



Recommendation for Action

File #: 22-2755, Agenda Item #: 11.

9/1/2022

Posting Language

Approve a resolution authorizing the formation of AHFC Norman Non-Profit Corporation, a Texas nonprofit corporation and instrumentality of the Austin Housing Finance Corporation; approving the form of its certificate of formation and by-laws; appointing its Board of Directors and President; and authorizing AHFC Norman Non-Profit Corporation to act as general partner of the limited partnership that will own a 156-unit multifamily rental development to be known as Norman Apartments located at or near 3811 Tannehill Lane, Austin, Texas.

Lead Department

Austin Housing Finance Corporation (AHFC).

For More Information:

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

Additional Backup Information:

This item requests the AHFC Board of Directors to adopt a resolution to approve the formation of the AHFC Norman 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 of the limited partnership that will own the Norman Apartments (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: Mandy DeMayo

The requested appointment for President of the Non-Profit 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

Norman Apartments is proposed as a newly constructed apartment development in Council District 1.

Norman Apartments will be an affordable multifamily development and will provide approximately 156 units.

The development is anticipated to consist of three four-story buildings with the following unit income mix: 156 units will be reserved for households with yearly household incomes at or below 60% of Austin's Median Family Income (MFI), including 78 units for households with yearly household incomes at or below 50% MFI, and 16 units affordable to households with incomes at or below 30% MFI.

The ownership structure proposed for this development is similar to previous ownership structures in which AHFC-established nonprofit corporations have participated. These include developments such as Espero 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 proposed to come from 4% Low Income Housing Tax Credits, Private Activity Bonds issued by AHFC, and a possible Rental Housing Development Assistance subordinate loan from AHFC to the Owner.