

Recommendation for Board Action				
Austin Housing Finance Corporation	Item ID	62435	Agenda Number	4.
Meeting Date:	9/1/2016		Department:	Neighborhood and Community Development
Subject				
Approve a resolution appointing Rosie Truelove as a Director to the Board of Directors of the AHFC Aldrich 51 Non-Profit Corporation and the AHFC 1034 Clayton Lane Non-Profit Corporation.				
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:				
Boards and Commission Action:	November 11, 2014 – The AHFC Board approved the formation of the AHFC 1034 Clayton Lane Non-Profit Corporation, its articles of incorporation and by-laws and appointed its board of directors and president. Per the by-laws, Director terms expire April 30, 2018. April 23, 2015 – The AHFC Board approved the formation of the AHFC Aldrich 51 Non-Profit Corporation, its articles of incorporation and by-laws and appointed its board of directors and president. Per the by-laws, Director terms expire November 30, 2017.			
MBE / WBE:				
Related Items:				
Additional Backup Information				

If approved, this resolution would appoint Rosie Truelove as a Director of the following corporations, replacing Elizabeth A. Spencer, who has submitted her resignation to the City of Austin.

- AHFC Aldrich 51 Non-Profit Corporation to fill the unexpired term ending on November 30, 2017; and
- AHFC 1034 Clayton Lane Non-Profit Corporation to fill the unexpired term ending on April 30, 2018.

Purpose and Roles of the Non-Profit Corporations

Under the rules of the Internal Revenue Code, properties receiving Low Income Housing Tax Credits (LIHTC) must create a single-asset entity that will serve as the owner of the property receiving the tax credits. In other words, the entity that owns the property will only own that property and will own no other properties. This limits the liability of the owner to the one property.

Also, the rules require that the owner be structured as a limited partnership or limited liability company in which the investor purchasing the tax credits (the limited partner/investor member) owns approximately 99.9% of the development and the developer/operator of the property (the general partner/managing member) owns approximately 0.01% during the initial 15-year compliance period.

The **AHFC Aldrich 51 Non-Profit Corporation** was formed for the purpose of serving as Managing Member of the limited liability company that owns the Aldrich 51 Apartments, currently under construction in the Robert Mueller Municipal Airport (RMMA) Redevelopment Area. Aldrich 51 received \$4,000,000 in funding from AHFC, and AHFC issued \$25,000,000 in private activity bonds to help finance the development. AHFC also holds title to the land, providing the development with a 100% property tax exemption. The property is located in District 9.

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. Conceived as a development that will provide housing in close proximity to RMMA employers, 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 with incomes at or below 60% of the Median Family Income (MFI) for the Austin metropolitan statistical area, currently \$32,700 for a single-person household.

The **AHFC 1034 Clayton Lane Non-Profit Corporation** was formed for the purpose of serving as General Partner of the limited partnership that owns the Timbers Apartments, currently under renovation, at 1034 Clayton Lane. The project is affiliated with the Cesar Chavez Foundation that has provided housing and educational programs for residents throughout the southwestern United States. The Timbers received no AHFC funding; however, AHFC issued \$8,000,000 in private activity bonds to help finance the rehabilitation of the property. AHFC also holds title to the land, providing the development with a 100% property tax exemption. The property is located in District 1.

The Timbers Apartments consist of 104 units of 2-, 3-, and 4-bedroom units. Five units will be reserved as Permanent Supportive Housing for families. All units will be affordable to households with incomes at or below 60% MFI, currently \$46,680 for a 4-person household.