

Recommendation for Board Action				
Austin Housing Finance Corporation	Item ID	30682	Agenda Number	4.
Meeting Date:	2/13/2014		Department:	Neighborhood and Community Development
Subject				
<p>Approve the negotiation and execution of a loan agreement, subject to the award of Low Income Housing Tax Credits from the Texas Department of Housing and Community Affairs, to DDC Merritt Lakeline Station, Ltd. in an amount not to exceed \$2,200,000 for a 200-unit mixed-income, multi-family rental development to be known as Merritt Lakeline Station Apartments, and located at 10701 Lakeline Mall Drive.</p>				
Amount and Source of Funding				
<p>Funding is available in the Fiscal Year 2013-2014 Capital Budget of the Austin Housing Finance Corporation.</p>				
Fiscal Note				
<p>There is no unanticipated fiscal impact. A fiscal note is not required.</p>				
Purchasing Language:				
Prior Council Action:				
For More Information:	Betsy Spencer, AHFC Treasurer, 974-3182; David Potter, Program Manager, 974-3192			
Boards and Commission Action:				
MBE / WBE:				
Related Items:				
Additional Backup Information				
<p>If approved, the Austin Housing Finance Corporation (AHFC) would be authorized to enter into a loan agreement with DDC Merritt Lakeline Station, Ltd. provided its application No. 14243 to the Texas Department of Housing and Community Affairs (TDHCA) receives an award of low income housing tax credits. TDHCA will announce tax credit awards at its July 2014 board meeting.</p> <p><u>Funding Request</u></p> <ul style="list-style-type: none"> ▪ If approved, the \$2,200,000 will be used to assist with the acquisition of the property. ▪ AHFC funds would represent approximately 7.6 percent of the total project cost, with an average cost of AHFC funds at \$39,286 per AHFC-assisted unit. ▪ Estimated sources and uses for the project are as follows: 				

Sources:

Tax Credit Equity	\$14,097,180
Private Lender Loan	12,000,000
AHFC funding	2,205,000
Deferred Developer Fee	<u>814,036</u>
Total	\$29,116,216

Uses:

Acquisition	\$ 3,218,365
Pre-Development	479,000
Construction/Hard Costs	17,402,152
Soft & Carrying Costs	<u>8,011,699</u>
Total	\$29,111,216

Project Characteristics

- Two hundred mixed-income units to be built on property adjacent to the MetroRail Lakeline Station.
- Location is within the Lakeline Transit Oriented Development Overlay.
- Unit mix:

One-bedroom units	Rent: approximately \$307 - \$850	609 – 735 square feet
Two-bedroom units	Rent: approximately \$397 - \$816	850 – 973 square feet
Three-bedroom units	Rent: approximately \$845 - \$1,041	1,342 square feet
- Merritt Lakeline Station will have 10 Permanent Supportive Housing units with services to be provided through programs affiliated with the Housing Authority of the City of Austin (HACA).
- Twenty-five percent of units will be designated for persons with disabilities.
- Twenty units will be made accessible for persons with mobility disabilities, and at least four units will be made accessible for persons with hearing and sight disabilities. All units will be adaptable for persons with disabilities.
- Services provided by property management include quarterly health and nutrition classes, financial planning, free notary service, semi-monthly social events and arts and crafts activities, exercise classes and an annual health fair.
- No smoking will be permitted anywhere on the property. This helps support Imagine Austin Priority Program No. 7: Create a Healthy Austin.

Population Served

- Six percent of units will be reserved for individuals or families with incomes at or below 30% of the Median Family Income (MFI), currently \$21,950 for a four-person household; \$15,400 for an individual.
- Twenty-two percent of units will be reserved for individuals or families with income at or below 50% MFI, currently \$36,600 for a four-person household; \$25,650 for an individual.
- Twenty-eight percent of units will be reserved for individuals or families with income at or below 60% MFI, currently \$43,920 for a four-person household; \$30,780 for an individual.
- Forty-four percent of units will have no income restrictions.

DDC Merritt Lakeline Station, Ltd.

This is a to-be-formed limited partnership between entities affiliated with the Austin Affordable Housing Corporation (AAHC), a non-profit subsidiary of HACA, and DDC Merritt Lakeline Station GP, LLC (to-be-formed, single asset limited liability company). AAHC owns and operates both multi-family residential and commercial properties and will be the sole member of the general partnership. It also operates various programs for HACA residents and Housing Choice Voucher holders, including a homeownership program. DDC Investments, Ltd. is a developer of affordable housing in the state of Texas and has successfully developed 1,064 units of multi-family projects in Texas, both for seniors and families. Colby Denison is the owner of DDC Investments, Ltd.