



## Recommendation for Action

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**File #: 22-3517, Agenda Item #: 3.**

**12/1/2022**

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### **Posting Language**

Approve a resolution authorizing the formation of AHFC Cairn Point Non-Profit Corporation, a Texas nonprofit corporation and instrumentality of the Austin Housing Finance Corporation; approving the forms of its certificate of formation and by-laws; appointing its Board of Directors and President; and authorizing AHFC Cairn Point Non-Profit Corporation to act as general partner or controlling member of the general partner of the limited partnership that will own Cairn Point at Cameron Road, located at or near 7205 Cameron Road Austin, Texas 78752.

### **Lead Department**

Austin Housing Finance Corporation.

### **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:**

September 29, 2022: Austin Housing Finance Corporation (AHFC) approved an inducement resolution related to an application for private activity bond financing that authorizes an allocation of up to \$20,000,000 in private activity volume cap multi-family limited obligation (non-recourse) bonds to Cairn Point at Cameron Road, LP, or an affiliated entity, for a proposed affordable multi-family development to be known as Cairn Point at Cameron Road, located at 7205 Cameron Road Austin, Texas 78752.

### **Additional Backup Information:**

This item requests AHFC to adopt a resolution authorizing the formation of the AHFC Cairn Point Non-Profit Corporation (Non-Profit Corporation); approving the form of its Certificate of Formation and By-laws; appointing its Board of Directors and President; and authorizing the Non-Profit Corporation to serve as general partner or the controlling member of the general partner of the limited partnership (the Owner) which will own Cairn Point at Cameron Road multifamily development (the Development). The land upon which the Development will be located will be conveyed to AHFC at or before the construction financing closing, and AHFC will ground lease it to the Owner under the terms of a ground lease between AHFC and the Owner.

The proposed forms 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

Cairn Point at Cameron Road will be an approximately 150-unit affordable senior community development that will provide wrap-around supportive services for elderly persons who have experienced homelessness and housing instability. The development includes efficiency units, outdoor recreational space, and common area spaces with supportive programming slated to be provided by Caritas of Austin (Caritas). Caritas is a central Texas-based 501(c)(3) nonprofit founded in 1964 with the belief that all people deserve to have their basic needs met.

The Vecino Group will partner with the AHFC to develop Cairn Point at Cameron Road with the shared goals of providing deeply affordable and supportive housing to prevent and end homelessness in a vibrant urban neighborhood while ensuring economic integration and preventing long-term displacement.

Cairn Point at Cameron Road will be developed as a four-story, elevator-served single apartment building with 100 percent studio units and will include targeted and supportive interior and exterior common area spaces.

The limited partnership ownership structure proposed for the Development is similar to previous ownership structures in which AHFC affiliated nonprofit corporations have participated. These include developments such as Espero Austin 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 currently proposed to come from four percent Low Income Housing Tax Credits, a Multifamily Direct Loan from the Texas Department of Housing and Community Affairs, a Rental Housing Development Assistance loan from AHFC, and private activity bonds issued by AHFC. The Vecino Group and AHFC may consider alternative forms of financing.