

CIP BUDGET FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:

8/3/17

CONTACT DEPARTMENT(S):

Neighborhood Housing & Community Development

SUBJECT: Approve an ordinance amending the Fiscal Year 2016-2017 Neighborhood Housing and Community Development Department Capital Budget (Resolution 20160914-002) to appropriate \$5,500,000 in General Obligation Bond funds for expenditures related to affordable housing.

CURRENT YEAR IMPACT:

Department:	Neighborhood Housing & Community Development
Project Name:	Rental Housing
Project Authorization:	2016-2017 Capital Budget
Funding Source:	2016 GO Bond Proposition 1
Fund/Dept/Unit:	7011 7207 1201
Current Budget	\$34,315,673
Unencumbered Balance	\$10,069,168
This Action	\$5,500,000
Estimated Available	<u>\$15,569,168</u>

ANALYSIS / ADDITIONAL INFORMATION: This action appropriates \$5,500,000 for two projects in Austin that received awards of competitive Low Income Housing Tax Credits from the Texas Department of Housing and Community Affairs (TDHCA). \$4,000,000 is being requested by Foundation Communities for its new development to be constructed in the Robert Mueller Municipal Airport Redevelopment (District 9), and \$1,500,000 is being requested by Saigebrook Development for the Aria Grand Apartments to be built at the southwest corner of Interstate 35 Access Road and Woodland Drive (District 9). The tax credit awards from TDHCA will infuse into these two projects a combined amount of approximately \$25,500,000 of private investor equity.

Specific details on these two affordable housing developments can be found at the August 3, 2017 Meeting Agenda for the Austin Housing Finance Corporation Board of Directors.

A reimbursement resolution is a separate, but related item on this Council agenda. A reimbursement resolution is required by federal and state law whenever a bond issuer plans to use bond proceeds to retroactively reimburse itself for expenditures the issuer already incurred. The use of a reimbursement resolution is approved in the City's financial policies and allows the City to start projects to be funded with bonds before the City's next scheduled general obligation bond sale. The city typically schedules its annual issuance of general obligation debt in August to coordinate with the budget cycle.