

AGENDA



Recommendation for Council Action

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| Austin City Council | Item ID | 66702 | Agenda Number | 50. |
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| Meeting Date: | 2/9/2017 | Department: | Neighborhood and Community Development |
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Subject

Conduct a public hearing and consider a resolution regarding an application to be submitted to the Texas Department of Housing and Community Affairs by Govalle Affordable Housing, L.P., or an affiliated entity, for low income housing tax credits in connection with the new construction of an affordable multi-family development to be located on Shady Lane within the thinkEAST Planned Unit Development. (District 3)

Amount and Source of Funding

No City of Austin or Austin Housing Finance Corporation funding is required for this action.

Fiscal Note

A fiscal note is not required.

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| Purchasing Language: | |
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| Prior Council Action: | December 1, 2016 – Approved Resolution No. 20161201-022 required by TDHCA when a proposed tax credit development is to be built within one mile and three years of another development receiving tax credits and serving the same population. |
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| For More Information: | Rosie Truelove, NHCD Interim Director, 512-974-3064; David Potter, Program Manager, 512-974-3192. |
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| Council Committee, Boards and Commission Action: | |
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| MBE / WBE: | |
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| Related Items: | |
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Additional Backup Information

This action will conduct a public hearing to receive comments to consider approval of a resolution as required by the Texas Department of Housing and Community Affairs (TDHCA) 2017 Uniform Multi-family Rules. To receive state allocated tax credits for the project, the applicant, or an affiliated entity, must submit to TDHCA a resolution of no objection from the applicable governing body in which the proposed development is located. The property is located in Council District 3.

Proposed Project

The proposed development is for 97 units to be located on Shady Lane near Jain Lane in the thinkEAST Planned Unit Development (PUD). Financing for the development is proposed to come from non-competitive 4% Low Income Housing Tax Credits, the Private Activity Bonds issued by AHFC, and Rental Housing Development Assistance (RHDA) funding from AHFC.

Estimated Sources of Funds

Sources:

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| Private Activity Bonds | \$ 6,932,000 |
| Tax Credits | 4,599,962 |
| Proposed AHFC funding | 2,808,000 |
| Deferred Developer Fee | <u>1,641,882</u> |
| Total | \$ 15,981,844 |

Uses:

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| Acquisition | \$ 1,600,000 |
| Pre-Development | 650,000 |
| Construction/Hard Costs | 10,215,759 |
| Soft & Carrying Costs | <u>3,516,125</u> |
| Total | \$15,981,844 |

Project Characteristics

- 97 units to be built on property in the thinkEAST PUD.
- Unit mix:
 - 10 studio/one-bath units (approximately 500 square feet, approximate rent \$320 to \$900).
 - 35 one-bedroom/one-bath units (approximately 600 square feet, approximate rent \$634 to \$1,000).
 - 38 two-bedroom/two-bath units (approximately 800 square feet, approximate rent \$758 to \$1,223).
 - 14 three-bedroom/two-bath units (approximately 1,000 square feet, approximate rent \$871 to \$1,425).
- Ten units will be made accessible for persons with mobility disabilities, and at least 2 units will be made accessible for persons with hearing and sight disabilities.

Population Served

- CCF has obtained a written agreement from LifeWorks to provide 4 PSH units to Youth Aging out of Foster Care. These four (4) units will be reserved for individuals with incomes at or below 30% of the Median Family Income (MFI), currently \$16,350 for a single-person household.
- Thirty-one (31) units will be reserved for individuals or families with incomes at or below 50% MFI, currently \$27,250 for a single-person household and \$38,900 for a 4-person household.
- Forty-two (42) units will be reserved for individuals and families with income at or below 60% MFI, currently \$32,700 for a single-person household and \$46,680 for a 4-person household.
- Nineteen (19) units will have no income restrictions.
- One (1) unit will be reserved for the property manager.

Current Property Tax Status and Future Impact

The property currently has no property tax exemptions. The Travis Central Appraisal District will determine whether the residential use of this vacant property will be eligible for any exemptions after the property is developed.

The Cesar Chavez Foundation (CCF)

CCF, is a California 501(c)(3) nonprofit corporation, was founded in 1966 by César E. Chávez who envisioned an organization that would provide social services, alongside the work being done by the United Farm Workers, for the farm workers laboring in the fields. Since its inception, the Foundation's emphasis on housing integrated with social services has been crucial to the enrichment of the communities they serve.

CCF serves tens of thousands of individuals through affordable housing development, educational programming, and broadcast communications and through our conference center in Keene, CA. The organization has expanded its reach from primarily serving farm workers to addressing quality of life issues for individuals, families and communities throughout the Southwest.

For more information on the proposed project, as well as socioeconomic characteristics and amenities in the surrounding area, please see the project's Development Application here:

<http://austintexas.gov/page/fy-15-16-funding-applications>