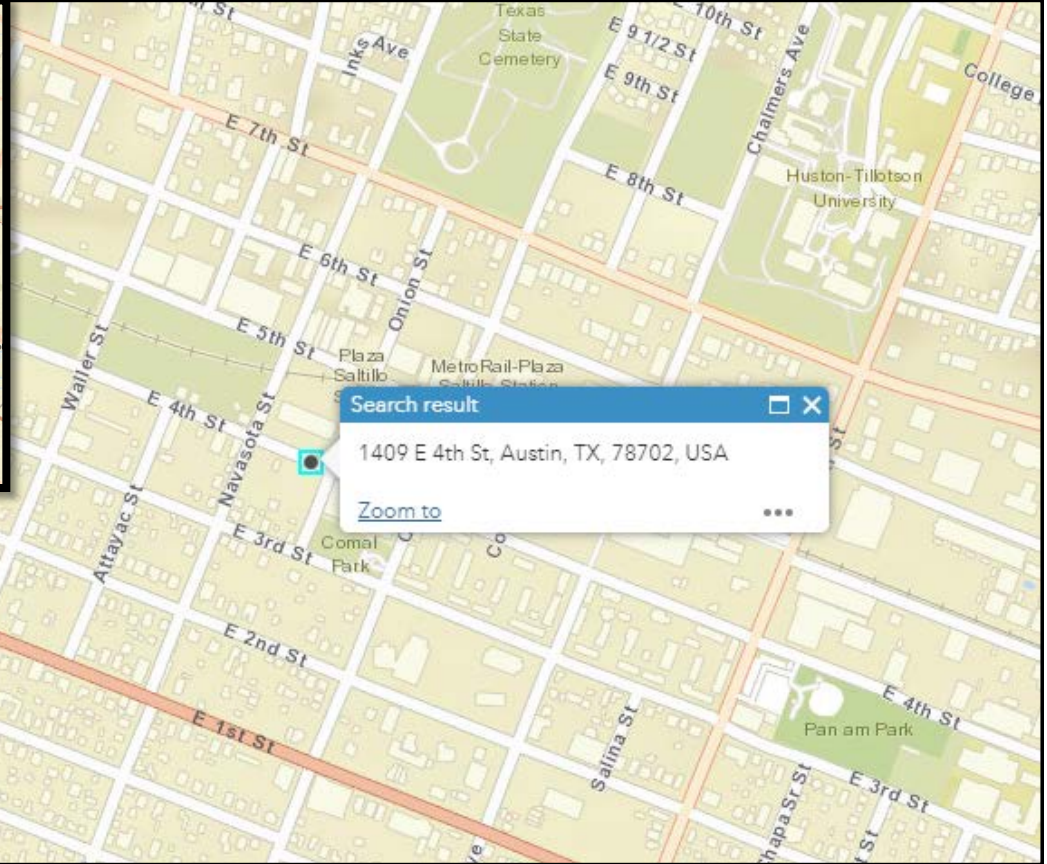
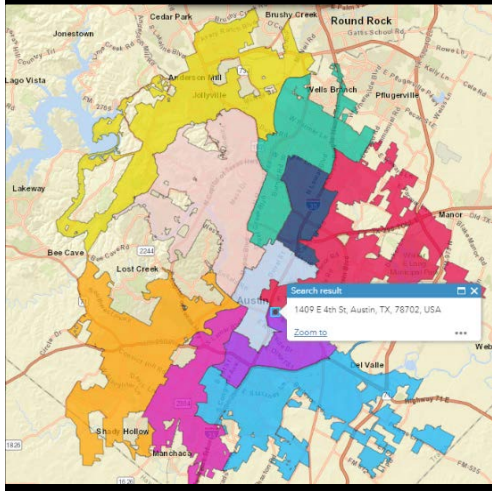
Total Aff (<50% Rental)	30% MFI	40% MFI	50% MFI	60% MFI	80% MFI	Market Rate	COC	Total Units
55	11	11	33				9	55
Council District 7			Bedroom Count					
Wooten Elementary			Efficiency	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom	Total Units
TEA Grade - 87			55					55
New construction located off of Burnet Rd near Anderson Ln, 100% affordable, 9 COC units. Housing and wrap around services for persons living with HIV/AIDS			Funding & Score					
			Funding Requested	Prior AHFC Funding Amt	Total Project Cost	Funding % of Tot Project	Subsidy Per Aff Unit (<50%)	Application Score
			\$6,166,108	-	\$11,638,883	53%	\$112,111	125
Funding Recommendation			Funding Sources					
\$2,901,992			\$1,900,000 HOME & \$1,001,992 GO Bonds					

