



Recommendation for Action

File #: 22-3119, Agenda Item #: 3.

10/13/2022

Posting Language

Approve a resolution authorizing the formation of AHFC Ryan Drive 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 Ryan Drive Non-Profit Corporation to act as general partner, or managing member, of the entity that will own the approximately 247-unit multifamily rental development located at 6909 Ryan Drive, Austin, Texas.

Lead Department

Austin Housing Finance Corporation.

Fiscal Note

This item has no fiscal impact.

Prior Council Action:

April 7, 2022 - Austin City Council (Council) authorized negotiation and execution of a legal services agreement with Steptoe & Johnson for legal services related to negotiation of a master development agreement and associated real estate documents for the property located at 6909 Ryan Drive in an amount not to exceed \$150,000.

August 26, 2021 - Council authorized negotiation and execution of an exclusive negotiation agreement with 3423 Holdings, LLC for terms governing a master developer contract for the redevelopment of 6909 Ryan Drive, known as the Ryan Drive Site.

November 1, 2018 - Council approved a resolution directing the City Manager to issue a Request for Proposals for redevelopment of City-owned property located at 6909 Ryan Drive.

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.

Additional Backup Information:

This item requests the Austin Housing Finance Corporation (AHFC) Board of Directors to approve a resolution authorizing the formation of the AHFC Ryan Drive Non-Profit Corporation (Non-Profit Corporation); approve 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 multifamily rental development (the Owner). It is anticipated that AHFC will own the land upon which the development is located and 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 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

Ryan Drive is proposed as a newly constructed apartment development in Council District 7. The development will be an affordable multifamily development and will provide approximately 247 units.

The development is anticipated to consist of the following unit income mix: (i) 40 units will be available only to households with incomes at 30% area median family income (AMFI) and below, (ii) 30 units will be available only to individuals with incomes at 50% AMFI and below, and (iii) 177 units will be available only to individuals with incomes at 60% AMFI and below.

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 either AHFC or the Austin Housing Public Finance Corporation, and a possible Rental Housing Development Assistance subordinate loan from AHFC to the Owner.