

Recommendation for Board Action			
Austin Housing Finance Corporation	Item ID	43841	Agenda Number 2.
Meeting Date:	4/23/2015	Department:	Neighborhood and Community Development
Subject			
<p>Approve a resolution authorizing the formation of AHFC ALDRICH 51 NON-PROFIT CORPORATION, a Texas non-profit corporation and instrumentality of the Austin Housing Finance Corporation; approving its certificate of formation, articles of incorporation, and by-laws; and appointing its board of directors and president. Related to Item # 1.</p>			
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, Program Manager, Neighborhood Housing and Community Development, 512-974-3192		
Boards and Commission Action:	April 2, 2015 – AHFC Board approved an inducement resolution for private activity bonds to be issued up to an amount of \$20 million for the Aldrich 51 Apartments.		
MBE / WBE:			
Related Items:			
Additional Backup Information			
<p>The Austin Housing Finance Corporation (AHFC) Board of Directors is requested to approve the Certificate of Formation, Articles of Incorporation, and By-laws, and to appoint the Board of Directors and President of the AHFC Aldrich 51 Non-profit Corporation that will serve as Managing Member of the to-be-formed DMA Housing II, LLC that will own the proposed Aldrich 51 Apartments to be constructed in the Robert Mueller Municipal Airport Redevelopment.</p> <p>The Certificate of Formation, Articles of Incorporation and By-laws are attached to the resolution as Exhibits A, B and C, respectively. The Board of Directors to be appointed shall serve terms as stated in the By-laws. The requested appointments are:</p> <p>Director: Bert Lumbreras Director: Elizabeth A. Spencer Director: Rebecca Giello</p>			

The president of the corporation to be appointed shall serve as stated in the By-laws. The requested appointment for President is: Bert Lumbreras. The remaining officers of the corporation will be appointed by its board of directors at its first organizational meeting.

Proposal, Ownership and Financing Structures

Aldrich 51 is proposed as a newly constructed apartment community in the heart of the Mueller Market District in Austin, Travis County. Aldrich 51 will serve working families and provide approximately 240 units comprised of one, two, and three bedroom units. The development site is located on 3.465 acres on the west side of Aldrich Street, between Barbara Jordan Boulevard, and 51st Street.

Aldrich 51 will be a four-story, elevator served building with structured parking and an interior courtyard. On the street level, the uses will be primarily residential with amenity space and administrative offices also on the ground floor. The units will be a mix of primarily one and two bedrooms, with a small number of three bedroom units. Approximately 90% of the units will be affordable to households earning less than 60% of the median income for the Austin metropolitan statistical area.

The Limited Liability Company structure proposed for this development is similar to previous Limited Partnership and Limited Liability Company structures in which AHFC-related entities have participated. These include developments such as Villas on Sixth, Primrose at Shadow Creek, Heritage Heights at Blackshear, also known as SCIP I, and Village on Little Texas (now known as Retreat at North Bluff). In December 2014, the AHFC Board of Directors also approved a partnership with the Cesar Chavez Foundation for the 104-unit Timbers Apartments located at 1024 Clayton Lane. That transaction is expected to close in late summer 2015.

Financing for Aldrich 51 will come through 4%, non-competitive Low Income Housing Tax Credits, bonds issued by AHFC, a private lender loan, and a portion of the developer fee will be deferred.