Subsidy Per Affordable Unit



Application Score

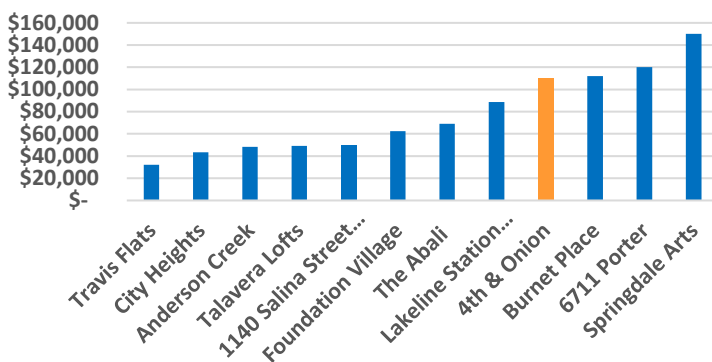




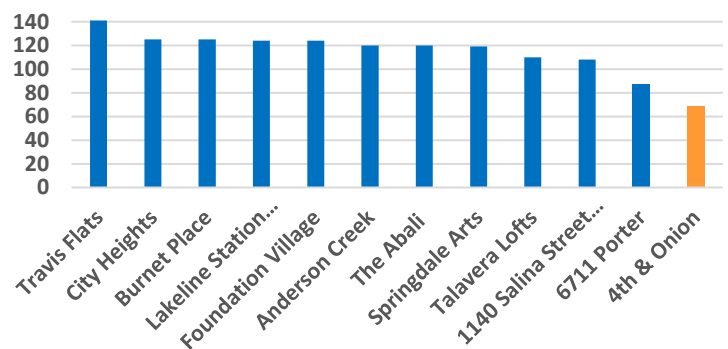
Affordability Levels

Total Aff (<50% Rental)	30% MFI	40% MFI	50% MFI	60% MFI	80% MFI	Market Rate	COC	Total Units
57				23	34			57
Council District 3			Bedroom Count					
Zavala Elementary			Efficiency	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom	Total Units
TEA Grade - 83				40	12	5		57
New construction of 57 for sale units (40 to 80% MFI) in Saltillo TOD. Prior AHFC funding of \$294K. Seeking New Market Housing Tax Credits.			Funding & Score					
			Funding Requested	Prior AHFC Funding Amt	Total Project Cost	Funding % of Tot Project	Subsidy Per Aff Unit (<50%)	Application Score
			\$5,987,000	\$294,773	\$15,995,365	39%	\$110,207	69
Funding Recommendation			Funding Sources					
\$2,030,000			\$2,030,000 GO Bonds					

