



Recommendation for Action

File #: 21-3566, **Agenda Item #:** 2.

12/2/2021

Posting Language

Approve an inducement resolution related to an application for private activity bond financing that authorizes an allocation of up to \$50,000,000 in private activity volume cap multifamily non-recourse bonds to a to-be-formed limited partnership, controlled by its sole general partner, AHFC Manor Non-Profit Corporation, for a proposed affordable multifamily development located at or near 3515 Manor Road, Austin, TX 78723.

Lead Department

Housing and Planning Department.

Fiscal Note

Up to \$50,000,000 of Private Activity Bonds may be issued by the Austin Housing Finance Corporation for this development. These bonds are not obligations of the City of Austin or of Austin Housing Finance Corporation, and the full faith and credit of the City is not pledged to repay these bonds. This item has no fiscal impact.

For More Information

Rosie Truelove, Treasurer, Austin Housing Finance Corporation, 512-974-3064; Mandy DeMayo, Interim Deputy Director, Housing and Planning Department, 512-974-1091.

Council Committee, Boards and Commission Action

November 18, 2021 - The Board approved a resolution authorizing the formation of AHFC Manor 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 Manor Non-Profit Corporation to act as general partner of the limited partnership that will own and operate the to-be-constructed low income multifamily development located at or near 3515 Manor Road, Austin, TX 78723.

April 22, 2021 - The Board authorized the negotiation and execution of all documents and instruments necessary or desirable to acquire approximately 0.4495 acres for affordable housing purposes, located at or near 3515 Manor Road, in an amount not to exceed \$1,100,000, including closing costs. District(s) Affected: District 1.

August 26, 2021 - The Board authorized the negotiation and execution of all documents and instruments necessary or desirable to acquire approximately 2.594 acres for affordable housing purposes, located at or near 3511 Manor Road, in an amount not to exceed \$800,000, including closing costs. District(s) Affected: District 1.

Additional Backup Information

If approved, this inducement resolution will permit staff to submit an application to the Texas Bond Review Board that requests authority for the Austin Housing Finance Corporation (AHFC) to issue multifamily housing revenue bonds in an amount up to \$50,000,000 to assist with the development of a proposed affordable multifamily community by a to-be-formed limited partnership, controlled by its sole general partner, AHFC Manor Non-Profit Corporation. The property is located in Council District 1.

Regulations governing the issuance of revenue bonds for the purpose of financing affordable housing specify that the bonds are non-recourse, and the full faith and credit of the AHFC or the City of Austin is not pledged to repay the bonds.

Proposed Development

The Austin Housing Finance Corporation is repositioning an approximately 3-acre property located at the corner of Manor Road and E.M. Franklin Avenue in Central East Austin for the development of affordable housing. A portion of the property has been acquired by AHFC and the remaining portion will be acquired in the near future. Community engagement is ongoing.

A developer to be selected through an RFP process will partner with the Austin Housing Finance Corporation to develop the site. The RFP will likely be issued in the first quarter of 2022.

The development will likely be developed as two multi-story, elevator-served apartment buildings. It is currently envisioned that one building will serve families and the workforce population, and a second building will serve individuals at-risk of or exiting homelessness. The second building will include ample space for wrap-around services and will have 24/7 onsite staff to best serve the needs of the residents. This schematic is subject to change as staff continues to consult with other governmental agencies, its consultants, and its counsel.

The limited partnership structure proposed for the Development is similar to previous limited partnership (and limited liability company) structures in which AHFC-established nonprofit corporations have participated. These include developments such as Espero Austin at Rutland, 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).

Financing for the development is expected to primarily be derived from 4% low income housing tax credits (LIHTCs) and private activity bonds issued by AHFC. There may also be a need for gap financing sourced through AHFC's Rental Housing Development Assistance program or the Texas Department of Housing and Community Affairs' Direct Loan program.

The proposed development's application to the City may be found at <https://austintexas.gov/page/current-applications>.