



RBA:
CITY OF AUSTIN
RECOMMENDATION FOR BOARD ACTION

AGENDA ITEM NO: 4
AGENDA DATE: 1/15/2009
PAGE: 1 OF 2

SUBJECT: Approve the negotiation and execution of a loan to AUSTIN-TRAVIS COUNTY MENTAL HEALTH AND MENTAL RETARDATION CENTER, or its affiliate organization, under the Rental Housing Development Assistance Program, in an amount not to exceed \$2,300,000, in compliance with applicable affordable housing general obligation bond financing requirements and performance goals, to acquire and rehabilitate the property and improvements at 6222 North Lamar Boulevard to serve as a 37-bed transitional housing facility for low- to moderate-income persons.

AMOUNT & SOURCE OF FUNDING: Funding is available in the Fiscal Year 2008-2009 Austin Housing Finance Corporation budget allocation under the Rental Housing Development Assistance Program using proceeds from General Obligation Affordable Housing Bonds.

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

REQUESTING
DEPARTMENT: Austin Housing Finance Corporation

DIRECTOR'S
AUTHORIZATION: _____

FOR MORE INFORMATION CONTACT: Margaret R. Shaw, Treasurer, Austin Housing Finance Corporation, 974-3184

PRIOR COUNCIL ACTION:

PRIOR BOARD ACTION:

Approval of funding will facilitate the acquisition and rehabilitation of the building at 6222 N. Lamar by the Austin-Travis County Mental Health and Mental Retardation Center (ATCMHMR), or its affiliate organization. Upon completion of the rehabilitation work, the facility will serve as a 37-bed respite care facility providing temporary housing with supportive services to mental health clients following or preceding psychiatric hospitalization.

The Respite Care Facility will meet a critical need for transitional housing in the community by providing discharged individuals a temporary place to live with follow-up care and services. This facility will serve as an important link to help mental health clients transition out of crisis services and move toward self-sufficiency and permanent housing.

Ninety percent of the beds will be made available to individuals with incomes at 30 percent or less of the Austin area Median Family Income (MFI, currently \$14,950 for a single person). The remaining 10 percent of the beds will be available to individuals with incomes at 50 percent or less of the Austin area MFI, currently \$24,900 for a single person.

The facility will have 18 two-bed units and one one-bed unit, each room being approximately 150 square feet. The property will also include a conference room, day room/activities room, dining area, kitchen, two nursing stations, a laundry room, three offices and an outdoor courtyard. Services to be provided will include on-site case management, medication and treatment support, rehabilitative services, assistance obtaining permanent housing, benefits, healthcare, connections to support networks, transportation, and other services as may be needed.

The request for funding was received in response to a Notice of Funding Availability (NOFA) under the Rental Housing Development Assistance (RHDA) Program using proceeds from Affordable Housing General Obligation Bonds (GO Bonds). The Housing Bond Review Committee reviewed the funding application on December 3, 2008 and supports the proposed project. The project will be developed in accordance with applicable environmental review requirements.

Following Board approval, an RHDA program loan will be negotiated and executed with ATCMHMR in an amount not to exceed \$2,300,000 for a term of 99 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 and forgiven at the end of the 99-year period subject to compliance with the loan agreement. Estimated sources and uses of funds for the project are as follows:

<u>Sources:</u>		<u>Uses:</u>	
G.O. Bond RHDA funding	\$ 2,300,000	Predevelopment	\$ 108,085
New Milestones Foundation	215,942	Acquisition	1,375,000
State Psychiatric Emergency		Hard Costs	1,455,915
Service Centers funding	402,000	Soft & Carrying Costs	<u>82,502</u>
Rebates – solar			
	<u>103,560</u>		
Total	\$3,021,502	Total	\$3,021,502

ATCMHMR was established in 1967 and provides community-based mental health, mental retardation, and substance abuse services to adults and children who are the most severely disabled and who are most in need of services. A comprehensive array of services is delivered through four networks and three support divisions located in over 60 facilities and numerous sub-contracted entities across the city and county. These services include information and referral, psychiatric evaluation, 24-hour crisis intervention, medication support, inpatient treatment, employment and vocational services, care coordination, service coordination, family support and respite care, housing, supported living, and residential services.

The requested funding is available in the Fiscal Year 2008-2009 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.