

Recommendation for Board Action				
Austin Housing Finance Corporation	Item ID	35056	Agenda Number	7.
Meeting Date:	9/25/2014		Department:	Neighborhood and Community Development
Subject				
Approve an inducement resolution for private activity bond financing to be submitted to the TEXAS BOND REVIEW BOARD for an allocation of up to \$8 million in private activity volume cap multi-family non-recourse bonds for the acquisition and rehabilitation of the TIMBERS APARTMENTS, 1034 Clayton Lane, by the bond financing applicant, Timbers Clayton 104 Apartments, L.P., San Antonio, Texas, or its affiliate.				
Amount and Source of Funding				
Fiscal Note				
There is no unanticipated fiscal impact. A fiscal note is not required.				
Purchasing Language:				
Prior Council Action:				
For More Information:	Contact Elizabeth A. Spencer, Treasurer, Austin Housing Finance Corporation, 512-974-3182; or David Potter, Neighborhood Development Program Manager, Neighborhood Housing and Community Development, 512-974-3192.			
Boards and Commission Action:				
MBE / WBE:				
Related Items:				
Additional Backup Information				
Approval of this inducement resolution will permit staff to submit an application to the Texas Bond Review Board (BRB) requesting consideration to authorize the Austin Housing Finance Corporation Finance Corporation (AHFC) to issue multi-family housing revenue bonds to assist with the acquisition and rehabilitation of an apartment complex to be owned and operated by Timbers Clayton 104 Apartments, L.P., ("the Applicant"). Regulations governing the issuance of revenue bonds for the purpose of financing affordable housing specify that the bonds are non-recourse, and the full faith and credit of the AHFC or the City of Austin is not pledged to repay the bonds. <u>The Applicant</u> Timbers Clayton 104 Apartments, L.P., is an affiliate of the Cesar Chavez Foundation. The Cesar Chavez Foundation				

(CCF) has worked for more than 40 years at meeting essential human, cultural, and community needs. The CCF Housing and Economic Development Fund focuses on developing high-quality, service-enhanced affordable housing for working families and seniors. CCF has completed construction of more than 4,000 affordable multifamily units at more than 32 sites in California, Arizona, New Mexico, and Texas. The Foundation's housing team boasts a comprehensive approach to affordable housing that embraces constructing or extensively renovating each of its communities as well as managing the portfolio professionally, with a management and compliance supervisor in Texas. This comprehensive approach is accomplished by maintaining facilities that are safe, clean, efficient and aesthetically pleasing, with extensive amenities that include playgrounds, swimming pools, computer labs and special accommodations to address disabilities, language and cultural diversity, and transportation needs. CCF also takes pride in providing services such as after-school programs for children in the communities where its properties are located.

Process

- If approved, the AHFC Board will have two additional opportunities to review the project before the bonds are issued.
- Upon securing confirmation from the Texas BRB of an allocation for this project, a public hearing will be conducted as required by the Tax Equity Financial Responsibility Act (TEFRA). The suggested date and time for this hearing is August 28, 2014, at 3:00 p.m. at Austin City Hall, 301 W. 2nd Street.
- When the bond issue is structured, the item will be brought back to the AHFC Board for approval of the sale of the bonds within the allotted time allowed by the Texas BRB for closing.
- The Applicant will secure four percent Low-Income Housing Tax Credits from the Texas Department of Housing and Community Affairs. Such tax credits are automatically available to volume cap bond-financed projects. These tax credits help finance equity needed to carry out the project.

AHFC as Bond Issuer

- Since 1982, AHFC has issued 25 series of multi-family housing revenue bonds totaling \$227,000,000. These multi-family bonds have financed 33 multi-family properties, creating 6,552 low- and moderate-income rental units.
- The issuance of \$8 million in revenue bonds will generate an issuer's fee to AHFC of approximately \$40,000 (one-half of one percent of the amount of bonds issued).
- AHFC received a \$5,000 application fee from the Applicant.
- AHFC will receive an annual monitoring fee over the life of the bonds. The fee is calculated as the greater of .0003 times the amount of bonds outstanding on January 1 of each year, or \$12 per unit, or a flat \$1,200.

Project Characteristics

- Timbers Apartments is a multi-family rental property consisting of 104 units at 1034 Clayton Lane and lies within the boundaries of the Windsor Park Neighborhood Association.
- The apartments were constructed in 1998 and consist of one, two, and three-bedroom units.
- The property is 100 percent occupied.
- The Applicant has committed to a 55-year affordability period.
- No relocation of tenants will be necessary during renovations, which are expected to be complete by April 2016. The renovations will include:
 - Exteriors – Modify landscaping, ADA compliance and fencing to secure property.
 - Interiors - new cabinets, countertops, plumbing and electrical fixtures, flooring and paint.

Population Served

The project is currently under a Land Use Restriction Agreement (LURA) that requires 24 units be reserved for households with annual incomes at or below 50 percent of the Median Family Income (MFI), currently \$37,700 for a four-person household. 54 units are reserved for households with incomes at or below 60 percent MFI, currently \$45,240 for a four-person household, and 26 units have no income restrictions. The Applicant is committed to executing a new LURA making all 104 units affordable.