



RBA:
CITY OF AUSTIN
RECOMMENDATION FOR BOARD ACTION

AGENDA ITEM NO: 4
AGENDA DATE: 08/30/2007
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SUBJECT: Conduct a public hearing to receive public input and consider a resolution authorizing the issuance of one or more series of Austin Housing Finance Corporation private activity volume cap Multifamily Housing Revenue Bonds (Rumynode Apartments Project) Series 2007, in an amount not to exceed \$12,000,000 and the negotiation, execution and delivery of a trust indenture, a loan agreement, a regulatory agreement, a bond purchase agreement, and other documents required to finance the acquisition and rehabilitation of the Rumynode Apartments at 1101 Rutland Drive, Austin, TX, to be owned and operated by SAAHC Rumynode Apartments LP, or other affiliate of SAN ANTONIO ALTERNATIVE HOUSING CORPORATION, a Texas non-profit housing developer.

AMOUNT & SOURCE OF FUNDING: N/A

FISCAL NOTE: N/A

REQUESTING **DIRECTOR'S**
DEPARTMENT: Austin Housing Finance Corporation **AUTHORIZATION:** _____

FOR MORE INFORMATION CONTACT: Paul Hilgers, Executive Director, Austin Housing Finance Corporation, 974 3108

PRIOR BOARD ACTION: Inducement resolution approved on May 24, 2007, set this public hearing on August 9, 2007

PRIOR COUNCIL ACTION:

This public hearing meets the Tax Equity Financial Responsibility Act (TEFRA) hearing requirements and allows the Austin Housing Finance Corporation (AHFC) to receive public input for the issuance of up to \$12,000,000 of AHFC private activity volume cap, non-recourse Multifamily Housing Revenue Bonds (Rumynode Apartments Project), Series 2007 to finance the acquisition and rehabilitation of the Rumynode Apartments at 1101 Rutland Drive, Austin, TX (Rumynode Bonds).

Following the public hearing, staff requests the Board of Directors approve a resolution authorizing the issuance of the Rumynode Bonds in an amount not to exceed \$12,000,000 and the negotiation, execution and delivery of a trust indenture, a loan agreement, a regulatory agreement, a bond purchase agreement, and other documents required to finance the acquisition and rehabilitation of the Rumynode Apartments (Project). The Project will be owned and operated by SAAHC Rumynode Apartments LP, or other affiliate of SAN ANTONIO ALTERNATIVE HOUSING CORPORATION, a Texas non-profit housing developer. (the exact amount of the bonds and interest terms will be presented to the Board of Directors at the meeting).

It is not customary for the Board to consider authorizing the issuance of multifamily bonds on the same day as a public hearing. In this case, however, the seller must close this financing transaction by September 28, 2007. The only scheduled AHFC September meeting date is September 27, 2007, which does not allow sufficient time to complete the financing transaction as requested. Several public notifications announcing the TBHRA public hearing were issued, including public notice on the development site, newspaper public notice, and action by the AHFC Board on August 9th to set this public hearing. The AHFC Board action to set the hearing on August 9, 2007, is an additional notice of the hearing, not legally required.

The primary public purpose of this financing will be to preserve the supply of reasonably priced rental housing meeting the needs of families with incomes below 80 percent of Median Family Income (MFI) – currently \$56,900 for a family of four.

The Runnymede Apartments consist of 252 units, including 108 one-bedroom units, 84 two-bedroom/two bath units and 60 three-bedroom/two bath units. Rents currently range between \$599 and \$808 per month. Total project costs are estimated at \$16,493,324.