

AGENDA



Recommendation for Council Action

AUSTIN CITY COUNCIL
Regular Meeting: June 14, 2018
Item Number: 109
Public Hearing and Possible Action

Conduct a public hearing and consider a resolution relating to an application by LIH Walnut Creek GP, LLC's, or an affiliated entity, to the Texas Department of Housing and Community Affairs for Low Income Housing Tax Credits on an affordable multi-family development located at 6509 Springdale Road; acknowledging that 6509 Springdale Road is located one mile or less from a development serving the same type of household that received an allocation of Housing Tax Credits within the last three years and within a census tract with more than 20 percent Housing Tax Credits per total household; and acknowledging and confirming that the City has more than twice the state average of units per capita supported by Housing Tax Credits or Private Activity Bonds.

District(s) Affected: District 1

Lead Department	Neighborhood Housing and Community Development.
Fiscal Note	This item has no fiscal impact.
For More Information	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 will conduct a public hearing to receive comments to consider approval of a resolution as required by the Texas Department of Housing and Community Affairs (TDHCA)

2018 Uniform Multi-family Rules. The applicant must submit to TDHCA a resolution of no objection from the applicable governing body in which the proposed development is located. The property is located in District 1.

Proposed Project

LIH Walnut Creek GP LLC, is planning to rehabilitate a 98-unit multi-family development located at 6509 Springdale Road, which would 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 and Financing Costs	\$ 2,187,653.00
Deferred Developer Fee	\$ 450,233.00	Reserves and Developer Fees	\$ 2,526,822.00
Operating Cash Flow	\$ 915,137.00	TOTAL	\$ 18,956,374.00
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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

The property is currently not tax exempt according to the Travis Central Appraisal District (TCAD). 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>.