

AGENDA



Recommendation for Council Action

AUSTIN CITY COUNCIL

Regular Meeting: August 9, 2018

Item Number: **107**

Public Hearing and Possible Action

Conduct a public hearing and consider a resolution for an application to be submitted to the Texas Department of Housing and Community Affairs by Pedcor Investments-2018-CLXXI, L.P., or an affiliated entity, for the construction of an affordable multi-family development to be known as the Grand Station Apartments, located at the 16,000 block of Bratton Lane, in the Extraterritorial Jurisdiction of the City of Austin.

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|-----------------------------|--|
| 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 the Austin Extraterritorial Jurisdiction (ETJ).

Proposed Project

Pedcor Investments-2018-CLXXI, L.P., is planning to construct a 264-unit multi-family development located at the 16,000 block of Bratton Lane, which would be 100% affordable to households with incomes at or below 60% Median Family Income (MFI), currently \$51,600 for a 4-person household. The development, to be known as the Grand Station Apartments, is proposed to be partially funded with 4% Low Income Housing Tax Credits and Private Activity Bonds issued by Travis County Housing Finance Corporation. No funding from the Austin Housing Finance Corporation is being requested.

Estimated Sources of Funds

| <u>Sources</u> | | <u>Uses</u> | |
|------------------------|-------------------------|-----------------------------|-------------------------|
| Tax Credit Equity | \$ 13,500,000.00 | Acquisition Costs | \$ 4,181,760.00 |
| HUD 221d4 Mortgage | \$ 38,000,000.00 | Hard Costs | \$ 32,782,232.00 |
| Deferred Developer Fee | \$ 1,029,991.00 | Soft and Financing Costs | \$ 8,745,739.00 |
| TOTAL | \$ 52,529,991.00 | Reserves and Developer Fee* | \$ 6,820,260.00 |
| | | TOTAL | \$ 52,529,991.00 |

**Operating Reserve, Rent Reserves, HUD working Capital Reserve and Developer Fee*

Project Characteristics

| <u>Units</u> | <u>Bedrooms</u> | <u>Bathrooms</u> | <u>Unit Size (sq ft)</u> | <u>Estimated Rent</u> | <u>MFI</u> |
|---|---------------------------|-------------------------|---------------------------------|------------------------------|-------------------|
| 84 | 1 | 1 | 835 | \$852 | < 60% |
| 144 | 2 | 2 | 1134 | \$1,016 | < 60% |
| 36 | 3 | 3 | 1300 | \$1,167 | < 60% |
| 264 | <i>Total Units</i> | | | | |
| ** NOTE That LIHTC Estimated rents are <i>before</i> Utility Allowance | | | | | |

Population Served

- 100% of units will be reserved for individuals or families with incomes at or below 60% MFI, currently \$36,120 for a single-person household and \$51,600 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.

Pedcore Investments, LLC

The development will be owned by Pedcor Investments-2018-CLXXI, L.P., an affiliate of Pedcore Investments, LLC. Pedcor Investments, was founded in 1987, and has developed over 20,000 units in 19 states. Pedcor has raised over \$1.1 billion in debt and \$730 million in LIHTC equity proceeds since its inception, and its portfolio consists of over 170 properties. Pedcor is a fully integrated development

company with its own in-house architects, engineers, legal department, and finance team, providing oversight through the entire development and plan production process. In addition, Pedcor Management Corp., an affiliate of Pedcor, provides quality long-term property management for all properties developed and owned by Pedcor.

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>](http://austintexas.gov/page/fy-17-18-funding-applications).