



Recommendation for Action

File #: 22-2152, Agenda Item #: 4.

6/16/2022

Posting Language

Authorize negotiation and execution of all documents and instruments necessary or desirable for Austin Housing Finance Corporation, or an affiliate, to acquire in fee simple Lot 1, Northfair, a subdivision in Travis County, Texas, according to the map or plat thereof, recorded in Volume 36, Page 39 of the Plat Records of Travis County, Texas and related easement located at 615 W. St. Johns Avenue, Austin, Texas 78752 for affordable housing purposes, in an amount not to exceed \$7,680,000, plus closing costs.

Lead Department

Austin Housing Finance Corporation.

Fiscal Note

Funding is available in the FY 2021-2022 Budget for the AHFC. \$7,680,000 (Project Connect Anti-Displacement Funds) plus closing costs not to exceed \$150,000. A fiscal note is not required.

For More Information:

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

Council Committee, Boards and Commission Action:

June 16, 2022 - AHFC staff is requesting authorization to create AHFC Midtown Non-Profit Corporation.

June 16, 2022 - AHFC staff is requesting that AHFC provide AHFC Midtown Flats Non-Profit Corporation with a \$400,000 loan for initial working capital such as operating costs and replacement reserves for Midtown Flats, located at 615 W. St. Johns Avenue, Austin, Texas 78752.

Additional Backup Information:

The property being purchased is Midtown Flats - an existing 40-unit multifamily apartment development built in 1969 and located at 615 W. St. Johns Avenue, Austin, Texas 78752.

The apartment development is naturally occurring affordable housing and includes 20 one-bedroom and 20 two-bedroom units currently leased at rates affordable to households earning 50 and 60 percent of the area median family income.

AHFC Midtown Non-Profit Corporation will acquire the development in order to preserve the naturally occurring affordability and ensure it is maintained and operated in a safe and sanitary condition. AHFC Midtown Non-Profit Corporation may seek additional financing in order to rehabilitate the development at a later date. AHFC staff will also evaluate long-term redevelopment opportunities for the site. The development is located within the proposed Crestview Station Area for the Project Connect Blue and Orange Lines, as well as in an area vulnerable to displacement.

This development is anticipated to be purchased with Project Connect Anti-Displacement Funds. It should be noted that AHFC is acquiring the development through an all-cash purchase. To maximize the efficiency of the

limited amount of proceeds available through Project Connect's anti-displacement programs, AHFC staff will ultimately recapitalize Midtown Flats and put debt on the property, which will in effect return capital to AHFC that can be redeployed towards other anti-displacement acquisition opportunities. It is expected that AHFC staff will do so in 2023, market conditions permitting.