

AGENDA



Recommendation for Council Action

AUSTIN CITY COUNCIL

Regular Meeting : February 1, 2018

Item Number: 039

Neighborhood Housing and Community Development

Approve a resolution to be submitted to the Texas Department of Housing and Community Affairs by Saigebrook Development, LLC, or an affiliated entity, supporting an allocation of low income housing tax credits for the proposed new construction, multi-family housing development to be called Vi Collina Apartments, located at 2431 East Oltorf Street, and acknowledging that the City of Austin has more than twice the state average of units per capita supported by low income housing tax credits or private activity bonds at the time of application.

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, this resolution will be submitted by Saigebrook Development, LLC, or an affiliated entity, to the Texas Department of Housing and Community Affairs (TDHCA) with its application for competitive 9% tax credits for the new construction of affordable multi-family rental housing at 2431 East Oltorf Street. The property is located in District 3.

Twice the State Average Per Capita

Texas Government Code, §2306.6703(a)(4), requires an applicant to obtain prior approval from the local governing body for an allocation of tax credits for a proposed housing development when the municipality has more than twice the state average of units per capita supported by housing tax credits or private activity bonds.

On July 27, 2017, TDHCA updated its Housing Tax Credit Site Demographic Characteristics Report, and with recent competitive and non-competitive awards of tax credits for Austin developments, Austin now has more than twice the state average per capita of tax credit and private activity bond-financed units. There are 172 cities in Texas that exceed twice the state average per capita.

The figures TDHCA used for Austin’s population came from the 2010-2014 American Community Survey (ACS). The ACS population figure for Austin is 864,218 and the number of tax credit or bond-financed units in Austin is 16,237. TDHCA calculates the state average per capita rate to be 0.00932365 as of August 10, 2017. Twice the state average per capita rate is 0.0186473. According to TDHCA, the Austin per capita rate is more than twice the state average at 0.01878808 units per capita.

Proposed Development

110 Units in the following mix:

- 18 1-bedroom/1 bath 700 Square feet Estimated Rents: \$458-\$916
- 56 2-bedroom/2 bath 900 Square feet Estimated Rents: \$549-\$1,099
- 36 3-bedroom/2 bath 1,100 Square feet Estimated Rents: \$635-\$1,270

Population Served

- 9 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;
- 34 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.
- 42 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.
- 25 units will be reserved for persons with incomes at or below 120% MFI; currently, \$68,400 for a single-person household and \$97,680 for a 4-person household.

Estimated Sources and Uses

<u>Sources</u>		<u>Uses</u>	
Tax Credit Equity	\$ 13,948,605.00	Acquisition	\$ 3,300,000.00
Debt Financing	\$ 6,500,000.00	Hard Costs	\$ 13,821,022.00
Proposed Bonds	\$ 2,450,000.00	Soft & Financing Costs	\$ 3,888,775.00
Deferred Dev Fee	\$ 1,069,006.00	Reserves & Developer Fee	\$ 2,957,814.00
TOTAL	\$ 23,967,611.00	TOTAL	\$ 23,967,611.00

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

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. Vi Collina would be Saigebrook Development's fifth development in Austin.