

A G E N D A



Recommendation for Council Action

Austin City Council		Item ID	51939	Agenda Number	97.
Meeting Date:	11/19/2015		Department:	Neighborhood and Community Development	
Subject					
Conduct a public hearing and consider a resolution supporting an application to be submitted to the Texas Department of Housing and Community Affairs by The Mulholland Group, LLC, and its affiliates, for the Cross Creek Apartments, located at 1124 Rutland Drive. (District 4)					
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:	Betsy Spencer, NHCD Director, 512-974-3182; David Potter, NHCD Program Manager, 512-974-3192				
Council Committee, Boards and Commission Action:	June 12, 2014 – The AHFC Board authorized negotiation and execution of a loan agreement in an amount not to exceed \$2,000,000 to assist with the acquisition of the Cross Creek Apartments. April 2, 2015 – Austin Housing Finance Corporation Board approved an inducement resolution for an allocation of up to \$16 million in private activity volume cap multi-family, non-recourse bonds to help finance the rehabilitation of Cross Creek Apartments. April 23, 2015 – Austin Housing Finance Corporation Board conducted a public hearing as required by the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA).				
MBE / WBE:					
Related Items:					

Additional Backup Information

This action will conduct a public hearing to receive public comment to consider approval of a resolution as required by the Texas Department of Housing and Community Affairs (TDHCA) 2015 Uniform Multi-family Rules. The applicant, The Mulholland Group, LLC, and its affiliates, must submit to TDHCA a resolution of no objection from the applicable governing body in which the proposed development is located in **Council District 4**.

Purpose

The purpose of the Public Hearing will be to receive public comment to consider approval of a Resolution of No Objection by the City of Austin. If approved, a copy of the resolution will be submitted by the developer to the Texas Department of Housing and Community Affairs (TDHCA) with the Tax Credit application.

Project

The Mulholland Group has acquired and is in the process of obtaining financing to rehabilitate a 200-unit multi-family complex, Cross Creek Apartments. The rehabilitation is proposed to be partially funded with 4% Low Income Housing Tax Credits and Private Activity Bonds issued by the Austin Housing Finance Corporation. Additional information is included in **Exhibit A**.

Estimated Sources and Uses

Sources

Private Activity Bonds	\$ 12,943,000
Low Income Housing Tax Credits	8,199,099
City of Austin Loan	2,500,000
Year One Cash Flow	394,314
Deferred Developer Fee	<u>569,771</u>
Total	\$ 24,606,184

Uses

Acquisition	\$ 9,250,000
Renovation Costs	9,266,688
Financing Costs	1,141,000
Soft Costs	<u>4,948,496</u>
Total	\$ 24,606,184

Project Characteristics

- The property is located at 1124 Rutland Drive, and consists of 18 separate buildings on 10 acres near Lamar and Rundberg, with easy access to transit, services, and retail businesses. Nearby recreational facilities include Quail Creek Neighborhood Park and the North Austin Recreation Center which is co-located with the North Austin YMCA on Rundberg Lane.
- The unit sizes range from 575 to 1,008 square feet. There are 140 one-bedroom/one-bath units and 30 two-bedroom/one-bath units and 30 two-bedroom/two-bath units.
- Depending on unit size, the rents will be in the approximate range of \$746 to \$914 per month.
- Twenty (20) units will be designed accessible for persons with mobility disabilities, and 6 units will be designed accessible for persons with sight or hearing disabilities. All 80 ground-floor units will be made adaptable.
- Ten (10) units will be operated as Permanent Supportive Housing in partnership with Front Steps.

Population Served

- Twenty (20) units will be reserved for households with incomes at or below 30 percent of the Austin area Median Family Income (MFI), currently \$16,150 for a one-person household and \$23,050 for a four-person household. Ten (10) of those units will be reserved for Permanent Supportive Housing.
- Sixty (60) units will be reserved for households with incomes at or below 50 percent MFI, currently \$26,900 for a one-person household and \$38,400 for a four-person household.
- One hundred twenty (120) units will be reserved for households with incomes at or below 60 percent MFI, currently \$32,280 for a one-person household and \$46,080 for a four-person household.

The Mulholland Group

The Mulholland Group, LLC (TMG), and its affiliates, currently own or control more than 2,350 residential multi-family apartment units in 3 states and has facilitated the acquisition or financing of over 6,500 units in 5 states. The organization, established in 1991, routinely develops affordable housing by raising equity through the sale of Low Income Housing Tax Credits and the use of tax-exempt bonds. TMG acquires multi-family properties that are generally Class B to C quality and are leased to low, moderate and middle-income persons. In Austin, TMG completed the successful rehabilitation of the 476-unit Palms on Lamar (formerly, the Malibu Apartments). The project was awarded \$3 million of Affordable Housing General Obligation Bond and to date is the project with the largest number of units assisted by AHFC. On December 5, 2011 The Mulholland Group along with officials from the City of Austin, Texas Department of Housing & Community Affairs and the Department of Housing Urban Development participated in a ribbon cutting ceremony for the official grand opening of The Palms on Lamar.

For more information on the proposed project, as well as socioeconomic characteristics and amenities in the surrounding area, please see the project's Development Information Packet here: <http://austintexas.gov/page/fy-15-16-funding-applications>.