

## AGENDA



## Recommendation for Council Action

## AUSTIN CITY COUNCIL

Regular Meeting: October 19, 2017

Item Number: 055

## Public Hearing and Possible Action

Conduct a public hearing and consider a resolution for an application to be submitted to the Texas Department of Housing and Community Affairs by Austin DMA Housing III, LLC, or an affiliated entity, for a proposed affordable multi-family development for seniors to be known as The Nightingale and located at 5900 Charles Merle Drive in the Goodnight Ranch Planned Unit Development. (District 2)

<b>Lead Department</b>	Neighborhood Housing and Community Development
<b>Fiscal Note</b>	There is no fiscal impact. A fiscal note is not required.
<b>For More Information</b>	Rosie Truelove, Neighborhood Housing and Community Development Interim Director, 512-974-3064; David Potter, Program Manager, 512-974-3192.

## 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) 2017 Uniform Multi-family Rules. The applicant must submit to TDHCA a resolution of no objection from the applicable governing body in which the proposed development is located. The property is located in District 2.

Proposed Project

The proposed development is for 174 units for seniors to be located on Charles Merle Drive in the Goodnight Ranch Planned Unit Development (PUD). Financing for the development is proposed to come from non-competitive 4% Low Income Housing Tax Credits, the Private Activity Bonds issued by AHFC,

and Rental Housing Development Assistance (RHDA) funding from AHFC.

#### Estimated Sources and Uses of Fund

##### Sources:

Private Activity Bonds	\$ 15,000,000	Acquisition	\$ 1,962,500
Tax Credits	5,696,751	Pre-Development &	
TDHCA Loan	1,500,000	Soft Costs	1,705,546
Requested AHFC funding	2,000,000	Construction/Hard Costs	17,452,846
Deferred Developer Fee	<u>2,001,520</u>	Developer Fee &	
<b>Total</b>	<b>\$ 26,198,271</b>	Financing Costs	<u>5,077,379</u>
	<b>Total \$ 26,198,271</b>		

##### Uses:

#### Project Characteristics

- § 174 units to be built on property in the Goodnight Ranch PUD.
- § 134 one-bedroom units (approximately 730 to 863 square feet, approximate rent \$405 to \$863).
- § 40 two-bedroom units (approximately 952 to 1,223 square feet, approximate rent \$476 to \$1,026).

#### Population Served

- § The Nightingale will be built as a senior development.
- § Sixteen (16) units will be reserved for households with incomes at or below 30% Median Family Income (MFI), currently \$17,100 per year for a single-person household.
- § Thirty-six (36) units will be reserved for households with incomes at or below 50% MFI, currently \$28,500 for a single-person household.
- § Eighty-nine (89) units will be reserved for households with incomes at or below 60% MFI, currently \$34,200 for a single-person household.
- § Thirty-three (33) units will have no income restrictions.

#### Current Property Tax Status and Future Impact

The property currently has no property tax exemptions. The Travis Central Appraisal District will determine whether the residential use of this vacant property will be eligible for any exemptions after the property is developed.

#### DMA Development Company

DMA Development Company is very experienced in the development and construction of complicated real estate developments, having extensive experience with both new construction and renovation, and with all the financial tools proposed for this project. In 2016, DMA Development Company closed bond financing and is completing construction on Aldrich 51, a 240-unit vertical mixed use development in the Mueller community. Previously, DMA Development Company developed a highly successful senior development, Wildflower Terrace, also in the Mueller community.

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: