



Recommendation for Action

File #: 23-1220, **Agenda Item #:** 2.

2/23/2023

Posting Language:

Authorize negotiation and execution of a Housing Assistance Payment Contract and related documents with Cairn Point at Cameron, LP, or an affiliated entity, for 100 Local Housing Vouchers that will pay fair market rent for a multi-family rental development to be known as Cairn Point at Cameron, located at or near 7205 Cameron Road, Austin, Texas 78752.

Lead Department:

Austin Housing Finance Corporation.

Fiscal Note:

This item has no fiscal impact.

Prior Council Action:

February 9, 2023 - Council set a public hearing for Thursday, February 23, 2023, related to an application by Cairn Point at Cameron, LP, or an affiliated entity, for housing tax credits for a multi-family development to be financed through the private activity bond program and to be known as Cairn Point at Cameron, located at or near 7205 Cameron Road, Austin, Texas 78752.

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:

December 2, 2022 - Austin Housing Finance Corporation (AHFC) approved Resolution No. 20221201-AHFC003 authorizing the formation of AHFC Cairn Point Non-Profit Corporation, a Texas nonprofit corporation and instrumentality of AHFC; 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, located at or near 7205 Cameron Road, Austin, Texas 78752.

September 29, 2022 - Austin Housing Public Facility Corporation approved Resolution No. 20220929-AHPFC003 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 non-recourse bonds to Cairn Point at Cameron, LP, or an affiliated entity, for a proposed affordable multi-family development to be known as Cairn Point at Cameron, located at 7205 Cameron Road, Austin, Texas 78752.

Additional Backup Information:

If approved, AHFC will be authorized to negotiate and execute a Housing Assistance Payment Contract (the Contract) and related documents with Cairn Point at Cameron, LP, in order to provide a project-based rental subsidy to Continuum of Care (CoC) and permanent supportive housing (PSH) units. The Contract term is for one year, with the option to extend for each year of the permanent senior debt period, not to exceed 18 years in total. The one-year options are subject to the availability of sufficient appropriations from the City's

Housing Trust Fund (HTF). Cairn Point at Cameron will be located at or near 7205 Cameron Road, Austin, Texas 78752, within the City in Council District 4.

This Contract and the 100 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 HTF. Council made its first appropriations to the LHVP program in FY2020-2021 and FY2021-2022. 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.

Proposal, Ownership and Financing Structure for Cairn Point at Cameron:

Cairn Point at Cameron is a proposed supportive housing community to be located at 7205 Cameron Road, Austin Texas 78752. This approximately 2.4-acre multifamily development will consist of 150 efficiency units, all of which will be targeted for supportive housing. AHFC will be the ground lessor, a general partner member, and co-developer in this development, and Vecino Group will be an administrative limited partner. Caritas of Austin, a nonprofit supportive service corporation headquartered in Austin, Texas, will also be an administrative limited partner. Financing for the development is proposed to come from 4% Low Income Housing Tax Credits, private activity bonds issued by AHFC, and a Rental Housing Development Assistance loan from AHFC to the owner.