

Recommendation for Board Action				
Austin Housing Finance Corporation	Item ID	40212	Agenda Number	8.
Meeting Date:	2/12/2015		Department:	Neighborhood and Community Development
Subject				
<p>Authorize 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, with DMA Development Company, LLC, or an affiliate, in an amount not to exceed \$1,650,000 for a proposed multi-family rental development to be known as the Azul 620, located at 11411 North Ranch Road 620.</p>				
Amount and Source of Funding				
Funding is available in the Fiscal Year 2014-2015 Capital Budget of the Austin Housing Finance Corporation.				
Fiscal Note				
There is no unanticipated fiscal impact. A fiscal note is not required.				
Purchasing Language:				
Prior Council Action:				
For More Information:	Elizabeth A. Spencer, Treasurer, Austin Housing Finance Corporation, 512-974-3182; or David Potter, AHFC Neighborhood Development Program Manager, 512-974-3192.			
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 DMA Development Company, LLC, or an affiliated entity, provided its application No. 15308 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 2015 board meeting.</p> <p>Funding Request</p> <ul style="list-style-type: none"> ▪ If approved, the \$1,650,000 will be used to assist with the acquisition of the property. ▪ AHFC funds would represent approximately 8 percent of the total project cost, with an average cost of AHFC funds at \$15,000 per unit. 				

Estimated Sources and Uses for the project are as follows:

Sources:

Tax Credit Equity	\$12,823,717
Private Lender Loans	5,750,000
Deferred Developer Fee	300,827
Requested AHFC Funds	<u>1,650,000</u>
Total	\$20,524,544

Uses:

Acquisition	\$ 3,271,303
Pre-development Costs	1,333,400
Construction/Hard Costs	12,065,760
Soft & Carrying Costs	1,170,479
Reserves & Developer Fee	<u>2,683,602</u>
Total	\$20,524,544

Project Characteristics

- 110 affordable units to be built on Ranch Road 620 in the Anderson Mill area. Another 10 units will be market rate.
- **Unit mix:**

48 one-bedroom/one-bath units	Rent: approximately \$349-\$1,100	750 square feet
48 two-bedroom/one-bath units	Rent: approximately \$413-\$1,204	950 square feet
24 three-bedroom/two-bath units	Rent: approximately \$857-\$1,477	1,100 square feet
- 12 units will be made accessible for persons with mobility disabilities, and at least 3 units will be made accessible for persons with hearing and sight disabilities.
- Smoking will not be permitted anywhere on the property. This helps support Imagine Austin Priority Program #7: Create a Healthy Austin.
- The developer has a subsidiary company DMA Properties, LLC that provides resident services. The types of services provided may vary over time depending on residents' needs and interests. Typical services could include educational services, financial planning, character building, scholastic tutoring, and income tax preparation.

Population Served

- Ten percent of units will be reserved for individuals with incomes less than \$20,350 per year (30% of the Median Family Income [MFI] for a 3-person household).
- Forty percent of units will be reserved for individuals with incomes less than \$33,950 per year (50% of MFI for a 3-person household.)
- Forty percent of units will be reserved for individuals with incomes less than \$40,740 per year (60% of MFI for a 3-person household.)
- Ten percent of units will be market rate units that have no income restrictions.

DMA Development Company, LLC

DMA Development Company, LLC (DDC) was formed in 1999 by Diana McIver for the purpose of developing and owning affordable and market-rate properties. DDC has successfully developed 25 properties since 2000 which include workforce housing, senior housing, and supportive housing properties. The Austin Housing Finance Corporation was one of the lenders on DDC's Wildflower Terrace, a 201-unit mixed-income senior community in the Robert Mueller Municipal Airport re-development site.