



## Recommendation for Action

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**File #: 22-3292, Agenda Item #: 2.**

**11/3/2022**

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### **Posting Language**

Approve a resolution authorizing the issuance of Austin Housing Finance Corporation Multi-family Housing Revenue Bonds in an aggregate principal amount up to \$25,000,000 to provide financing for the rehabilitation of Arbors at Creekside, located at 1026 Clayton Lane, Austin, Texas 78723; approving related documents, in substantially the form attached to the resolution; authorizing a ground lease; and authorizing specific named representatives of the Austin Housing Finance Corporation to execute the documents relating to the issuance of the bonds and closing the transaction.

### **Lead Department**

Austin Housing Finance Corporation.

### **Fiscal Note**

All bond issuance fees will be paid by the Applicant, Creekside Senior Housing Limited Partnership, or an affiliated entity. This item has no fiscal impact.

### **Prior Austin City Council Action:**

May 19, 2022 - Austin City Council (Council) conducted a public hearing and approved a resolution related to an application by Creekside Senior Housing Limited Partnership, or an affiliated entity, for housing tax credits for a multi-family development that will be partially financed through the private activity bond program to be known as Arbors at Creekside, located at or near 1026 Clayton Lane, Austin, Texas 78723.

May 5, 2022 - Council set a public hearing related to an application by Creekside Senior Housing Limited Partnership, or an affiliated entity, for housing tax credits for a multi-family development that will be partially financed through the private activity bond program to be known as Arbors at Creekside, located at or near 1026 Clayton Lane, Austin, Texas 78723.

### **For More Information:**

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

### **Council Committee, Boards and Commission Action:**

October 27, 2022 - The Austin Housing Finance Corporation (AHFC) conducted a public hearing regarding the issuance of up to \$25,000,000 of Multi-family Housing Revenue Bonds to be issued by AHFC to finance the rehabilitation of Arbors at Creekside by the Creekside Senior Housing Limited Partnership, or an affiliated entity, a housing development located at 1026 Clayton Lane, Austin, Texas 78723.

October 13, 2022 - AHFC set a public hearing for October 27, 2022, regarding the issuance of up to \$25,000,000 of Multi-family Housing Revenue Bonds to be issued by AHFC to finance the rehabilitation of Arbors at Creekside by the Creekside Senior Housing Limited Partnership, or an affiliated entity, for the housing development located at 1026 Clayton Lane, Austin, Texas 78723.

September 2, 2021 - AHFC approved a resolution authorizing the formation of AHFC Arbors Non-Profit

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Corporation, a Texas nonprofit corporation and instrumentality of AHFC; approving its Certificate of Formation and By-Laws; appointing its Board of Directors and President; and authorizing AHFC Arbors Non-Profit Corporation to act as general partner of the limited partnership that will own the Arbors at Creekside Apartments located at 1026 Clayton Lane, Austin, Texas 78723.

September 2, 2021 - AHFC approved an inducement resolution for private activity bond financing to be submitted to the Texas Bond Review Board for an allocation of up to \$25,000,000 in private activity volume cap multi-family non-recourse bonds, by Creekside Senior Housing Limited Partnership, or an affiliated entity, for the affordable multi-family development known as Arbors at Creekside located at 1026 Clayton Lane, Austin, Texas 78723.

April 8, 2021 - AHFC authorized negotiation and execution of a loan agreement and related documents with Arbors Housing Partners Ltd., the owner of the affordable multi-family rental development known as the Arbors at Creekside, located at 1026 Clayton Lane, for needed repairs and potential operating shortfalls, in an amount not to exceed \$750,000.

April 8, 2021 - AHFC authorized negotiation and execution of a loan agreement and related documents with AHFC Arbors Investor Non-Profit Corporation to purchase the limited partner interests in Arbors Housing Partners Ltd., the owner of the affordable multi-family rental development known as the Arbors at Creekside, located at 1026 Clayton Lane, Austin, Texas 78723 in an amount not to exceed \$1,250,000.

December 10, 2020 - AHFC approved a resolution authorizing the creation of AHFC Arbors Investor Non-Profit Corporation as an affiliate and instrumentality of AHFC to purchase one or more limited partner interests in Arbors Housing Partners, Ltd., the owner of Arbors at Creekside.

May 24, 2001 - AHFC approved a resolution authorizing the creation of the Arbors at Creekside Non-Profit Corporation to participate in the development of the Arbors at Creekside, a 176-unit affordable senior citizen apartment complex located at 102 Clayton Lane, Austin, Texas 78723.

May 24, 2001 - AHFC approved a resolution authorizing the negotiation of an agreement for AHFC to participate as a co-developer of the Arbors at Creekside.

#### **Additional Backup Information:**

If approved, this action would authorize AHFC to issue up to \$25,000,000 in multi-family housing non-recourse bonds to provide interim and permanent financing for the rehabilitation of Arbors at Creekside. The property is located in Council District 1.

#### **Proposed Project**

Creekside Senior Housing Limited Partnership, which is a joint partnership between National Church Residences and AHFC, plans to acquire and rehabilitate a 176-unit multi-family development located at 1026 Clayton Lane, Austin, Texas 78723. The community will be affordable to households earning at or below 60% of the area median family income (MFI). The intended target population of the development is the elderly population.

The transaction is proposed to be partially funded with 4% Low Income Housing Tax Credits and tax-exempt bonds issued by AHFC.

The general partner of the development's partnership will be an affiliate of AHFC. Because of the affiliation with AHFC, the property will be exempt from paying property tax. Funding from AHFC, or an affiliate thereof, will be requested for the purposes of the planned rehabilitation of the development. This funding would not

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be sourced from the Rental Housing Development Assistance program with AHFC, but instead through any proceeds sourced through the sale of Arbors at Creekside to the new owner, Creekside Senior Housing Limited Partnership.

**National Church Residences (NCR) and AHFC**

NCR has been developing, owning, and managing affordable housing since 1961 and Low Income Housing Credit (LIHTC) communities since shortly after the inception of the program in 1986.

Its developments range in size from 10 to 432 units and were developed utilizing a variety of funding programs including LIHTCs, state and federal historic tax credits, Federal Home Loan Bank's Affordable Housing Program, HUD FHA loan programs, conventional funding, and various types of federal, state, and local soft funding.

NCR also manages 58 communities, comprised of 4,600 units, for other organizations. NCR has experience owning, developing, and managing a large portfolio of properties. Based in Columbus Ohio, NCR has had a presence in Texas for 30 years. NCR currently own or manage 29 communities throughout the state totaling approximately 1,800 units. A non-profit affiliate of AHFC, called AHFC Arbors NPC, will serve as the general partner of the development owner.

For more information on the proposed development, as well as socioeconomic characteristics and amenities in the surrounding area, please see the project's Development Application here:

[https://www.austintexas.gov/sites/default/files/files/Arbors%20-%20application for multi family bond%204.2021.pdf](https://www.austintexas.gov/sites/default/files/files/Arbors%20-%20application%20for%20multi%20family%20bond%204.2021.pdf)  
<[http://www.austintexas.gov/sites/default/files/files/Arbors%20-%20application for multi family bond%25204.2021.pdf](http://www.austintexas.gov/sites/default/files/files/Arbors%20-%20application%20for%20multi%20family%20bond%25204.2021.pdf)>.