

# Securing a Sizeable Allocation for Persimmon Point

Habitat for Humanity Affordable For-Sale Housing

## The History

Austin Habitat for Humanity has connected low-income families to homeownership since 1985. Since its inception, the organization has constructed hundreds of homes. These partners collaborate with local developers who wish to build affordable housing to simplify homebuyer's intake and qualification process. These homes are sold to low-to-moderate-income families earning up to 80% of the area's median family income. The Habitat for Humanity model has nearly 40 years of success, and each recipient engages in more than 200 hours of homebuilding labor and participates in wrap-around services, such as financial education and personalized housing counseling, ensuring the new homeowner is positioned to succeed.

In addition to building homes, Austin Habitat for Humanity offers counseling and repairs to low-income families. The Housing Counseling program, introduced in 2010, is certified and funded by the United States Department of Housing and Urban Development (HUD) and other supporters are administered by a Spanish-bilingual team. Although it is not targeted to a population other than low-to-moderate-income community members, the program is primarily accessed by women (90%) and people of color (84%). The home repair program has supported more than 400 households since 2006. This program provides critical repairs and accessibility modifications to help clients live safely and independently at home. Most repair program households have older adults (75% in the past five years) or people with disabilities (40% in the past five years).

## Local Need

The project is in south-central Texas and is home to more than 1.3 million people. It is the fifth-most populous county in Texas and has experienced some of the fastest growth in the region over the last decade. The county is diverse, with a sizeable Hispanic population of 33%. The influx of new residents has led to increasing housing costs, with prices soaring past \$500,000, making the dream of homeownership unrealistic for many residents.

## Looking Towards the Future

As the largest builder of affordable homes to own for hardworking, low-income families in Central Texas, Austin Habitat for Humanity strongly advocates for system change to increase access to homeownership. The organization has taken

### TOTAL DEVELOPMENT COST

\$45,347,070

### ALLOCATION SECURED

\$6,000,000

### CLOSING

April 2024

### CDE

Habitat for Humanity International

### ADDRESS

7051 Meadow Lake Blvd.  
Austin, TX 78744

### CENSUS TRACT

48453002427

### HIGHER DISTRESS CHARACTERISTICS (2015 ACS)

- ▶ Poverty Rate of 30.50%
- ▶ Median Family Income of 51.71%
- ▶ State Enterprise Zone
- ▶ Federal Emergency Management Agency (FEMA) Disaster Area
- ▶ Opportunity Zone

### COMMUNITY OUTCOMES

126 Affordable For-Sale Housing units  
50% Female-Headed Families  
100% Low-to-Moderate-Income

a leading role in advocating for housing funding, including a \$350 million affordable housing bond in 2022 and zoning changes to increase access to affordable housing under Austin's land code, last rewritten in 1984.

As a leader in the space, Austin Habitat for Humanity has embarked on a massive \$45 million project to construct 126 new houses to guarantee that the teachers, healthcare workers, first responders and others who make Austin a diverse and vibrant city have access to equitable housing. The collective efforts of this project will allow more than 400 family members to access homeownership, over 12,000 volunteers will be able to give back, and the affordable housing supply will increase by more than 125 units.

## The Impact

Austin Habitat for Humanity will build 126 homes serving roughly 400 people on 14.65 acres of land that the organization already owns. The homes will consist of:

- ▶ 72 two-bedroom flats
- ▶ 12 three-bedroom flats
- ▶ 12 two-bedroom townhomes
- ▶ 30 three-bedroom townhomes

Current pricing estimates are \$135,000 - \$171,000, and all units will be sold to households earning up to 80% of the annual median income for the area. The current project budget is approximately \$45 million. Collectively, these units will comprise over 142,872 square feet of new home builds. Construction has proven to be a catalyst for economic opportunity, and a recent estimate has the annual economic output of the organization at more than \$10 million, in addition to the \$500,000 in property taxes Habitat for Humanity homeowners pay annually.

## Your Guide Forward



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With the addition of three direct jobs and approximately 230 temporary construction jobs, the community will reap the benefits of affordable housing and gainful employment during the construction period. Moreover, these new residents will have access to existing resources, including a HUD-certified housing counseling program and access to favorable lending terms. The need for affordable housing has only increased due to the inflationary environment and the housing cost of over half a million dollars. Austin Habitat for Humanity supports those who need it most.

## Cherry Bekaert's Analysis

With decades of experience, the Cherry Bekaert team was able to help a Habitat affiliate navigate one of the most ambitious projects in chapter history. Transactions of this size require creative capital and bespoke support, which our professionals were able to deliver. Not only was the team successful in securing one of the largest allocations towards for-sale affordable housing for the respective round, but we also served as a trusted advisor throughout the lifecycle of the transaction, seeing to it that this deal was accretive when it closed and beyond in support of building much-needed affordable housing.

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