

Recommendation for Board Action				
Austin Housing Finance Corporation	Item ID	72890	Agenda Number	3.
Meeting Date:	8/3/2017		Department:	Neighborhood Housing and Community Development
Subject				
Approve the negotiation and execution of a loan agreement with the Saigebrook Development, LLC, or an affiliated entity, in an amount not to exceed \$1,500,000 for a mixed-income, multi-family rental development to be known as the Aria Grand Apartments, to be located at 1800 South IH-35 Frontage Road. (District 9)				
Amount and Source of Funding				
Funding is available in the Fiscal Year 2016-2017 Capital Budget of the Austin Housing Finance Corporation.				
Fiscal Note				
A fiscal note is attached.				
Purchasing Language:				
Prior Council Action:				
For More Information:	Rosie Truelove, AHFC Treasurer, 512-974-3064; David Potter, Program Manager, 512-974-3192.			
Boards and Commission Action:				
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 Saigebrook Development, LLC, or an affiliated entity, to develop the multi-family affordable housing community. The property is located in Council District 9.</p> <p><u>Funding Request</u></p> <ul style="list-style-type: none"> • Staff is recommending \$1,500,000 of Affordable Housing General Obligation Bond funds be approved in the current fiscal year. • Funding will be used to construct 70 rental units. • The project has been awarded Low Income Housing Tax Credits as part of the financing plus a permanent loan. • AHFC funding would represent approximately 9% percent of the total project cost, with an average cost of AHFC funds at \$25,000 per affordable unit. 				

- Estimated Sources and Uses for the project are as follows:

Sources:

Requested AHFC funding	1,500,000
Private Lender Loan	3,400,000
Tax Credit Equity	11,320,228
Deferred Developer Fee	<u>632,676</u>
Total	\$16,852,904

Uses:

Acquisition	\$ 1,400,000
Construction/Hard Costs	9,985,085
Soft & Carrying Costs	<u>5,467,819</u>
Total	\$16,852,904

Population Served

- 6 rental housing units that serve residents earning at or below 30% of Median Family Income (MFI); currently, \$24,400 for a 4-person household;
- 24 rental housing units that serve residents earning at or below 50% of MFI; currently \$40,700 for a 4-person household
- 30 rental housing units that serve residents earning at or below 60% of MFI; currently \$48,840 for a 4-person household
- 10 rental housing units will have no income restrictions.

Project Characteristics

- The approximate unit mix will include:
 - 12 1-bedroom units; approximately 693 square feet;
 - 30 2-bedroom units; approximately 873 square feet;
 - 28 3-bedroom units; approximately 1,050 square feet.
- Aria Grand Apartments will have 7 Permanent Supportive Housing (PSH) units.
- 7 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. All remaining units will be adaptable.
- The services to be provided will be based on the interests and needs of the residents. Proposed residential services are to be provided by a third party (Skillpoint Alliance), and will likely include job training, computer efficiency classes, and a summer camp for children.
- On-site amenities will likely include a fully furnished clubhouse, media room, fitness center, cyber lounge, children's play area, community room, covered BBQ area, and an outdoor community area.

Current Property Tax Status and Future Impact

The property is currently not exempt from taxation. The Travis Central Appraisal District would make a determination on any tax exemptions for which the property may qualify in the future.

Saigebrook Development, LLC

According to information provided by the developer, Saigebrook Development and its Principal, Lisa Stephens, have specialized in providing first-class affordable and workforce housing communities in urban core and suburban areas since 1996. Ms. Stephens has secured 14 allocations of Housing Tax Credits in Texas and has financed and closed approximately 5,000 units in the southern United States. Aria Grand will be Saigebrook Development's third development in Austin.

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-16-17-funding-applications>