

## AGENDA



## Recommendation for Council Action

## AUSTIN CITY COUNCIL

Regular Meeting: May 24, 2018

Item Number: 046

## Item(s) to Set Public Hearing(s)

Set a public hearing on an application to be submitted to the Texas Department of Housing and Community Affairs by LIH Walnut Creek GP LLC, or an affiliated entity, for the rehabilitation of an affordable multi-family development to be known as Walnut Creek, located at 6509 Springdale Road. (Suggested date and time: June 14, 2018 beginning at 4:00 p.m. at Austin City Hall, 301 W. Second Street, Austin, TX.).

District(s) Affected: District 1

<b>Lead Department</b>	Neighborhood Housing and Community Development.
<b>Fiscal Note</b>	This item has no fiscal impact.
<b>For More Information</b>	Rosie Truelove, Director, Neighborhood Housing and Community Development, 512-974-3064; Mandy DeMayo, Community Development Administrator, Neighborhood Housing and Community Development, 512-974-1091.

## Additional Backup Information:

This action sets a public hearing to receive public comment on an application that will be submitted to Texas Department of Housing and Community Affairs (TDHCA) for 4% Low Income Housing Tax Credits. An applicant must submit a resolution of no objection from the governing body in which the proposed development is located. The property is located in District 1.

### **Proposed Project**

LIH Walnut Creek GP LLC, intends to rehabilitate a 98-unit multi-family development located at 6509 Springdale Road. The development will be 100% affordable to households with incomes at or below 50% Median Family Income (MFI), currently \$40,700 for a 4-person household. The development, to be known as the Walnut Creek Apartments, is proposed to be partially funded with 4% Low Income Housing Tax Credits and Private Activity Bonds issued by Texas State Affordable Housing Corporation (TSAHC). No funding from the Austin Housing Finance Corporation is being requested.

### **Estimated Sources of Funds**

<u>Sources</u>		<u>Uses</u>	
Tax Credit Equity	\$ 5,591,004.00	Acquisition Costs	\$ 9,250,000.00
Private Activity Bonds	\$ 11,000,000.00	Hard Costs	\$ 4,991,899.00
Seller Note	\$ 1,000,000.00	Soft Financing Costs	\$ 2,187,653.00
Deferred Developer Fee	\$ 450,233.00	Reserves and Developer Fee	\$ 2,526,822.00
Operating Cash Flow	\$ 915,137.00		
<b>TOTAL</b>	<b>\$18,956,374.00</b>	<b>TOTAL</b>	<b>\$ 18,956,374.00</b>

### **Project Characteristics**

- 36 one-bedroom units (approximately 720 square feet).
- 44 two-bedroom units (approximately 864 square feet).
- 18 three-bedroom units (approximately 1,056 square feet).

### **Population Served**

- 100% of units will be reserved for individuals or families with incomes at or below 50% MFI, currently \$28,500 for a single-person household and \$40,700 for a 4-person household.

### **Current Property Tax Status and Future Impact**

According to the Travis Central Appraisal District (TCAD), the property is currently not tax exempt. TCAD will determine whether the use of this property will continue to be eligible for any exemptions after the property is rehabilitated.

### **LIH Walnut Creek GP LLC**

The development will be owned by LIH Walnut Creek GP LLC, an affiliate of Levy Affiliated, a real estate investment firm that acquires and manages assets throughout the United States. The Company focuses on the acquisition of value-add commercial properties in the southwestern U.S.

Levy Affiliated was founded in 1988 by Shaoul J. Levy. Over the last 15 years, Levy Affiliated has sourced, negotiated and executed 75 transactions totaling nearly \$630 million across various property types and financing structures.

The Company's current portfolio of 41 properties has an estimated market value of over \$500 million, containing a mix of retail centers, office buildings and apartment complexes, ranging from Hawaii to North Carolina, but largely concentrated in Southern California.

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-17-18-funding-applications>>.