



Recommendation for Action

File #: 23-2999, **Agenda Item #:** 2.

10/5/2023

Posting Language

Approve a resolution authorizing the formation of AHFC Pleasant Valley Non-Profit Corporation, a Texas nonprofit corporation and instrumentality of the Austin Housing Finance Corporation; approving its Certificate of Formation and Bylaws; appointing its board of directors and president; and authorizing AHFC Pleasant Valley Non-Profit Corporation to act as general partner, or managing member, of the entity that will own an approximately 96-unit multifamily rental development located at or near 5900 S. Pleasant Valley Road, Austin, Texas 78744; and authorizing a ground lease.

Lead Department

Austin Housing Finance Corporation.

Fiscal Note

This item has no fiscal impact.

For More Information:

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

Council Committee, Boards and Commission Action:

July 20, 2023 - Austin Housing Finance Corporation (AHFC) authorized negotiation and execution of all necessary agreements and instruments with Structure Development & JCM Ventures, or other qualified applicant, to develop affordable housing on approximately 2.5 acres located at or near 5900 S. Pleasant Valley Road, Austin, Texas 78744. District(s) Affected: District 2.

August 26, 2021 - AHFC authorized the negotiation and execution of all documents and instruments necessary or desirable to acquire approximately 5.30 acres for affordable housing purposes located at or near 5900 South Pleasant Valley Road and 5901 Drowsy Willow Trail, in an amount not to exceed \$2,050,000, including closing costs. District(s) Affected: District 2.

Additional Backup Information:

This item requests AHFC to adopt a resolution authorizing the formation of the AHFC Pleasant Valley Non-Profit Corporation (Nonprofit Corporation); approve the forms of its Certificate of Formation and Bylaws; appoint the Board of Directors and President of the Nonprofit Corporation; authorize the Nonprofit Corporation to serve as general partner or managing member, or controlling member of general partner or managing member, of the entity (Owner) that will own the to-be-named multifamily rental development (Development); and authorize a ground lease. The Owner will either be a limited partnership or limited liability company. AHFC owns the land upon which the Development is located and will ground lease it to the Owner under the terms of a ground lease to be negotiated between AHFC and the Owner.

The proposed form of the Certificate of Formation and the Bylaws for the Nonprofit Corporation are attached as Exhibits A and B to the resolution. The Board of Directors of the Nonprofit Corporation will serve for terms stated in the resolution. The requested Director appointments are:

Director: Veronica Briseño

Director: Rosie Truelove

Director: Mandy DeMayo

The requested appointment for President of the Nonprofit Corporation is Veronica Briseño. The President serves for the term stated in the Bylaws.

The remaining officers of the Nonprofit Corporation will be appointed by the Nonprofit Corporation's Board of Directors at its organizational meeting or by unanimous consent.

Proposal, Ownership and Financing Structures

The Development will be a newly constructed, affordable multifamily apartment development in Council District 2 that will provide approximately 96 units.

The development is anticipated to consist of one five-story building with the following unit income mix: (i) 10 percent of the units will be available only to individuals with incomes at 30 percent median family income (MFI) or below, (ii) 40 percent of the units will be available only to individuals with incomes at 50 percent MFI or below, (iii) 40 percent of the units will be available only to individuals with incomes at 60 percent MFI or below, and (iv) the remaining 10 percent of the units will be at a to-be-determined income level.

The ownership structure proposed for the development will be similar to previous ownership structures in which AHFC-affiliated nonprofit corporations have participated. These include developments such as Libertad at Gardner, Espero 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 proposed to come from either 9% Low Income Housing Tax Credits (LIHTCs) or 4% LIHTCs and Private Activity Bonds, as well as senior loan financing and a possible Rental Housing Development Assistance subordinate loan from AHFC to the Owner.