



RBA: Treaty Oaks Apartments

CITY OF AUSTIN

RECOMMENDATION FOR BOARD ACTION

AGENDA ITEM NO: 6

AGENDA DATE: 12/09/2010

PAGE: 1 OF 2

SUBJECT: Approve the negotiation and execution of a loan to GREEN DOORS, or its affiliate organization, in an amount not to exceed \$1,350,000 to acquire and rehabilitate the Treaty Oaks Apartments, a 47-unit apartment complex that will serve low- and moderate-income families, located at 3700 Manchaca Road.

AMOUNT & SOURCE OF FUNDING: Funding is available in the Fiscal Year 2010-2011 Capital and Operating Budgets of the Austin Housing Finance Corporation.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is attached.

REQUESTING

DEPARTMENT: Austin Housing Finance Corporation

FOR MORE INFORMATION CONTACT: Elizabeth A. Spencer, Acting Treasurer,
Austin Housing Finance Corporation, 974-3182

PRIOR COUNCIL ACTION:

PRIOR BOARD ACTION:

Approval of funding will allow Green Doors or its affiliate organization to acquire and rehabilitate a 47-unit rental property, Treaty Oaks Apartments, at 3700 Manchaca Road.

Funding Request

- The \$1,350,000 requested will be used to assist with the acquisition of the property.
- If approved, Austin Housing Finance Corporation (AHFC) funds will represent \$28,723 per unit.
- Estimated sources and uses for the project are as follows:

Sources:

Federal Home Loan Bank	\$ 500,000
Private Financing	1,200,000
AHFC GO Bonds	857,683
AHFC Housing Trust Fund	492,317
THDCA Housing Trust Fund	125,000
Fundraising/Donations	<u>11,966</u>
Total	\$3,186,966

Uses:

Pre-development	\$ 17,500
Acquisition	2,291,000
Hard Costs	477,400
Soft Costs	<u>401,066</u>
Total	\$3,186,966

The request for funding 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.

Following Board approval, a Rental Housing Development Assistance program loan will be negotiated and executed with Green Doors, or its affiliate organization, in an amount not to exceed \$1,350,000 for a term of 99 years at zero percent interest, or such other terms as determined necessary and appropriate. Repayment of the loan will be deferred on a yearly basis and forgiven at the end of the 99-year period, subject to full compliance with the loan agreement.

Project Characteristics

- 46 units are one-bedroom/one-bathroom, ranging in size from 500 to 580 square feet. There is one two-bedroom/one-bathroom unit of approximately 1,000 square feet.
- The complex is located on Manchaca Road, north of Ben White Boulevard, and residents will have easy access to transportation, services, and retail establishments.
- The rehabilitation work will include installation of energy-saving features such as:
 - replacing existing appliances with energy-efficient appliances,
 - installing new HVAC units,
 - installing ceiling fans in all living areas,
 - replacing the roofs, and
 - replacing existing windows with double-pane windows.

Population Served

- Twenty-four of the 47 units will be provided as Permanent Supportive Housing for the chronically homeless sub-population, one of the sub-populations identified in the Permanent Supportive Housing Strategy presented to the Mayor and City Council on September 30, 2010.
- The remaining 23 units will be reserved for very low-income working families and individuals whose household incomes are at or below 50 percent MFI, currently \$36,900 for a four-person household.

Green Doors

Green Doors is a 501(c) (3) non-profit organization established in 1990 and is certified by the City of Austin as a Community Housing Development Organization (CHDO). Since 1990, the organization has developed more than 100 units of affordable rental housing in Austin, and serves a wide variety of persons with special needs, including homeless veterans, persons exiting shelter and very low-income working individuals and families. Green Doors also provides case management services for those residents in need of such services.

**CIP BUDGET
FISCAL NOTE**

Date of Board Consideration: 12/09/2010
Agenda Item: Treaty Oaks Apartments
Division: Real Estate and Finance Development

SUBJECT:

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FINANCIAL INFORMATION:

Parent Project Name: 2006 General Obligation Housing Bonds
Project Authorization: Approved AHFC Capital Budget

Current Appropriation	\$ 48,350,495.00
Available Balance	\$ 2,156,617.18
Amount of This Action	\$ 857,683.00
Remaining Balance	\$ 1,298,934.18

Use of Remaining Balance:

Remaining funds will be used for future eligible projects.

Chief Financial Manager
(over AHFC Finances)

Signature: Alex Zamora Jr. Date: 12/09/2010