

Recommendation for Board Action												
Austin Housing Finance Corporation	Item ID	74589	Agenda Number	6.								
Meeting Date:	9/28/2017		Department:	Neighborhood Housing and Community Development								
Subject												
Set a public hearing to receive public comment regarding the issuance of up to \$20,000,000 of Multi-family Housing Revenue Bonds to be issued by the Austin Housing Finance Corporation to finance the development by Austin DMA Housing III, LLC, or an affiliated entity, for a proposed affordable multi-family development for seniors to be known as The Nightingale and located at 5900 Charles Merle Drive in the Goodnight Ranch Planned Unit Development. (District 2) (Suggested date and time: October 19, 2017 beginning at 10:30 a.m. at Austin City Hall, 301 W. Second Street, Austin, TX)												
Amount and Source of Funding												
Up to \$20,000,000 of Private Activity Bonds may be issued by the Austin Housing Finance Corporation for this project. These bonds are not obligations of the City of Austin or of Austin Housing Finance Corporation, and the full faith and credit of the City is not pledged to repay these bonds.												
Fiscal Note												
There is no unanticipated fiscal impact. A fiscal note is not required.												
Purchasing Language:												
Prior Council Action:												
For More Information:	Rosie Truelove, Austin Housing Finance Corporation, Treasurer, 512-974-3064; David Potter, Austin Housing Finance Corporation Program Manager, 512-974-3192.											
Boards and Commission Action:												
MBE / WBE:												
Related Items:												
Additional Backup Information												
This public hearing will meet the Tax Equity Financial Responsibility Act (TEFRA) hearing requirements and allows the Austin Housing Finance Corporation (AHFC) to receive public input for the issuance of up to \$20,000,000 in private activity volume cap multi-family housing nonrecourse bonds to provide interim and permanent financing for the development of The Nightingale. The property is located in Council District 2.												
<p><u>Proposed Project</u> The proposed development is for 174 units for seniors to be located on Charles Merle Drive in the Goodnight Ranch 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.</p> <p><u>Estimated Sources of Funds</u></p> <table border="0" style="width: 100%;"> <tr> <td style="width: 30%;">Sources:</td> <td style="width: 30%;"></td> <td style="width: 30%;">Uses:</td> <td style="width: 10%;"></td> </tr> <tr> <td>Private Activity Bonds</td> <td>\$ 15,000,000</td> <td>Acquisition</td> <td>\$ 1,962,500</td> </tr> </table>					Sources:		Uses:		Private Activity Bonds	\$ 15,000,000	Acquisition	\$ 1,962,500
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Tax Credits	5,696,751	Pre-Development &	
TDHCA Loan	1,500,000	Soft Costs	1,705,546
Requested AHFC funding	2,000,000	Construction/Hard Costs	17,452,846
Deferred Developer Fee	<u>2,001,520</u>	Developer Fee &	
Total	\$ 26,198,271	Financing Costs	<u>5,077,379</u>
		Total	\$ 26,198,271

Project Characteristics

- 174 units to be built on property in the Goodnight Ranch PUD.
- 134 one-bedroom units (approximately 730 to 863 square feet, approximate rent \$405 to \$863).
- 40 two-bedroom units (approximately 952 to 1,223 square feet, approximate rent \$476 to \$1,026).

Population Served

- The Nightingale will be built as a senior development.
- Sixteen (16) units will be reserved for households with incomes at or below 30% Median Family Income (MFI), currently \$17,100 per year for a single-person household.
- Thirty-six (36) units will be reserved for households with incomes at or below 50% MFI, currently \$28,500 for a single-person household.
- Eighty-nine (89) units will be reserved for households with incomes at or below 60% MFI, currently \$34,200 for a single-person household.
- Thirty-three (33) units will have no income restrictions.

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.

DMA Development Company

DMA Development Company, LLC is very experienced in the development and construction of complicated real estate developments, having extensive experience with both new construction and renovation, and with all the financial tools proposed for this project. In 2016, DMA Development Company closed bond financing and is completing construction on Aldrich 51, a 240-unit vertical mixed use development in the Mueller community. Previously, DMA Development Company developed a highly successful senior development, Wildflower Terrace, also in the Mueller community.

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-16-17-funding-applications>