Subsidy Per Affordable Unit

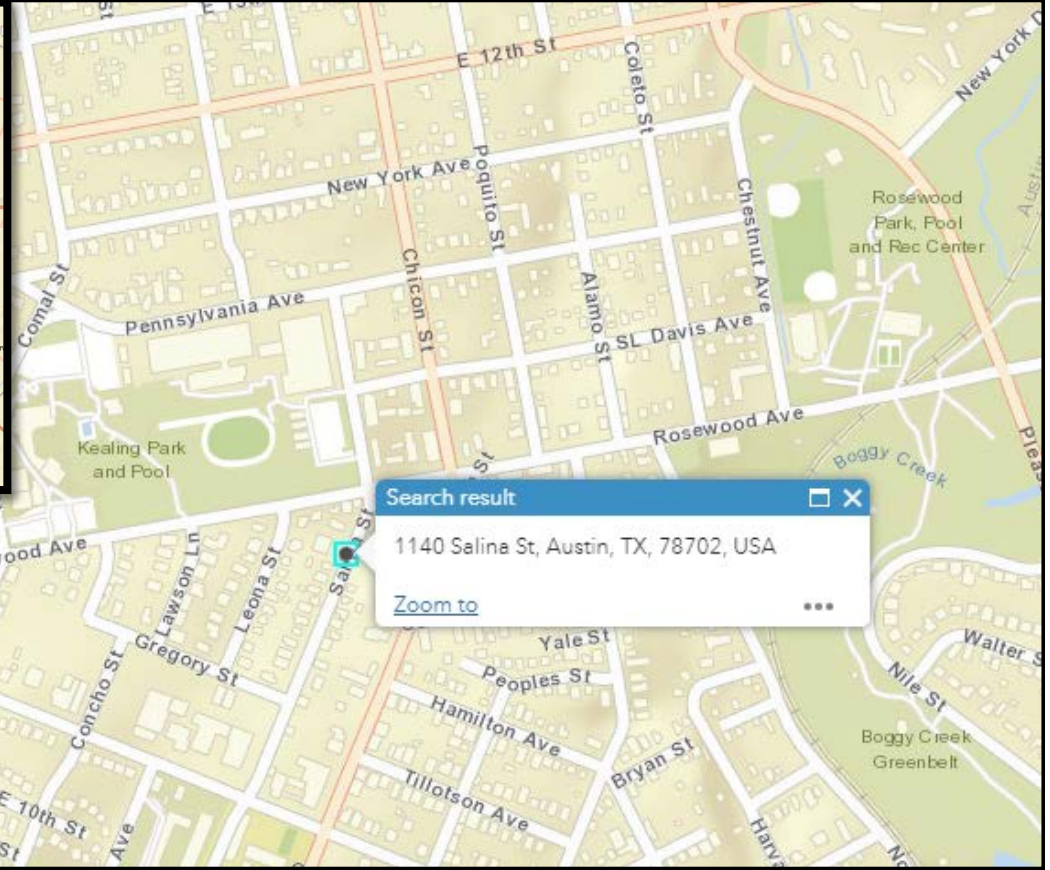
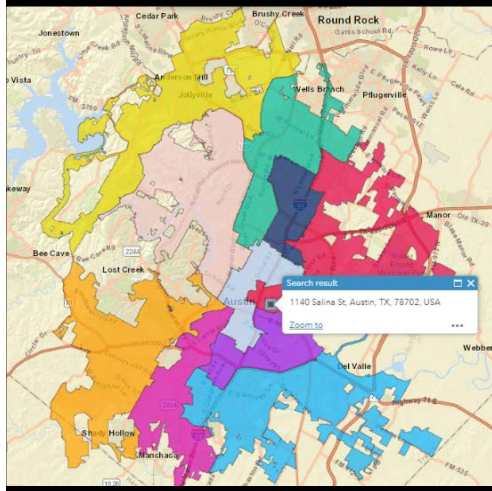


