

| | | | | |
|---|---|-------|---------------|--|
| | | | | |
| Recommendation for Board Action | | | | |
| Austin Housing Finance Corporation | Item ID | 37977 | Agenda Number | 3. |
| Meeting Date: | 11/20/2014 | | Department: | Neighborhood and Community Development |
| Subject | | | | |
| <p>Approve a resolution authorizing the formation of AHFC 1034 CLAYTON LANE NON-PROFIT CORPORATION, a Texas non-profit corporation and instrumentality of the Austin Housing Finance Corporation, approving its certificate of formation, articles of incorporation, and by-laws, and appointing its board of directors and president.</p> | | | | |
| Amount and Source of Funding | | | | |
| | | | | |
| Fiscal Note | | | | |
| There is no unanticipated fiscal impact. A fiscal note is not required. | | | | |
| Purchasing Language: | | | | |
| Prior Council Action: | | | | |
| For More Information: | 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 | | | |
| Boards and Commission Action: | October 14, 2014 - Community Development Commission passed a resolution supporting the proposed project. | | | |
| MBE / WBE: | | | | |
| Related Items: | | | | |
| Additional Backup Information | | | | |
| <p>The Austin Housing Finance Corporation (AHFC) Board of Directors is requested to approve the Certificate of Formation, Articles of Incorporation, By-laws, and to appoint the Board of Directors and President of the AHFC 1034 Clayton Lane Non-profit Corporation that will serve as General Partner of a to-be-formed Limited Partnership with the Cesar Chavez Foundation (CCF) that will own the existing 104-unit Timbers Apartments, located at 1034 Clayton Lane, Austin, TX 78723.</p> <p>The Limited Partnership structure proposed for this development is similar to Limited Partnership structures in which AHFC-related entities have participated. These include developments such as Villas on Sixth, Primrose at Shadow Creek, Heritage Heights at Blackshear, also known as SCIP I, and Village on Little Texas (now known as Retreat at North Bluff).</p> <p>The Certificate of Formation, Articles of Incorporation and By-laws are attached as Exhibits A, B and C, respectively.</p> | | | | |

The Board of Directors to be appointed shall serve terms as stated in the By-laws. The requested appointments are:

Director: Bert Lumbreras

Director: Elizabeth A. Spencer

Director: Rebecca Giello

The president of the corporation to be appointed shall serve as stated in the By-laws. The requested appointment is: President: Bert Lumbreras. The remaining officers of the corporation will be appointed by its board of directors at its first organizational meeting.

Proposal and Financing Structure

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 four percent 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 U.S. Department of Housing and Urban Development (HUD) insured mortgage.

Project Attributes

- No AHFC funding is being requested. CCF is proposing to offer AHFC a developer fee of \$100,000 at closing plus 30 percent 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, currently \$45,240 for a four-person household. Twenty-six units currently have no income restrictions; however, CCF intends to convert these 26 units into affordable units.
- 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.