



Recommendation for Action

File #: 20-3668, **Agenda Item #:** 5.

12/10/2020

Posting Language

Approve a resolution authorizing the formation of AHFC Libertad Non-Profit Corporation, a Texas nonprofit corporation and instrumentality of the Austin Housing Finance Corporation; approving its Certificate of Formation and By-Laws; appointing its Board of Directors and President; and authorizing AHFC Libertad Non-Profit Corporation to act as general partner (or managing member) of the entity that will own the Libertad Apartments located at 900 Gardner Road, Austin, Texas.

Lead Department

Housing and Planning Department.

Fiscal Note

This item has no fiscal impact.

For More Information:

Rosie Truelove, Treasurer, Austin Housing Finance Corporation, 512-974-3064; Mandy DeMayo, Community Development Administrator, Housing and Planning Department, 512-974-1091.

Council Committee, Boards and Commission Action:

September 17, 2020 - Austin Housing Finance Corporation Board of Directors authorized negotiation and execution of an agreement with DMA Development Company, LLC & Big Medium, or other qualified respondent, to the 900 Gardner Request For Proposals to develop approximately 6 acres of land for affordable housing purposes located at or near 900 Gardner Road, Austin, Texas.

Additional Backup Information:

Financing for this development is proposed to come from 9% Low Income Housing Tax Credits (LIHTC), a Direct Loan from the Texas Department of Housing and Community Affairs (TDHCA), and a possible Rental Housing Development Assistance (RHDA) subordinate loan from AHFC to the Owner. If the 9% LIHTC application is unsuccessful, financing is proposed to come from 4% Low Income Housing Tax Credits, Private Activity Bonds issued by AHFC, a Direct Loan from TDHCA, and a possible RHDA subordinate loan from AHFC to the Owner.

This item requests the Austin Housing Finance Corporation (AHFC) Board of Directors adopt a resolution to approve the formation of the AHFC Libertad Non-Profit Corporation (Non-Profit Corporation) and the form of its Certificate of Formation and By-Laws; appoint the Board of Directors and President of the Non-Profit Corporation; and authorize the Non-Profit Corporation to serve as general partner (or managing member) of the entity that will own the Libertad Apartments (either a limited partnership or limited liability company) (the "Owner"). It is anticipated that AHFC will own the land upon which the development is located and will ground lease it to the Owner, under the terms of a Ground Lease between AHFC and the Owner.

The proposed form of the Certificate of Formation and the By-Laws for the Non-Profit Corporation) are attached as Exhibits A and B to the resolution. The Board of Directors of the Non-Profit Corporation will serve for terms stated in the By-Laws. The requested Director appointments are:

Director: J. Rodney Gonzales

Director: Rosie Truelove

Director: Rebecca Giello

The requested appointment for President of the Corporation is J. Rodney Gonzales. The President serves for the term stated in the By-laws.

The remaining officers of the Non-Profit Corporation will be appointed by the Non-Profit Corporation's Board of Directors at its first organizational meeting or by unanimous consent.

Proposal, Ownership and Financing Structures

Libertad Apartments is proposed as a newly constructed apartment development in Council District 3. Libertad Apartments will be an affordable multifamily development and will provide approximately 137 units.

The development is anticipated to consist of two four-story buildings with the following unit income mix: (i) 14 units will be available only to individuals with incomes at 30% AMFI or below, (ii) 25 units will be available only to individuals with incomes at 40% AMFI or below, (iii) 41 units will be available only to individuals with incomes at 50% AMFI or below, (iii) 43 units will be available only to individuals with incomes at 60% AMFI or below, and (iv) 14 units will be available only to individuals with incomes at 80% AMFI or below.

The limited partnership (LP) (or limited liability company) structure proposed for this development is similar to previous LP (or limited liability company) structures in which AHFC-established nonprofit corporations have participated. These include developments such as Vi Collina, Nightingale at Goodnight Ranch, Aldrich 51, The Timbers, Villas on Sixth, Arbors at Creekside, Heritage Heights at Blackshear (also known as SCIP I), and Retreat at North Bluff (formerly known as Village on Little Texas).