



**RBA: Mary Lee Community RHDA Funds
CITY OF AUSTIN
RECOMMENDATION FOR BOARD ACTION**

**AGENDA ITEM NO: 9
AGENDA DATE: 12/09/2010
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SUBJECT: Approve the negotiation and execution of a loan to MARY LEE COMMUNITY, or its affiliate, in an amount not to exceed \$675,000, under the Rental Housing Development Assistance Program, for the acquisition of property located at 1340 and 1342 Lamar Square Drive, to facilitate the future construction of 40 new affordable units of multi-family rental housing.

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

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

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 assist Mary Lee Community, or its affiliate, with the acquisition of property located at 1340/1342 Lamar Square Drive to facilitate the future development of 40 affordable multi-family units.

Funding Request

- The \$675,000 requested will fund the acquisition of the property.
- The applicant has also requested future funding to assist with construction in the amount of \$873,500.
- If the acquisition funding is approved, Austin Housing Finance Corporation (AHFC) funds will represent \$16,875 per unit.

Estimated sources and uses of funds for the project are as follows:

Sources:

Private Financing	\$ 690,000
Federal Home Loan Bank	360,000
Barton Place/Spring Grant	625,000
Proposed RHDA Funds	1,548,500
Developer Fee	<u>125,000</u>
Total	\$3,348,500

Uses:

Acquisition	\$ 675,000
Predevelopment	186,500
Construction	2,200,000
Soft costs	<u>287,000</u>
Total	\$3,348,500

The requested funding for acquisition is available in Fiscal Year 2010-2011 budget allocation for the 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.

Following AHFC Board approval, a Rental Housing Development Assistance program loan will be negotiated and executed with Mary Lee Community in an amount not to exceed \$675,000. Under the proposed loan terms, AHFC is requiring a 99-year affordability period. A portion of the funding will also include HOME dollars to assist Mary Lee Community in maintaining their CHDO Certification.

Project Characteristics

- Mary Lee Community's new development, The Legacy, is the "last piece of the puzzle" on Lamar Square. In 2000, Mary Lee developed a Master Plan for "The Square", 10 acres of land off South Lamar, which encompasses Lamar Square Drive. Part of the plan was to acquire all parcels along Lamar Square Drive so that Mary Lee owned the entire "Square." The acquisition of 1340 and 1342 Lamar Square Drive will achieve this goal and add to Mary Lee's mission of creating and maintaining affordable housing and services for low-income households.
- The multi-family rental community will be approximately 27,336 feet when completed. The project will include an office, elevator, community room, and laundry room.
- Residents of the Legacy will have access to the supportive services offered to all residents of the Square. Services are provided to tenants on a voluntary basis. Assistance with applications for mainstream services is provided and case management is also available to all residents on the Square. Mary Lee also sponsors a food pantry and Mobile Loaves and Fishes delivers weekly.
- The Daybreak program, an onsite day center for special needs individuals at the Square, offers therapeutic activities, computer training, meal preparation, classes on interpersonal relationships, stress management, gardening, bus mobility, functional math and reading, all reinforced with periodic supervised field trips into the community. In addition, an on-site nurse is available for medication administration, as needed.

Population Served

The Legacy will primarily serve people with disabilities, but will also provide units to income-eligible, non-disability residents to maintain integration within the community. Twenty-four of the units will serve households provide at 50 percent of Median Family Income (MFI), currently \$36,900 for a family of four; 12 units at 30 percent MFI or below, currently \$22,150 for a family of four; and four units will serve households at 80 percent MFI or below.

The Applicant

Mary Lee Community is a Texas 501(c) (3) non-profit organization. Mary Lee provides housing and supportive services to primarily people with mental and physical disabilities. The Mary Lee Foundation, founded in 1963, and its affiliates, currently manages 153 housing units in Austin. This includes 52 units under State Licensed programs. By the end of 2010, they will have 217 units after the completion of their most recent development, The Willows.