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| Recommendation for Board Action | | | | |
| Austin Housing Finance Corporation | Item ID | 56254 | Agenda Number | 2. |
| Meeting Date: | 4/21/2016 | Department: | Neighborhood and Community Development | |
| Subject | | | | |
| Conduct a public hearing regarding the issuance of up to \$16 million dollars of Austin Housing Finance Corporation Multi-family Housing Revenue Bonds to finance the rehabilitation of the Cross Creek Apartments, 1124 Rutland Drive, to be owned and operated by TMG-TX Austin II, LP, a Texas limited partnership. (District 4) | | | | |
| Amount and Source of Funding | | | | |
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| Fiscal Note | | | | |
| There is no unanticipated fiscal impact. A fiscal note is not required. | | | | |
| Purchasing Language: | | | | |
| Prior Council Action: | November 19, 2015 – City Council conducted a public hearing to receive input on the project and approved a resolution of “no objection” required by the Texas Department of Housing and Community Affairs to apply for 4% low income housing tax credit financing. | | | |
| For More Information: | Betsy Spencer, AHFC Treasurer, 512-974-3182; David Potter, Neighborhood Development Program Manager; 512-974-3192 | | | |
| Boards and Commission Action: | <p>June 6, 2014 – AHFC Board approved negotiation and execution of a loan agreement for \$2,000,000 to assist with acquisition of the Cross Creek Apartments.</p> <p>April 2, 2015 – AHFC Board approved an inducement resolution for the issuance of up to \$16 million in AHFC for the Cross Creek Apartments and set the date of the public hearing required by the Tax Equity Fiscal Responsibility Act.</p> <p>April 23, 2015 – AHFC Board conducted the public hearing required by the Tax Equity Fiscal Responsibility Act.</p> <p>October 28, 2015 – The Building and Standards Commission conducted a public hearing regarding of alleged violations of the City’s Property Maintenance Code by the owner of Cross Creek Apartment. The Commission determined that violations had occurred, and Orders were issued requiring specific performance by the Owner.</p> | | | |
| MBE / WBE: | | | | |
| Related Items: | | | | |
| Additional Backup Information | | | | |

This public hearing meets the Tax Equity Financial Responsibility Act (TEFRA) hearing requirements and allows the Austin Housing Finance Corporation (AHFC) to receive public input for the issuance of up to \$16 million in multi-family housing non-recourse bonds to provide interim and permanent financing for the rehabilitation of the Cross Creek Apartments. The development is located in Council District 4.

The primary public purpose of this financing will be to help rehabilitate and preserve existing affordable housing located adjacent to the Restore Rundberg Planning Area. Cross Creek Apartments consists of 200 units that were built in 1976 and are one of the few complexes in the area that have not undergone some type of substantial rehabilitation.

Project Characteristics

- The property consists of 200 units located at 1124 Rutland Drive, in 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 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 units will be operated as Permanent Supportive Housing in partnership with Front Steps.

Population Served

- Twenty 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 of those units will be reserved for Permanent Supportive Housing.
- Sixty 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 units will be reserved for households with incomes at or below 60% MFI, currently \$30,280 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).

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>.