



Recommendation for Action

File #: 22-2154, Agenda Item #: 6.

6/16/2022

Posting Language

Approve a resolution authorizing the formation of AHFC Midtown Flats Non-Profit Corporation, a Texas nonprofit corporation and instrumentality of the Austin Housing Finance Corporation, to develop affordable housing; approving the form of its certificate of formation and by-laws, and appointing its Board of Directors and President; and authorizing AHFC Midtown Flats Non-Profit Corporation to acquire the 40-unit multifamily rental development known as Midtown Flats, located at 615 W. St. Johns Avenue, Austin, Texas 78752 to own, operate, manage, maintain, and develop the multifamily development.

Lead Department

Austin Housing Finance Corporation.

Fiscal Note

This item has no fiscal impact.

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 - Austin Housing Finance Corporation (AHFC) staff is requesting authorization for AHFC, or an affiliated entity, to acquire Midtown Flats, located at 615 W. St. Johns Avenue, Austin, Texas 78752.

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:

This item requests the Austin Housing Finance Corporation Board of Directors to adopt a resolution to approve the formation of the AHFC Midtown Flats Non-Profit Corporation (Non-Profit Corporation) which will develop low-income housing. The resolution also requests the Board of Directors to approve the form of the Non-Profit Corporation's 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 acquire Midtown Flats, located at 615 W. St. Johns Avenue, Austin, Texas. The Non-Profit Corporation will own, operate, manage, develop, operate the development.

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: Mandy DeMayo

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

Midtown Flats is 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.