

<b>Recommendation for Board Action</b>				
Austin Housing Finance Corporation	Item ID	47663	Agenda Number	3.
Meeting Date:	8/6/2015	Department:	Neighborhood and Community Development	
Subject				
<p>Authorize negotiation and execution of a loan agreement with Wolfpack Group, LLC, or an affiliate, in an amount not to exceed \$1,260,000 for a multi-family rental development to be known as the LaMadrid Apartments, located at the southwest corner of Ravenscroft Drive and Manchaca Road.</p>				
Amount and Source of Funding				
<p>Funding is available in the Fiscal Year 2014-2015 Capital Budget of the Austin Housing Finance Corporation.</p>				
Fiscal Note				
<p>A fiscal note is attached.</p>				
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, 512-9743192.			
Boards and Commission Action:	February 12, 2015 – AHFC Board approved conditional funding in the amount of \$1,260,000, subject to the award of Low Income Housing Tax Credits from the Texas Department of Housing and Community Affairs (TDHCA).			
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 Wolfpack Group, LLC, or an affiliated entity, to develop the La Madrid Apartments. Previously the AHFC Board approved a conditional commitment of funds, subject to the award of tax credits from TDHCA. The TDHCA Board of Directors approved an award of tax credits for this project at its July 30, 2015 meeting.</p> <p><b><u>Funding Request</u></b></p> <ul style="list-style-type: none"> <li>▪ If approved, the \$1,260,000 will be used to assist with the acquisition of the property.</li> <li>▪ AHFC funds would represent approximately 7 percent of the total project cost, with an average cost of AHFC funds at \$15,000 per unit.</li> </ul> <p>Estimated Sources and Uses for the project are as follows:</p>				

**Sources:**

Tax Credit Equity	\$11,649,395
Private Lender Loans	2,300,000
Deferred Developer Fee	654,886
Requested AHFC Funds	<u>2,500,000</u>
<b>Total</b>	<b>\$17,104,281</b>

**Uses:**

Acquisition	\$ 1,800,000
Pre-development Costs	1,661,700
Construction/Hard Costs	10,627,752
Soft & Carrying Costs	731,218
Reserves & Developer Fee	<u>2,283,611</u>
<b>Total</b>	<b>\$17,104,281</b>

**Project Characteristics**

- 78 affordable units to be built at Ravenscroft Drive and Manchaca Road, south of Slaughter Lane. Another 12 units will be market rate.
- Unit mix:**

16 one-bedroom/one-bath units	Rent: approximately \$337-\$762	750 square feet
52 two-bedroom/two-bath units	Rent: approximately \$396-\$905	975 square feet
22 three-bedroom/two-bath units	Rent: approximately \$441-\$1,029	1,175square feet
- 45 units will be made accessible for persons with mobility disabilities, and at least 2 units will be made accessible for persons with hearing and sight disabilities.
- Smoking will not be permitted in residents' units. This helps support Imagine Austin Priority Program #7: Create a Healthy Austin.
- The developer has executed a Memorandum of Understanding with Skillpoint Alliance to provide resident services. Services planned for LaMadrid include computer proficiency for adults and STEM (Science, Technology, Engineering, and Math) activities for children during the summer. The types of services provided may vary over time depending on residents' needs and interests.

**Population Served**

- Eight 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).
- Thirty-five 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-two percent of units will be reserved for individuals with incomes less than \$40,740 per year (60% of MFI for a 3-person household.)
- Fifteen percent of units will be market rate units that have no income restrictions.

**Wolfpack Group, LLC**

The company is a special purpose entity, recently created to undertake development activities in Texas. Its principals, as part of the Pinnacle Housing Group, have developed a portfolio of 32 developments with over 6,000 rental units, and per the materials submitted, have ranked in the Top 50 Affordable Housing Developers in the United States, according to Affordable Housing Finance Magazine.