

A G E N D A



Recommendation for Council Action

Austin City Council	Item ID	31387	Agenda Number	22.
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Meeting Date:	3/20/2014	Department:	Neighborhood and Community Development
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Subject

Approve a resolution under Section 11.9(d)(1), State of Texas 2014 Housing Tax Credit Qualified Allocation Plan, for an application submitted to the Texas Department of Housing and Community Affairs by DDC Merritt Lakeline Station, Ltd. for a proposed mixed-income rental development, Merritt Lakeline Station, located at 10701 Lakeline Mall Drive.

Amount and Source of Funding

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:

Prior Council Action:

February 13, 2013 – Approved resolution 20140213-020 providing a commitment of funding subject to the award of Low Income Housing Tax Credits by the Texas Department of Housing and Community Affairs.

For More Information:

Betsy Spencer, Director, 512-974-3182; David Potter, Program Manager, 512-974-3192

Boards and Commission Action:

February 13, 2013 – Approved negotiation and execution of a loan not to exceed \$2,200,000 subject to the award of Low Income Housing Tax Credits by the Texas Department of Housing and Community Affairs.

MBE / WBE:

Related Items:

Additional Backup Information

If approved, this resolution will be submitted to the Texas Department of Housing and Community Affairs to indicate the level of local government support for the competitive Low Income Housing Tax Credit application # 14243 submitted by the developer, DDC Merritt Lakeline Station, Ltd.

For 2014, the scoring category of Local Government Support, the amount of points an application can receive through a resolution from a local unit of government is:

- 17 points for supporting an application or development;
- 14 points for “no objection” to an application or development; or
- Zero points if no resolution is provided.

Staff has reviewed the developer's funding application and recommends a resolution of support for the tax credit application.

Project Characteristics

- Two hundred mixed-income units to be built on property adjacent to the MetroRail Lakeline Station.
- Location is within the Lakeline Transit Oriented Development Overlay.

Unit mix:

One-bedroom units Rent: approximately \$307 - \$850 609 – 735 square feet

Two-bedroom units Rent: approximately \$397 - \$816 850 – 973 square feet

Three-bedroom units Rent: approximately \$845 - \$1,041 1,342 square feet

- Merritt Lakeline Station will have 10 Permanent Supportive Housing units with services to be provided through programs affiliated with the Housing Authority of the City of Austin (HACA).
- Twenty-five percent of units will be designated for persons with disabilities.
- Twenty units will be made accessible for persons with mobility disabilities, and at least four units will be made accessible for persons with hearing and sight disabilities. All units will be adaptable for persons with disabilities.
- Services provided by property management include quarterly health and nutrition classes, financial planning, free notary service, semi-monthly social events and arts and crafts activities, exercise classes, and an annual health fair.
- No smoking will be permitted anywhere on the property. This helps support Imagine Austin Priority Program No. 7: Create a Healthy Austin.

Population Served

- Six percent of units will be reserved for individuals or families with incomes at or below 30% of the Median Family Income (MFI), currently \$21,950 for a four-person household; \$15,400 for an individual.
- Twenty-two percent of units will be reserved for individuals or families with income at or below 50% MFI, currently \$36,600 for a four-person household; \$25,650 for an individual.
- Twenty-eight percent of units will be reserved for individuals or families with income at or below 60% MFI, currently \$43,920 for a four-person household; \$30,780 for an individual.
- Forty-four percent of units will have no income restrictions.

DDC Merritt Lakeline Station, Ltd.

This is a to-be-formed limited partnership between entities affiliated with the Austin Affordable Housing Corporation (AAHC), a non-profit subsidiary of HACA, and DDC Merritt Lakeline Station GP, LLC (to-be-formed, single asset limited liability company). AAHC owns and operates both multi-family residential and commercial properties and will be the sole member of the general partnership. It also operates various programs for HACA residents and Housing Choice Voucher holders, including a homeownership program. DDC Investments, Ltd. is a developer of affordable housing in the state of Texas and has successfully developed 1,064 units of multi-family projects in Texas, both for seniors and families. Colby Denison is the owner of DDC Investments, Ltd.