




MEMORANDUM

TO: AHFC Board Members

FROM: Rosie Truelove, Treasurer, Austin Housing Finance Corporation 

DATE: October 27, 2022

SUBJECT: City View at the Park Apartments – Acquisition of the land; Acquisition of the General Partner Interest; Acquisition of the Investor Interest; and Phase II Plans

This memorandum provides context for the request for Board approval of the acquisition of the special limited partner interest and the investment limited partner interest in the limited partnership that owns the City View at Park Apartments ("City View"). This memorandum also recounts prior Board approval to acquire the land for and General Partner interest in City View, and ends by speaking to a possible future Phase II development on the site.

Background

City View is a 70-unit, age-restricted (55 and up) multifamily apartment development located at 2000 Woodward Street, Austin, Texas, 78741 on approximately 4.447 acres of land. City View was developed with 9% Low Income Housing Tax Credit financing in 2006-2008. The development consists of 52 one-bedroom units, and 18 two-bedroom units.

Acquisition

The current general partner is an affiliate of the Strategic Housing Finance Corporation of Travis County (SHFC). Following AHFC approval at the June 16, 2022, meeting, staff executed a Purchase Sale Agreement with SHFC to acquire the land associated with City View and SHFC's affiliate's general partner interest in the City View owner entity for \$2.6 million, plus closing costs. To facilitate this transaction, staff have been working with Jones Lang LaSalle (JLL) to refinance the existing senior loan with a new Freddie Mac loan which, among other benefits, will help to pay off outstanding liabilities. The sale of the land, sale of the general partner interest in the owner, and the refinancing are anticipated to close simultaneously in mid-December.

The existing limited partnership owner includes a special limited partner and investor limited partner (currently BCC, Inc. and BF Garden Corporate Tax Credit Fund XXVII, respectively). Staff is requesting authorization to buy out the special limited partner and investor limited partner interests in the limited partnership. Ideally, these buyouts will occur concurrently with closing on the sale of the land, sale of the general partner interest, and refinancing of the senior loan. Buying out the ILP at the same time will

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expedite the refinancing process, help minimize costs, and will help facilitate an immediate focus on a phase II development on the site. Should the buyout of the investors' interests occur at a later date than the mid-December closing, staff anticipates that additional costs would be incurred.

Potential Phase II

AHFC staff is also evaluating a "Phase II" affordable housing development on the site where the excess land (1.675 acres) abuts Mabel Davis District Park. Preliminary analysis by staff suggests that a small permanent supportive housing development that serves the elderly may be appropriate for this site. Authorization for a Phase II development will be brought to the Board at a later date. Securing the general partner and investor interests in the ownership of City View also facilitates this Phase II opportunity by reducing the parties needed to grant approvals for additional development.

Please contact Rosie Truelove, Treasurer, Austin Housing Finance Corporation, at Rosie.Truelove@austintexas.gov or (512) 974-3064, or Patrick Russell, Real Estate Development Manager, with the Housing and Planning Department, at Patrick.Russell@austintexas.gov or (512) 974-3141 with any questions about this memorandum or City View.

CC: Spencer Cronk, City Manager
Rodney Gonzales, Assistant City Manger

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