

A G E N D A



Recommendation for Council Action

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| Austin City Council | Item ID | 66833 | Agenda Number | 59. |
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|---------------|----------|-------------|--|
| Meeting Date: | 2/2/2017 | Department: | Neighborhood and Community Development |
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Subject

Conduct a public hearing and consider a resolution regarding an application to be submitted to the Texas Department of Housing and Community Affairs by Pathways at Gaston Place, LP, or an affiliated entity, for low income housing tax credits in connection with the rehabilitation of an affordable multi-family development located at 1941 Gaston Place. (District 1)

Amount and Source of Funding

No City of Austin or Austin Housing Finance Corporation funding is being requested.

Fiscal Note

A fiscal note is not required.

Purchasing Language:

Prior Council Action:

For More Information: Rosie Truelove, NHCD Interim Director, 512-974-3064; David Potter, Program Manager, 512-974-3192.

Council Committee,
Boards and
Commission Action:

MBE / WBE:

Related Items:

Additional Backup Information

This action will conduct a public hearing to receive comments to consider approval of a resolution as required by the Texas Department of Housing and Community Affairs (TDHCA) 2016 Uniform Multi-family Rules. To receive state allocated tax credits for the development, the applicant, Pathways at Gaston Place, LP, or an affiliated entity, must submit to TDHCA a resolution of no objection from the applicable governing body in which the development is located. This existing development is located in District 1.

Proposed Project

Pathways at Gaston Place, LP, is planning to rehabilitate a 100-unit development located at 1941 Gaston Place, which would be 100% affordable to households with incomes at or below 60% Median Family Income (MFI), currently \$46,680 for a 4-person household. The development, to be known as the Pathways at Gaston Place Apartments, is proposed to be partially funded with 4% Low Income Housing Tax Credits, and Private Activity Bonds issued by Austin Affordable PFC, Inc. No funding from the Austin Housing Finance Corporation is being requested.

Estimated Sources of Funds

Sources:

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|------------------------|---------------------|
| Private Activity Bonds | \$10,854,855 |
| Tax Credit Equity | \$7,548,340 |
| Debt Financing | \$1,988,000 |
| Total | \$20,391,195 |

Uses:

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|----------------------------|------------------|
| Acquisition Costs | \$6,670,000 |
| Rehabilitation/Hard Costs | \$8,586,195 |
| Soft and Financing Costs | 2,648,000 |
| Reserves and Developer Fee | <u>2,487,000</u> |

Total **\$20,391,195**

Project Characteristics

- 96 one-bedroom/one-bath units (approximately 578 square feet, approximate rent \$584).
- 4 two-bedroom/two-bath units (approximately 828 square feet, approximate rent \$736).

Population Served

- 100% of units will be reserved for individuals or families with incomes at or below 60% MFI, currently \$32,700 for a single-person household and \$46,680 for a 4-person household.

Current Property Tax Status and Future Impact

The property is currently 100% tax exempt according to the Travis Central Appraisal District (TCAD). TCAD will determine whether the residential use of this property will be eligible for any exemptions after the property is rehabilitated.

Pathways at Gaston Place, LP

The development will be owned by Pathways at Gaston Place, LP, an affiliate of Austin Affordable Housing Corporation (AAHC), a non-profit subsidiary of the Housing Authority of the City of Austin (HACA). AAHC was created in 2003 to preserve and increase the stock of affordable housing for low to moderate-income families in Austin as well as provide financial literacy and homeownership opportunities. AAHC's real estate portfolio consists of office buildings, a shopping center, single-family houses and multi-family rental developments.

For more information on the proposed project, as well as socioeconomic characteristics and amenities in the surrounding area, please see the project's Development Application here:

<http://austintexas.gov/page/fy-15-16-funding-applications>