

AGENDA



Recommendation for Council Action

Austin City Council	Item ID	40283	Agenda Number	22.
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Meeting Date:	2/12/2015	Department:	Neighborhood and Community Development
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Subject

Approve a resolution authorizing a loan in an amount not to exceed \$1,650,000 to MGroup Holdings, Inc. or an affiliate for a proposed rental development, to be known as Monarch at Lakeline Station, located in the 9800 block of Lake Creek Parkway, with the loan being conditioned upon the award of tax credits to MGroup, Holdings, Inc. by the Texas Department of Housing and Community Affairs for the proposed project.

Amount and Source of Funding

Funding for this commitment resides in the budget of the Austin Housing Finance Corporation, a Texas public, non-profit corporation, which was created by and is an instrumentality of the City of Austin.

Fiscal Note

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

Purchasing Language:	
Prior Council Action:	
For More Information:	Betsy Spencer, NHCD Director, 512-974-3182; David Potter, NHCD Program Manager, 512-974-3192
Boards and Commission Action:	
MBE / WBE:	
Related Items:	

Additional Backup Information

If approved, the resolution will be included in the application submitted by MGroup Holdings, Inc. to the Texas Department of Housing and Community Affairs (TDHCA) for the 2015 Low Income Housing Tax Credit cycle. Applications that have a commitment of funding from a unit of local government, even if the commitment is conditioned upon the award of tax credits, will qualify for a certain number of points in this competitive process.

One extra point will be given if the resolution specifies the funds will be provided as a permanent loan with a minimum loan term of 15 years. The loans from the Austin Housing Finance Corporation provided to organizations that develop affordable housing have terms that are typically 20 years or more up to 99 years.

This year, TDHCA has \$3.7 million in tax credits allocated to Texas Region 7 which includes Austin and surrounding counties. The maximum award of tax credits for a project in Region 7 is \$1.5 million. Therefore, it is likely that only two or three projects can be funded in this region. This resolution would only commit funding if MGroup Holdings, Inc. receives an award of tax credits for this proposed project.

Full applications are due to TDHCA on February 27, 2015, and the announcement of tax credit awards will take place at the July 2015 TDHCA Board Meeting.