

AGENDA



Recommendation for Board Action

AUSTIN HOUSING FINANCE CORPORATION (AHFC)

AHFC Meeting: March 1, 2018

Item Number: AHFC001

Consent

Approve a resolution authorizing the issuance of Austin Housing Finance Corporation Multi-family Housing Revenue Bonds, in an aggregate principal amount up to \$20,000,000; approving related documents, in substantially the form attached to the resolution, to provide financing for the development of The Nightingale located at 5900 Charles Merle Drive in the Goodnight Ranch Planned Unit Development, and authorizing specific named representatives of the Austin Housing Finance Corporation to execute the documents relating to issuance of the bonds and closing the transaction.

District(s) Affected: District 2

Lead Department	Neighborhood Housing and Community Development.
Fiscal Note	All bond issuance fees will be paid by the Applicant, Austin DMA Housing III, LLC, or an affiliated entity.
Prior Council Action	October 19, 2017- Council approved the following resolutions to be submitted with the Low Income Housing Tax Credit application to be submitted for The Nightingale: No. 20171019-055 and No. 20171019-061.
For More Information	Rosie Truelove, Treasurer, Austin Housing Finance Corporation, 512-974-3182; Mandy DeMayo, Community Development Administrator, Neighborhood Housing and Community Development, 512-974-1091.
Council Committee, Boards and Commission Action	September 28, 2017- AHFC Board authorized inducement of up to \$20,000,000 in private activity volume cap The Nightingale. <u>October 19, 2017</u> - AHFC Board conducted a public hearing as required

	<p>by the Tax Equity and Fiscal Reform Act of 1982 (TEFRA).</p> <p><u>December 14, 2017</u>- The Austin Housing Finance Corporation Board of Directors authorized negotiation and execution of a loan agreement with Austin DMA Housing III, LLC, or an affiliated entity, in the amount of \$2,000,000 for this development.</p>
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Additional Backup Information:

If approved, this action would authorize the Austin Housing Finance Corporation (AHFC) to issue up to \$20,000,000 in multi-family housing non-recourse bonds to provide interim and permanent financing for the development The Nightingale. The property is located in Council 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 Funds

<u>Sources</u>		<u>Uses</u>	
Private Activity Bonds	\$ 15,000,000.00	Acquisition	\$ 1,962,500.00
Tax Credits	\$ 5,696,751.00	Pre-Development & Soft Costs	\$ 1,705,546.00
TDHCA Loan	\$ 1,500,000.00	Construction/Hard Costs	\$ 17,452,846.00
Requested AHFC Funding	\$ 2,000,000.00	Developer Fee & Financing Costs	\$ 5,077,379.00
Deferred Developer Fee	\$ 2,001,520.00	TOTAL	\$26,198,271.00
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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 the company completed construction on Aldrich 51, a 240-unit vertical mixed use development in the Mueller community in 2017. 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:

<http://austintexas.gov/page/fy-16-17-funding-applications>.