

Recommendation for Board Action				
Austin Housing Finance Corporation	Item ID	34555	Agenda Number	9.
Meeting Date:	8/7/2014		Department:	Neighborhood and Community Development
Subject				
<p>Authorize the negotiation and execution of an agreement between the AUSTIN HOUSING FINANCE CORPORATION and the CESAR CHAVEZ FOUNDATION related to a proposal to acquire, rehabilitate, and preserve affordable rental housing at the Timbers Apartments at 1034 Clayton Lane.</p>				
Amount and Source of Funding				
Fiscal Note				
<p>There is no unanticipated fiscal impact. A fiscal note is not required.</p>				
Purchasing Language:				
Prior Council Action:				
For More Information:	<p>Contact Elizabeth A. Spencer, Treasurer, Austin Housing Finance Corporation, 512-974-3182; or David Potter, Program Manager, Neighborhood Housing and Community Development, 512-974-3192</p>			
Boards and Commission Action:				
MBE / WBE:				
Related Items:				
Additional Backup Information				
<p>The Austin Housing Finance Corporation (AHFC) Board of Directors is requested to authorize the negotiation and execution of a Memorandum of Understanding (MOU) between AHFC and the Cesar Chavez Foundation (CCF) related to the acquisition, rehabilitation of the Timbers Apartments, including the ownership structure and AHFC's participation in the project. A draft version of the MOU is attached.</p> <p><u>Proposal and Financing Structure</u></p> <p>The Timbers Apartments are currently for sale, and AHFC has been in discussion with representatives from the Cesar Chavez Foundation (CCF), a 501(c)(3) non-profit corporation, interested in acquiring the property and performing minor rehabilitation at the 16-year old complex. The financing, as proposed by CCF would come from non-competitive 4% Low Income Housing Tax Credits (LIHTC) awarded by the Texas Department of Housing and Community Affairs (TDHCA) and from multi-family private activity bonds issued by the AHFC. The property would also carry a HUD-insured mortgage.</p>				

Project Attributes

- No AHFC funding is being requested. CCF is proposing to offer AHFC a developer fee of \$100,000 at closing plus 30% of cash flow.
- CCF is proposing that AHFC take fee title to the land which will make the property exempt from ad valorem taxes. This has been done in previous partnerships with Villas on Sixth, Primrose at Shadow Creek, and Village on Little Texas.
- The Timbers Apartments currently operates under an LIHTC extended use agreement, ending in 2038. Upon acquisition of the property, CCF is proposing to execute a Restrictive Covenant that would keep units affordable for 55 years.
- Under the current LIHTC income restrictions, 24 units must be reserved for household with annual incomes at or below 50 percent of Austin's median family income (MFI), currently \$37,700 for a four-person household, and 54 units for households with incomes 60 percent of MFI. Twenty-six units currently have no income restrictions.
- This project would preserve affordability and provide residents on-site service-enriched programming for which CCF is known.

The Cesar Chavez Foundation (CCF)

CCF has worked for more than 40 years at meeting essential human, cultural, and community needs. The CCF Housing and Economic Development Fund focuses on developing high-quality, service-enhanced affordable housing for working families and seniors. CCF has completed construction of more than 4,000 affordable multifamily units at more than 32 sites in California, Arizona, New Mexico, and Texas. The Foundation's housing team boasts a comprehensive approach to affordable housing that embraces constructing or extensively renovating each of its communities as well as managing the portfolio professionally, with a management and compliance supervisor in Texas. This comprehensive approach is accomplished by maintaining facilities that are safe, clean, efficient and aesthetically pleasing, with extensive amenities that include playgrounds, swimming pools, computer labs and special accommodations to address disabilities, language and cultural diversity, and transportation needs. CCF also takes pride in providing services such as after-school programs for children in the communities where its properties are located.