



RBA: Wildflower Terrace
CITY OF AUSTIN
RECOMMENDATION FOR BOARD ACTION

AGENDA ITEM NO: 4
AGENDA DATE: 12/10/2009
PAGE: 1 OF 3

SUBJECT: Approve negotiation and execution of a loan to DMA DEVELOPMENT COMPANY, LLC, or its affiliate, to acquire property and develop 201 units of mixed-income senior housing in the Mueller Planned-Unit Development District at the Northeast Corner of Berkman Drive and Tom Miller Street, in an amount not to exceed \$2,000,000 under the Rental Housing Development Assistance Program.

AMOUNT & SOURCE OF FUNDING: Funding is available in the Fiscal Year 2009-2010 Capital Budget of the Austin Housing Finance Corporation.

FISCAL NOTE: A fiscal note is attached.

REQUESTING DEPARTMENT: Austin Housing Finance Corporation

FOR MORE INFORMATION CONTACT: Margaret R. Shaw, Treasurer, Austin Housing Finance Corporation, 974-3184

PRIOR COUNCIL ACTION:

PRIOR BOARD ACTION:

This action approves the negotiation and execution of a loan to allow DMA Development Company, LLC, or its affiliate organization, to develop a 201-unit mixed-income senior apartment community, Wildflower Terrace.

DMA Development Company, LLC

DMA Development Company, LLC was established in 1998 and has developed 17 affordable housing communities, in which it has an ownership position, including six communities for senior families. The Company was an outgrowth of Diana McIver & Associates, Inc. (DMA) which has successfully assisted non-profit organizations in the development and rehabilitation of more than 13,000 units of affordable housing in 43 states, with a primary emphasis on affordable housing for seniors.

Funding Request

- The \$2,000,000 request will be used to fund the acquisition of the property as well as a portion of the development costs.

- If approved, Austin Housing Finance Corporation (AHFC) funds will represent \$23,255 per affordable unit.
- Additional financing will come from the sale of 9 percent low-income housing tax credits awarded to the project by the Texas Department of Housing and Community Affairs as well as a private lender loan.
- Estimated Sources and Uses for the project are as follows:

Sources:

RHDA GO Bond funding	\$ 2,000,000
Low-Income Housing Tax Credits	14,398,560
Deferred developer fee	1,271,289
Private financing	<u>7,300,000</u>
Total	\$24,969,849

Uses:

Predevelopment	\$ 100,000
Acquisition	1,200,000
Hard costs	17,980,774
Soft/carrying costs	5,308,375
Reserves	<u>380,700</u>
Total	\$24,969,849

The request for funding is consistent with the City of Austin's currently approved Consolidated Plan and the AHFC's strategy to provide assistance through below market-rate financing for the development of affordable rental housing for low- and moderate-income households and persons with special needs. The Housing Bond Review Committee reviewed the funding application and supports the proposed project.

Following Board approval, an RHDA program loan will be negotiated and executed with DMA Development Company, LLC, or its affiliate organization, in an amount not to exceed \$2,000,000 for a term of 99 years at zero percent interest, or such other terms as determined necessary and appropriate to finance the project. Repayment of the loan will be deferred on a yearly basis and forgiven at the end of the 99-year period subject to compliance with the loan agreement.

Project Characteristics

- As proposed, Wildflower Terrace includes 157 one-bedroom units measuring 707 to 842 square feet, and 44 two-bedroom units measuring 986 to 1,098 square feet.
- Projected monthly rents for the income restricted units range from \$329 to \$729 for one-bedroom units and \$706 to \$866 for two-bedroom units.
- A minimum of 21 units will be made accessible for persons with mobility disabilities, and five units will be made accessible for persons with hearing and vision disabilities.
- Amenities in the apartment units include nine-foot ceilings, ceiling fans, energy-rated appliances, and washer and dryer connections.
- The development also includes a gated parking garage, community room, outdoor courtyard, movie theater, fitness center, art studio, library, business center, and a management and leasing office.
- Supportive services will include social and recreational activities, information on volunteer programs available to seniors, nutrition counseling, and health screenings.

Population Served

- Residents will be adults age 55 or older.

- The unit mix based on current Median Family Income (MFI) levels is as follows:

26 units	30 percent of MFI	\$17,600 for a two-person household
60 units	50 percent of MFI	\$29,300 for a two-person household
85 units	60 percent of MFI	\$35,200 for a two-person household
30 units	no MFI restriction	no limit on income

**AUSTIN HOUSING FINANCE CORPORATION
CIP BUDGET
FISCAL NOTE**

Date of Board Consideration: 12/10/2009
Agenda Item: DMA DEVELOPMENT COMPANY, LLC
Division: Real Estate and Finance Development

SUBJECT:

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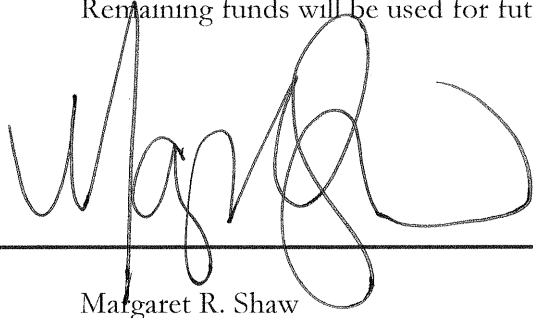
FINANCIAL INFORMATION:

Parent Project Name: 2006 General Obligation Housing Bonds
Project Authorization: Approved AHFC Capital Budget

Current Appropriation	\$ 39,800,000.00
Available Balance	\$ 2,944,505.00
Amount of This Action	\$ (2,000,000.00)
Remaining Balance	\$ 944,505.00

Use of Remaining Balance:

Remaining funds will be used for future eligible projects.



Margaret R. Shaw
Treasurer, Austin Housing Finance Corporation

12/03/09

Date