

## AGENDA



## Recommendation for Board Action

## AUSTIN HOUSING FINANCE CORPORATION (AHFC)

Regular Meeting: December 14, 2017

Item Number: AHFC006

## Consent

Authorize an increase in the amount of a proposed loan agreement by \$1,200,000 to be negotiated and executed with Saigebrook Development, LLC, or an affiliated entity, for a total loan amount not to exceed \$3,320,000 to assist with the development of multi-family rental housing, including permanent supportive housing to serve extremely low-income persons and to be located at 3300 Oak Creek Drive.

District(s) Affected: District 7

<b>Lead Department</b>	Neighborhood Housing and Community Development Department.
<b>Fiscal Note</b>	There is no fiscal impact.
<b>For More Information</b>	Rosie Truelove, Treasurer, Austin Housing Finance Corporation, 512-974-3064; David Potter, Program Manager, Neighborhood Housing and Community Development, 512-974-3192.
<b>Council Committee, Boards and Commission Action</b>	<p>February 9, 2017 - The Austin Housing Finance Corporation Board of Directors authorized negotiation and execution of a loan agreement with Saigebrook Development, LLC, in the amount of \$2,120,000.</p> <p>September 28, 2017 - The Austin Housing Finance Corporation Board approved an inducement resolution for private activity bond financing to be submitted to the Texas Bond Review Board for an allocation of up to \$10,000,000 in private activity volume cap multi-family non-recourse bonds.</p> <p>November 9, 2017 - Conducted a public hearing to receive public comment regarding the issuance of up to \$10,000,000 dollars of Multi-family Housing Revenue Bonds to be issued by the Austin Housing Finance Corporation for Elysium Grand.</p>

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### **Additional Backup Information:**

If approved, this action would increase by \$1,200,000 the \$2,120,000 that was approved by the Austin Housing Finance Corporation (AHFC) for the negotiation and execution of a loan to help finance the development of an 85-unit affordable housing development. This development has also received an allocation of 25 Veterans Affairs Supportive Housing (VASH) Project-based vouchers from the Housing Authority of the City of Austin. The property is located at 3300 Oak Creek Drive (District 7).

### **Proposed Project**

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 & Uses of Funds**

<b><u>Sources:</u></b>		<b><u>Uses:</u></b>	
Private Activity Bonds	\$9,800,000	Acquisition	\$2,000,000
Tax Credits	3,664,913	Hard Costs	10,078,777
AHFC funding	3,320,000	Soft & Carrying Costs	5,673,752
Deferred Developer Fee	967,616	<b>Total</b>	<b>\$17,752,529</b>
<b>Total</b>	<b>\$17,752,529</b>		

### **Population Served**

The development will be a mixed-income community and will include 25 VASH Project-based Vouchers and an on-site case manager.

- 12 units at 30% MFI (currently \$22,000 for a 3-person household);
- 40 units at 50% MFI (currently \$36,650 for a 3-person household);
- 20 units at 60% MFI (currently \$43,980 for a 3-person household);
- 13 units will have no income restrictions.

### **Project Attributes**

- The approximate unit mix will include:
  - o 22 1-bedroom units; approximately 700 square feet;
  - o 45 2-bedroom units; approximately 855 square feet;
  - o 18 3-bedroom units; approximately 1,140 square feet.
- The services to be provided are based on the interests and needs of the residents. Proposed residential services are to be provided by a third party (Skillpoint Alliance), and will likely include job training, computer efficiency classes, and summer camp for children.
- On-site amenities will likely include a business center, fitness center, media room, indoor/outdoor flex space, barbecue grills, bike parking, covered picnic pavilion, a children's playground, and a furnished community room.

### **Current Property Tax Status and Future Impact**

The property is currently not exempt from taxation. The Travis Central Appraisal District would make a determination on any tax exemptions for which the property may qualify in the future.

### **Saigebrook Development, LLC (an affiliate of Elysium Grand, LP)**

According to information provided by the developer, Saigebrook Development and its Principal, Lisa Stephens, have specialized in providing first-class affordable and workforce housing communities in urban core and suburban areas since 1996. Ms. Stephens has secured 18 allocations of Housing Tax Credits in Texas and has financed and closed approximately 5,000 units in the southern United States. Elysium Grand will be Saigebrook Development's fourth development in Austin.

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

<http://austintexas.gov/page/fy-16-17-funding-applications>.

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