

AGENDA



Recommendation for Council Action

AUSTIN CITY COUNCIL

Regular Meeting : February 1, 2018

Item Number: 021

Neighborhood Housing and Community Development

Approve a resolution under the State of Texas 2018 Qualified Allocation Plan, supporting an application to be submitted by Cambrian East Riverside, LP, or an affiliated entity, competing for an award of Low Income Housing Tax Credits from the Texas Department of Housing and Community Affairs to help finance a proposed multi-family housing development to be called Cambrian East Riverside Apartments, located on East Riverside Drive, between Grove Boulevard and Clubview Avenue.

District(s) Affected: District 3

Lead Department	Neighborhood Housing and Community Development.
Fiscal Note	This item has no fiscal impact.
For More Information	Rosie Truelove, Neighborhood Housing and Community Development Director, 512-974-3064; David Potter, Neighborhood Housing and Community Development Program Manager, 512-974-3192.

Additional Backup Information:

If approved, a Resolution of Support from the Austin City Council will be included with Low Income Housing Tax Credit (LIHTC) Application Number 18015 to be submitted by Cambrian East Riverside, LP, or an affiliated entity, to the Texas Department of Housing and Community Affairs (TDHCA) for the proposed Cambrian East Riverside Apartments. The property is located in District 3.

For developments proposed within a municipality, an application will receive the maximum amount of scoring points in the category of "Local Government Support" if it includes a resolution from the

governing body of the municipality expressly supporting the tax credit application. An application will score fewer points if the municipality provides a resolution stating that it has “no objection” to the tax credit application.

Information about the proposed development is attached, and staff recommends approving a resolution supporting the tax credit application.

LIHTC applications are due to TDHCA on March 1, 2018.

Proposed Development

90 Units in the following mix:

- 37 1-bedroom 550 Square feet Estimated Rents: \$458-\$916
- 39 2-bedroom/2-bath 850 Square feet Estimated Rents: \$549-\$1,099
- 10 3-bedroom/2-bath 1,050 Square feet Estimated Rents: \$1,058-\$1,270
- 4 4-bedroom/2-bath 1,250 Square feet Estimated Rents: \$1,181-\$1,417

Population Served

- 10 units will be reserved for persons with incomes at or below 30% Median Family Income (MFI); currently, \$17,100 for a single-person household and \$24,400 for a 4-person household;
- 36 units will be reserved for persons with incomes at or below 50% MFI; currently, \$28,500 for a single-person household and \$40,700 for a 4-person household.
- 44 units will be reserved for persons with incomes at or below 60% MFI; currently, \$34,200 for a single-person household and \$48,840 for a 4-person household.

Estimated Sources and Uses

<u>Sources</u>		<u>Uses</u>	
Tax Credit Equity	\$ 13,797,000.00	Acquisition	\$ 1,097,000.00
Local Government Loan	\$ 1,250,000.00	Hard Costs	\$ 13,394,000.00
Construction Loan	\$ 4,753,000.00	Soft & Financing Costs	\$ 3,053,000.00
TOTAL	\$ 19,800,000.00	Reserves & Developer Fees	\$ 2,256,000.00
		TOTAL	\$ 19,800,000.00

Current Property Tax Status and Future Impact

The property currently has no tax exemption according to the Travis Central Appraisal District (TCAD). The applicant will have to apply to TCAD to determine if the property is eligible for any type of tax exemption once it is developed.

The proposed development is located:

- **less than ½ mile** from an Imagine Austin Corridor,
- **less than ¼ mile** walking distance to high-frequency transit; and
- **less than ¾ mile** walking distance from a transit stop.

The Applicant

According to the information submitted by the Applicant, Cambrian East Riverside, LP is a partnership of

several entities Cambrian Development, Bercy Chen Studios, Structure Development and a to-be-named Development Partner with significant tax credit experience. Each of these partners brings unique qualifications to the team that we feel will result in a high-quality affordable housing development that is delivered on-time, on-budget and in compliance.

Cambrian is the development arm of Bercy Chen Studio. While the Cambrian partners are not new to development, Cambrian is a new company and will partner with an experienced tax-credit developer for Cambrian East Riverside. Structure Development will act as the tax-credit consultant for the project. Structure's Principal, Sarah Andre, has more than a decade of experience in the tax credit arena and more than two decades experience in affordable housing. Bercy Chen Studio will be the architect of record for the project. Bercy Chen Studio has designed numerous multi-family, mixed-use, and commercial projects and is well-versed in Austin's unique development requirements.

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