



Recommendation for Action

File #: 22-3602, **Agenda Item #:** 8.

12/8/2022

Posting Language

Authorize negotiation and execution of a Housing Assistance Payment Contract and related documents with Cady Lofts, LLC, or an affiliated entity, for 25 Local Housing Vouchers that will pay fair market rent for a multi-family rental development to be known as Cady Lofts, located at or near 1004, 1006, and 1008 East 39th Street, Austin, Texas.

Lead Department

Austin Housing Finance Corporation.

Fiscal Note

This item has no fiscal impact.

Prior Council Action:

June 9, 2022 - NPA-2022-0019.01.SH - Cady Lofts- Conduct a public hearing and approve an ordinance amending Ordinance No. 20040826-056 the Central Austin Combined Neighborhood Plan, an element to the Imagine Austin Comprehensive Plan, to change the land use designation on the future land use map (FLUM) on property locally known as 1004, 1006, and 1008 East 39th Street (Boggy Creek Watershed) from Single Family and Mixed Use/Office to Multifamily Residential land use. Staff and Planning Commission Recommendation: To grant Multifamily Residential land use. Owner/Applicant: Cady Lofts, LLC. Agent: Sally Gaskin. City Staff: Maureen Meredith, Housing and Planning Department (512) 974-2695. Approved on all three readings.

June 9, 2022 - C14-2022-0019.SH - Cady Lofts - Conduct a public hearing and approve an ordinance amending City Code Title 25 by rezoning property locally known as 1004, 1006, and 1008 East 39th Street (Boggy Creek Watershed). Applicant Request: To rezone from family residence-conditional overlay-neighborhood plan (SF-3-CO-NP) combining district zoning and limited office-mixed use-conditional overlay-neighborhood plan (LO-MU-CO-NP) combining district zoning to multifamily residence-highest density-neighborhood plan (MF-6-NP) combining district zoning. Staff Recommendation and Planning Commission Recommendation: To grant multifamily residence-moderate-high density-neighborhood plan (MF-4-NP) combining district zoning. Owner/Applicant: Cady Lofts, LLC (Nathan H. Leistico). Agent: SGI Ventures, Inc. (Sally Gaskin). City Staff: Sherri Sirwaitis, 512-974-3057. Approved on all three readings.

February 3, 2022 - Approve a resolution related to an application by Cady Lofts, LLC, or an affiliated entity, for competitive 9% housing tax credits for a new construction development to be known as Cady Lofts, located at or near 1004-1008 East 39th Street, Austin, Texas 78751, and related to the allocation of housing tax credits within the City and near the proposed development. Approved on Consent.

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 1, 2022 -Austin Housing Finance Corporation approved the negotiation and execution of a loan agreement and related documents with SGI Ventures, LLC, or an affiliated entity, in an amount not to exceed \$5,000,000 for a rental development to be known as Cady Lofts located at or near 1004, 1006, and 1008 East 39th Street, Austin, Texas 78751. District 9

Additional Backup Information:

If approved, the Austin Housing Finance Corporation (AHFC) will be authorized to negotiate and execute a Housing Assistance Payment Contract (the Contract) and related documents with Cady Lofts, LLC, in order to provide a project-based rental subsidy to Continuum of Care (CoC) and supportive housing units. The Contract term is for one year, with 14 one-year options. The one-year options are subject to the availability of sufficient appropriations from the City of Austin to the Housing Trust Fund. The Cady Lofts Apartments will be located at or near 1004-1008 E 39th Street, within the City in Council District 9.

This Contract and the 25 vouchers are funded under the contract between AHFC and the Housing Authority of the City of Austin (HACA) for HACA to administer AHFC's Local Housing Voucher Program.

This Contract stems from the City of Austin's recently launched Local Housing Voucher Program (LHVP). The Program is supported by the City of Austin Housing Trust Fund (HTF). City Council made its first appropriations to the LHVP in FY2020-2021 and FY2021-2022. While one award was made during that time, no money has yet been allocated to individual developments as we await their construction. With the FY2022-2023 appropriation, \$9,150,000 has accumulated in the LHVP. Housing and Planning Department (HPD) staff estimate that, with these ongoing accruals for the next two years and with modest increases in appropriations over the coming years, the LHVP can subsidize approximately 375 to 425 permanent supportive housing (PSH) units once the LHVP funding is fully committed. These 375-425 PSH units are estimated to be spread across eight developments. In effect, the LHVP will have helped to finance the construction of eight developments with a total unit count of approximately 850 PSH units. The ongoing, annual commitment to those 375-425 PSH units is dependent on ongoing funding to support the LHVP.

With 100 units dedicated to serving individuals from the local CoC, Cady Lofts will be the largest, new construction CoC development that Austin has seen since Espero Austin at Rutland broke ground. This Contract will provide an operating subsidy for 25 of the 100 units.

Proposal, Ownership and Financing Structure for Cady Lofts, LLC.

Cady Lofts is a proposed supportive housing community to be located at 1004-1008 E 39th St. This ± 0.74-acre multifamily development will consist of 100 units, of which 100% will be targeted for supportive housing. Austin Affordable Housing Corporation, the nonprofit affiliate of the Housing Authority of the City of Austin, is the general partner and co-developer in this project. SGI Ventures is a co-developer on this project. Saigebrook Development and O-SDA Industries will serve as development consultants, and New Hope Housing will serve as a supportive housing coordinator and management consultant. Financing for the development is proposed to come from 9% Low Income Housing Tax Credits and a Rental Housing Development Assistance loan from AHFC to Cady Lofts, LLC.