

AGENDA



Recommendation for Council Action

AUSTIN CITY COUNCIL

Regular Meeting : February 1, 2018

Item Number: 018

Neighborhood Housing and Community Development

Approve a resolution under the State of Texas 2018 Qualified Allocation Plan, supporting an application to be submitted by DMA Development Company, LLC, or an affiliated entity, competing for an award of Low Income Housing Tax Credits from the Texas Department of Housing and Community Affairs to help finance a proposed multi-family housing development to be called Talavera Lofts, located at the southeast corner of East 5th and Navasota Streets.

District(s) Affected: District 3

Lead Department	Neighborhood Housing and Community Development.
Fiscal Note	This item has no fiscal impact.
For More Information	Rosie Truelove, Neighborhood Housing and Community Development Director, 512-974-3064; David Potter, Neighborhood Housing and Community Development Program Manager, 512-974-3192.

Additional Backup Information:

If approved, a Resolution of Support from the Austin City Council will be included with Low Income Housing Tax Credit (LIHTC) Application Number 18323 to be submitted by DMA Development Company, LLC, or an affiliated entity, to the Texas Department of Housing and Community Affairs (TDHCA) for the proposed Talavera Lofts. The property is located in District 3.

For developments proposed within a municipality, an application will receive the maximum amount of scoring points in the category of "Local Government Support" if it includes a resolution from the

governing body of the municipality expressly supporting the tax credit application. An application will score fewer points if the municipality provides a resolution stating that it has “no objection” to the tax credit application.

Information about the proposed development is attached, and staff recommends approving a resolution supporting the tax credit application

LIHTC applications are due to TDHCA on March 1, 2018.

Proposed Development

90 Units in the following mix:

- 49 efficiency units 560 Square feet Estimated Rents: \$362-\$771
- 19 1-bedroom 685 Square feet Estimated Rents: \$384-\$822
- 12 2-bedroom/2-bath 990-1,038 Square feet Estimated Rents: \$451-\$977
- 10 3-bedroom/2-bath 1,195-1,250 Square feet Estimated Rents: \$512-\$1,119

Population Served

- 11 units will be reserved for persons with incomes at or below 30% Median Family Income (MFI); currently, \$17,100 for a single-person household and \$24,400 for a 4-person household;
- 57 units will be reserved for persons with incomes at or below 50% MFI; currently, \$28,500 for a single-person household and \$40,700 for a 4-person household.
- 22 units will be reserved for persons with incomes at or below 60% MFI; currently, \$34,200 for a single-person household and \$48,840 for a 4-person household.

Estimated Sources and Uses

<u>Sources</u>		<u>Uses</u>	
Tax Credit Equity	\$ 10,836,941.00	Acquisition	\$ -
Conventional Loan	\$ 1,800,000.00	Hard Costs	\$ 11,246,548.00
Local Government Loan	\$ 2,000,000.00	Soft & Financing Costs	\$ 2,626,866.00
Deferred Developer Fee	\$ 347,118.00	Reserves & Developer Fees	\$ 1,633,545.00
Fee Waivers	\$ 522,900.00		
		TOTAL	\$ 15,506,959.00
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Current Property Tax Status and Future Impact

The property currently has no tax exemption according to the Travis Central Appraisal District (TCAD). The applicant will have to apply to TCAD to determine if the property is eligible for any type of tax exemption once it is developed.

The proposed development is located:

- **less than ½ mile** from an Imagine Austin Corridor,
- **less than ¼ mile** walking distance to high-frequency transit; and
- **less than ¾ mile** walking distance from a transit stop.

The Applicant

DMA Housing II, LLC is an affiliate of the DMA Development Company, LLC which was formed in 1999 by Diana McIver for the purpose of developing and owning affordable and market-rate properties. DDC has successfully developed 25 properties since 2000 which include workforce housing, senior housing, and supportive housing properties. The Austin Housing Finance Corporation was one of the lenders on DDC's Wildflower Terrace, a highly successful 201-unit mixed-income senior community in the Robert Mueller Municipal Airport re-development site. In November 2017, work was completed on a joint venture with AHFC known as Aldrich 51 Apartments, 240 units at the Robert Mueller Municipal Airport Redevelopment area.