

## AGENDA



## Recommendation for Board Action

## AUSTIN HOUSING FINANCE CORPORATION (AHFC)

AHFC Meeting: August 23, 2018

Item Number: AHFC002

**Consent**

Approve the negotiation and execution of a loan agreement with the Foundation Communities, Inc., or an affiliated entity, in an amount not to exceed \$3,200,000 for a multi-family rental development to be known as the Waters Park Studios, to be located at 12207 Waters Park Road.

**District(s) Affected:** District 7

<b>Lead Department</b>	Neighborhood Housing and Community Development.
<b>Fiscal Note</b>	Funding is available in the Fiscal Year 2017-2018 Capital Budget of the Austin Housing Finance Corporation. A fiscal note is attached.
<b>For More Information</b>	Rosie Truelove, Treasurer, Austin Housing Finance Corporation, 512-974-3064; Mandy DeMayo, Community Development Administrator, Neighborhood Housing and Community Development, 512-974-1091.

**Additional Backup Information:**

This action authorizes the Austin Housing Finance Corporation (AHFC) to enter into a loan agreement with Foundation Communities, Inc., or an affiliated entity, to develop the multi-family affordable housing community. The proposed development will be located in Council District 7.

**Project Proposal**

Foundation Communities requests funding to construct Waters Park Studios, which will include approximately 132 units of affordable supportive housing units located in Northwest Austin. Foundation Communities will use the housing-plus-services model for single adults with a need for supportive services and housing stability. Waters Park Studios will provide 24-hour staffing and wraparound services that include case management, supported employment, education, counseling, and emergency financial assistance. The property will serve individuals transitioning from homelessness, people with mental and/or physical disabilities, veterans, older adults who live on fixed incomes, children aging out of foster care, and those with chronic diseases. All residents will have incomes at 50% Median Family Income (MFI) or lower.

### **Funding Request**

- Staff recommends \$3,200,000 of GO Bond funds be approved in the current fiscal year.
- Funding will be used for new construction of rental units.
- The project expects an award of Low Income Housing Tax Credits as part of the financing.
- AHFC funding would represent approximately 13% percent of the total project cost, with an average cost of AHFC funds at \$24,242 per rental unit.

### **Estimated Sources of Funds**

<u>Sources</u>		<u>Uses</u>	
Owner/Equity Fundraising	\$ 3,410,659.00	Predevelopment	\$ 645,508.00
Tax Credit Equity	\$ 14,398,560.00	Acquisition Costs	\$ 4,261,000.00
TDHCA/State MFDL	\$ 2,000,000.00	Hard Costs	\$ 16,436,979.00
City Fee Waivers	\$ 363,827.00	Soft & Financing Costs	\$ 3,649,068.00
Deferred Developer Fee	\$ 819,509.00		
City of Austin	\$ 3,200,000.00		
City of Austin ( <i>application pending</i> )	\$ 800,000.00		
<b>TOTAL</b>	<b>\$24,992,555.00</b>	<b>TOTAL</b>	<b>\$ 24,992,555.00</b>

### **Population Served**

The applicant proposes to serve up to 27 individuals whose needs meet the City's definition of Permanent Supportive Housing (1st priority) and Rapid ReHousing (2nd priority), as long as rental and services supports remain available.

### **Project Characteristics**

Units	Bedrooms	Bathrooms	Unit Size (sq ft)	Estimated Rent	MFI Served
27	Studio	1	518	\$427	< 30%
27	Studio	1	518	\$570	< 40%
78	Studio	1	518	\$712	< 50%
<b>132</b>	<b><i>Total Units</i></b>				

**Current Property Tax Status and Future Impact**

The property is currently not exempt from taxation. The Travis Central Appraisal District would make a determination on any tax exemptions for which the property may qualify in the future.

**Foundation Communities, Inc.**

Foundation Communities, Inc. has been in operation for 27 years and has successfully developed, and owns and operates 22 affordable communities in Austin and North Texas, and is known for its innovative programs to help residents become successful in meeting their financial, educational, or life goals and its commitment to creative and attractive sustainable building practices. Foundation Communities currently provides affordable housing for over 2,800 families including 228 formerly homeless children.

For more information on the proposed project, as well as socioeconomic characteristics and amenities in the surrounding area, please see the project's Development Information Packet here: <http://austintexas.gov/page/fy-17-18-funding-applications>.