Application Score



1140 Salina Street Rehab

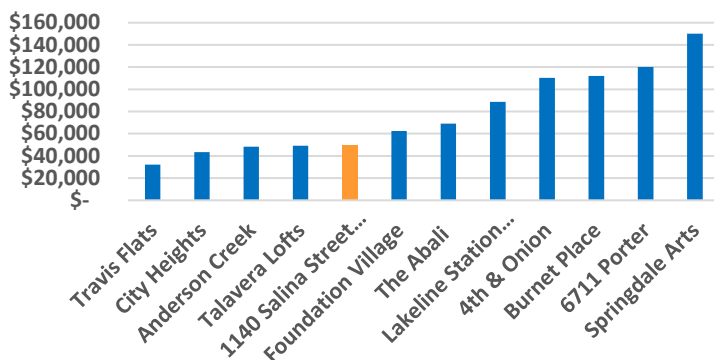
Blackshear NDC



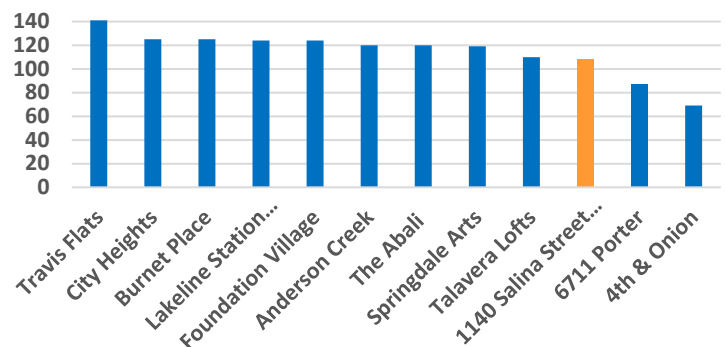
Affordability Levels

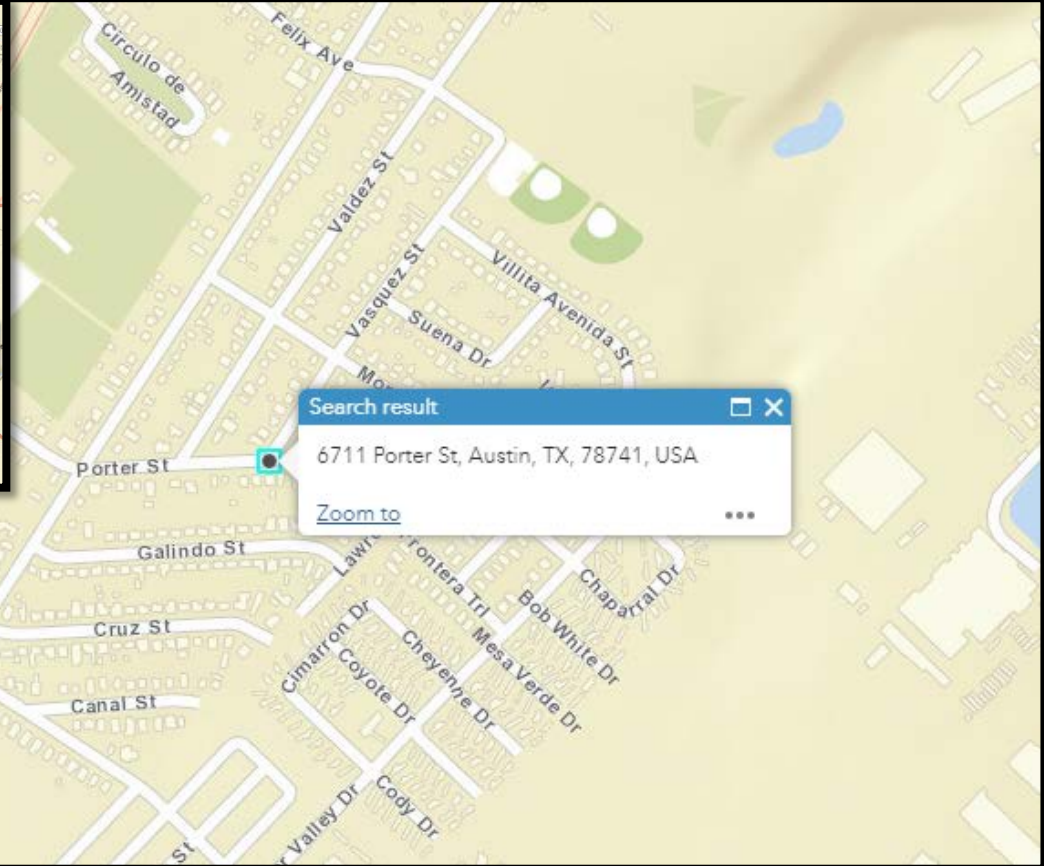
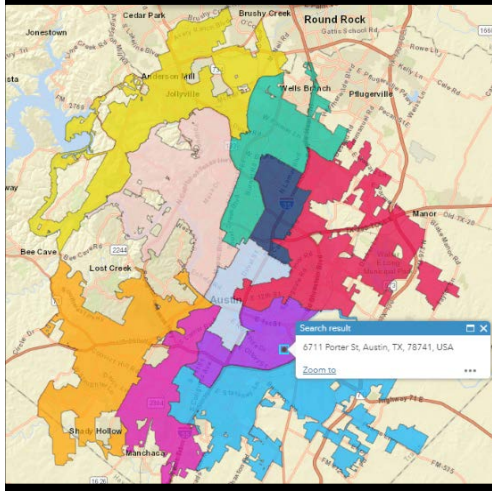
Total Aff (<50% Rental)	30% MFI	40% MFI	50% MFI	60% MFI	80% MFI	Market Rate	COC	Total Units
2			2					2
Council District 1			Bedroom Count					
Blackshear Elementary			Efficiency	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom	Total Units
TEA Grade - 82						2		2
Rehabilitation of a duplex at 1140 Salina Street, in East Austin. 2 rental units at 50% MFI. Both units will have 3 bedrooms and will be accessible.			Funding & Score					
			Funding Requested	Prior AHFC Funding Amt	Total Project Cost	Funding % of Tot Project	Subsidy Per Aff Unit (<50%)	Application Score
			\$100,000	-	\$251,101	40%	\$50,000	108
Funding Recommendation			Funding Sources					
\$100,000			\$100,000 HOME CHDO					

