

<b>Recommendation for Board Action</b>				
Austin Housing Finance Corporation	<b>Item ID</b>	50755	<b>Agenda Number</b>	6.
<b>Meeting Date:</b>	10/1/2015	<b>Department:</b>	Neighborhood and Community Development	
<b>Subject</b>				
Authorize an increase to a loan of up to \$2,000,000 for a total loan amount not to exceed \$4,000,000 to Austin DMA Housing II, LLC, for Aldrich 51 Apartments, located at 2604 Aldrich Street in the Robert Mueller Municipal Airport redevelopment site.				
<b>Amount and Source of Funding</b>				
\$2,000,000 is available in the Austin Housing Finance Corporation FY 2015-2016 Operating Budget.				
<b>Fiscal Note</b>				
There is no unanticipated fiscal impact. A fiscal note is not required.				
<b>Purchasing Language:</b>				
<b>Prior Council Action:</b>	May 7, 2015 – Conducted a public hearing and approved a resolution of no objection for the tax credit application to be submitted to the Texas Department of Housing and Community Affairs for the Aldrich 51 Apartments.			
<b>For More Information:</b>	Betsy Spencer, AHFC Treasurer, 512-974-3182; David Potter, Neighborhood Development Program Manager; 512-974-3192			
<b>Boards and Commission Action:</b>	<p>April 2, 2015 – AHFC Board approved an inducement resolution for an amount up to \$20 million in private activity volume cap for the Aldrich 51 Apartments.</p> <p>April 23, 2015 – AHFC Board conducted a public hearing in accordance with the Tax Equity Financial Responsibility Act on the proposed bond issue for the Aldrich 51 Apartments.</p> <p>April 23, 2015 – AHFC Board authorized negotiation and execution of a loan agreement in an amount not to exceed \$2 million for the Aldrich 51 Apartments</p> <p>April 23, 2015 – AHFC Board authorized the formation of the AHFC Aldrich 51 Non-profit Corporation to serve as Managing Member of the to-be-formed Austin DMA Housing II, LLC.</p> <p>June 18, 2015 – AHFC Board approved an inducement resolution for an allocation of up to \$25 million in private activity volume cap for Aldrich 51 Apartments.</p> <p>August 6, 2015 – AHFC Board conducted a public hearing in accordance with the Tax Equity Financial Responsibility Act on the proposed bond issue for the Aldrich 51 Apartments.</p>			
<b>MBE / WBE:</b>				

Related Items:

### Additional Backup Information

If approved, this action will authorize an additional \$2 million for the development of the Aldrich 51 Apartments. A prior loan for \$2 million of General Obligation Bond funds was authorized by the Austin Housing Finance Corporation Board of Directors on April 23, 2015. Federal Community Development Block Grant funding will be used for the increased loan amount and will be used to acquire the property, subject to the authorization from the U.S. Department of Housing and Urban Development (HUD). This additional funding will help close the financing gap needed to carry out the project.

#### **Project Characteristics**

- The property is located in the Robert Mueller Municipal Airport (RMMA) Redevelopment on the west side of Aldrich Street between Barbara Jordan Boulevard and East 51<sup>st</sup> Street.
- The unit sizes range from 524 to 1,200 square feet. Depending on unit size, the rents will be in the approximate range of \$365 to \$1,569 per month.
- There will be 38 efficiency units; 87 one-bedroom/one-bath units; 32 two-bedroom/one-bath units; 73 two-bedroom/two-bath units and 10 three-bedroom /two-bath units. bedroom/two-bath units.
- Twenty-four (24) units will be designed accessible for persons with mobility disabilities, and 3 units will be designed accessible for persons with sight or hearing disabilities.
- Ten (10) units will be operated as Permanent Supportive Housing.

#### **Population Served**

- Fifteen (15) units will be reserved for households with incomes at or below 30 percent of the Austin area Median Family Income (MFI), currently \$16,150 for a one-person household and \$23,050 for a four-person household. Ten (10) of those units will be reserved for Permanent Supportive Housing.
- Forty-eight (48) units will be reserved for households with incomes at or below 50 percent MFI, currently \$26,900 for a one-person household and \$38,400 for a four-person household.
- One hundred fifty-six (156) units will be reserved for households with incomes at or below 60 percent MFI, currently \$32,280 for a one-person household and \$46,080 for a four-person household.
- Twenty-one (21) units will have no income restrictions

#### **The Developer**

Austin DMA Housing II, LLC is an affiliate of Diana McIver and Associates, Inc. (DMA) which was formed in 1999 by Diana McIver for the purpose of developing and owning affordable and market-rate properties. DMA has successfully developed 25 properties since 2000 which include workforce housing, senior housing, and supportive housing properties. AHFC was one of the lenders on DMA's Wildflower Terrace, a highly successful 201-unit mixed-income senior community at RMMA.