

AGENDA



Recommendation for Board Action

AUSTIN HOUSING FINANCE CORPORATION (AHFC)**AHFC Meeting: December 7, 2017**Item Number: **AHFC002****Consent**

Approve an inducement resolution for private activity bond financing to be submitted to the Texas Bond Review Board for an allocation of up to \$13,000,000 in private activity volume cap multi-family non-recourse bonds, by Govalle Affordable Housing, L.P., or an affiliated entity, for a proposed affordable multi-family development located on Shady Lane within the thinkEAST Planned Unit Development.

District(s) Affected: District 3

Fiscal Note	There is no anticipated fiscal impact.
Prior Council Action	N/A.
For More Information	Rosie Truelove, Treasurer, Austin Housing Finance Corporation, 512-974-3064; David Potter, Program Manager, 512-974-3192.
Council Committee, Boards and Commission Action	November 3, 2016 - Austin Housing Finance Corporation Board approved an inducement resolution for private activity bond financing to be submitted to the Texas Bond Review Board for an allocation of up to \$11,000,000.

Additional Backup Information:

Approval of this inducement resolution will permit staff to submit an application to the Texas Bond Review Board (BRB) requesting consideration to authorize the Austin Housing Finance

Corporation (AHFC) to issue multi-family housing revenue bonds in an amount up to \$13,000,000 to assist with the development of the Govalle Terrace Apartments by Govalle Affordable Housing, L.P., or an affiliated entity. The property is located in Council District 3.

Regulations governing the issuance of revenue bonds for the purpose of financing affordable housing specify that the bonds are non-recourse, and the full faith and credit of the AHFC or the City of Austin is not pledged to repay the bonds. On November 3, 2016, the AHFC Board approved an inducement resolution for \$11,000,000 for this development. Since that time, unanticipated costs and cost increases require an additional \$2,000,000 for a total amount of up to \$13,000,000.

Proposed Project

The proposed development is for 97 units to be located on Shady Lane near Jain Lane in the thinkEAST 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 & Uses of Funds

<u>Sources:</u>		<u>Uses:</u>	
Private Activity Bonds	\$8,932,000	Acquisition Costs	\$1,600,000
Tax Credits	4,599,962	Pre-Development	650,000
AHFC funding	3,380,000	Construction/Hard Costs	12,215,759
Deferred Developer Fee	<u>1,069,922</u>	Soft & Carrying Costs	<u>3,516,125</u>
Total	<u>17,981,884</u>	Total	<u>17,981,884</u>

Project Characteristics

- § 97 units to be built on property in the thinkEAST PUD.
- § Unit mix: 10 studio/one-bath units (approximately 500 square feet, approximate rent \$320 to \$900).
- § 35 one-bedroom/one-bath units (approximately 600 square feet, approximate rent \$634 to \$1,000).
- § 38 two-bedroom/two-bath units (approximately 800 square feet, approximate rent \$758 to \$1,223).
- § 14 three-bedroom/two-bath units (approximately 1,000 square feet, approximate rent \$871 to \$1,425).
- § Ten 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.

Population Served

- § The Cesar Chavez Foundation (CCF) has obtained a written agreement from LifeWorks to provide 4 Permanent Supportive Housing (PSH) units to Youth Aging out of Foster Care. These four (4) units will be reserved for individuals with incomes at or below 30% of the Median Family Income (MFI), currently \$16,350 for a single-person household.
- § Thirty-one (31) units will be reserved for individuals or families with incomes at or below 50% MFI, currently \$27,250 for a single-person household and \$38,900 for a 4-person household.
- § Forty-two (42) units will be reserved for individuals and families with income at or below 60% MFI, currently \$32,700 for a single-person household and \$46,680 for a 4-person household.
- § Nineteen (19) units will have no income restrictions.
- § One (1) unit will be reserved for the property manager.

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.

The Cesar Chavez Foundation

CCF, is a California 501(c)(3) nonprofit corporation, was founded in 1966 by César E. Chávez who envisioned an organization that would provide social services, alongside the work being done by the United Farm Workers, for the farm workers laboring in the fields. Since its inception, the Foundation's emphasis on housing integrated with social services has been crucial to the enrichment of the communities they serve.

CCF serves tens of thousands of individuals through affordable housing development, educational programming, and broadcast communications and through our conference center in Keene, CA. The organization has expanded its reach from primarily serving farm workers to addressing quality of life issues for individuals, families and communities throughout the Southwest.

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>.