Subsidy Per Affordable Unit



Application Score

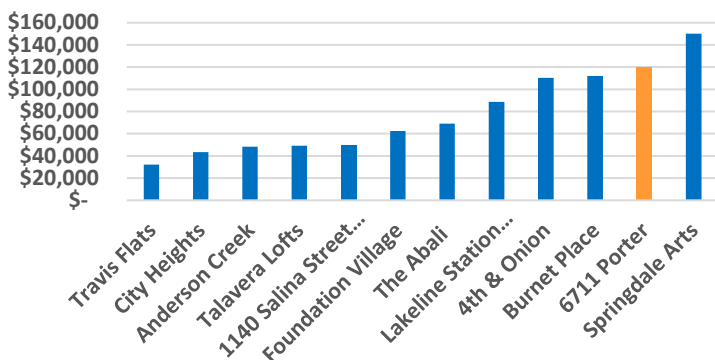




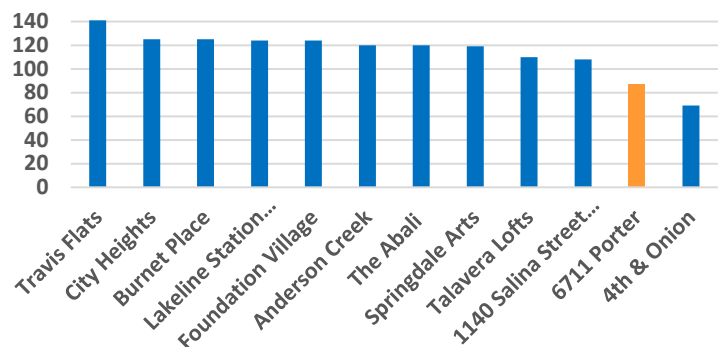
Affordability Levels

Total Aff (<50% Rental)	30% MFI	40% MFI	50% MFI	60% MFI	80% MFI	Market Rate	COC	Total Units
2				1	1			2
Council District 3			Bedroom Count					
Allison Elementary TEA Grade - 80			Efficiency	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom	Total Units
					1	1		2
Rehab of an existing 3 bedroom home (ownership at 80% MFI), and addition of 2 bedroom home (ownership at 60% MFI).			Funding & Score					
			Funding Requested	Prior AHFC Funding Amt	Total Project Cost	Funding % of Tot Project	Subsidy Per Aff Unit (<50%)	Application Score
			\$240,000	-	\$668,000	36%	\$120,000	87
Funding Recommendation			Funding Sources					
\$240,000			\$240,000 HOME CHDO					

Subsidy Per Affordable Unit

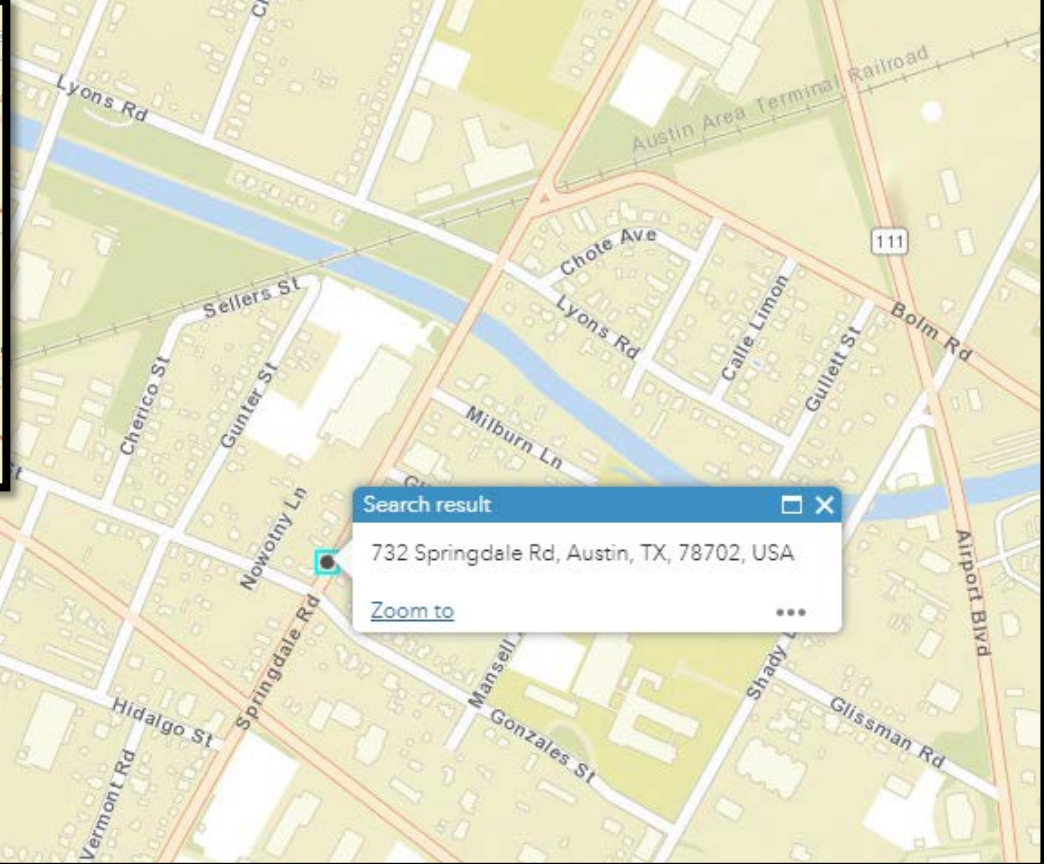
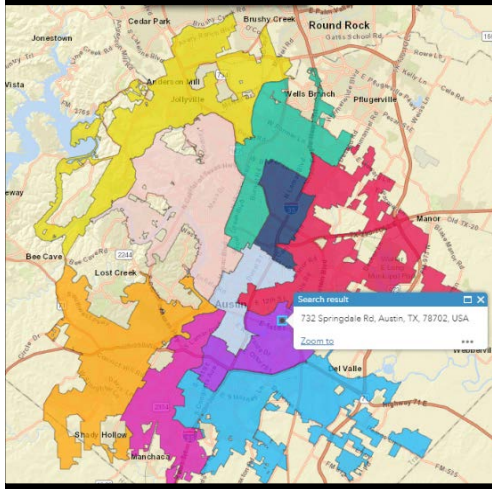


Application Score



Springdale Arts

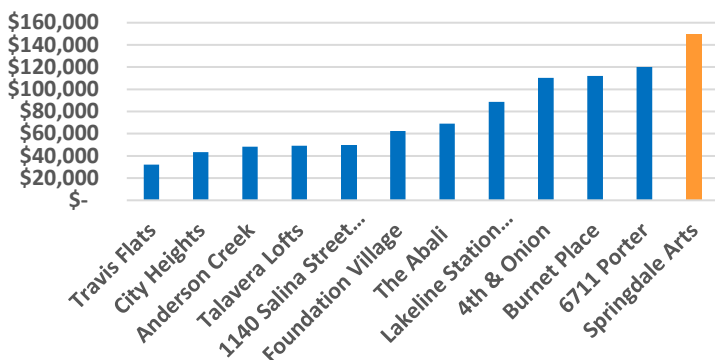
Springdale Arts



Affordability Levels

Total Aff (<50% Rental)	30% MFI	40% MFI	50% MFI	60% MFI	80% MFI	Market Rate	COC	Total Units
2					2	19		21
Council District 3								
Govalle Elementary								
TEA Grade - 85								
New construction of 2 4-bdrm for sale units (65% MFI) off of Springdale Rd.								
Funding Recommendation								
\$240,000								
Funding Sources								
\$240,000 GO Bonds								

Subsidy Per Affordable Unit



Application Score

