

AGENDA



Recommendation for Council Action

AUSTIN CITY COUNCIL

Regular Meeting : February 1, 2018

Item Number: 030

Neighborhood Housing and Community Development

Approve a resolution to be submitted to the Texas Department of Housing and Community Affairs by Generation Housing Development, LLC, or an affiliated entity, supporting an allocation of low income housing tax credits to help finance a proposed new construction, single room occupancy development to be called the Heights at Lamar Apartments, located at 11630 North Lamar Boulevard, and acknowledging that the City of Austin has more than twice the state average of units per capita supported by low income housing tax credits or private activity bonds at the time of application.

District(s) Affected: District 7

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, this resolution will be submitted by Generation Housing Development, LLC, or an affiliated entity, to the Texas Department of Housing and Community Affairs (TDHCA) with its application for competitive 9% tax credits for the new construction of affordable multi-family rental housing on 11630 North Lamar Boulevard. The property is located in District 7.

Twice the State Average Per Capita

Texas Government Code, §2306.6703(a)(4), requires an applicant to obtain prior approval from the local governing body for an allocation of tax credits for a proposed housing development when the municipality has more than twice the state average of units per capita supported by housing tax credits or private activity bonds.

On July 27, 2017, TDHCA updated its Housing Tax Credit Site Demographic Characteristics Report, and with recent competitive and non-competitive awards of tax credits for Austin developments, Austin now has more than twice the state average per capita of tax credit and private activity bond-financed units. There are 172 cities in Texas that exceed twice the state average per capita.

The figures TDHCA used for Austin's population came from the 2010-2014 American Community Survey (ACS). The ACS population figure for Austin is 864,218 and the number of tax credit or bond-financed units in Austin is 16,237. TDHCA calculates the state average per capita rate to be 0.00932365 as of August 10, 2017. Twice the state average per capita rate is 0.0186473. According to TDHCA, the Austin per capita rate is more than twice the state average at 0.01878808 units per capita.

Proposed Development

120 Units in the following mix:

- 44 1-bedroom/1 bath 700 Square feet Estimated Rents: \$366-\$875
- 54 2-bedroom/2 bath 975 Square feet Estimated Rents: \$436-\$1,050
- 22 3-bedroom/2 bath 1,150 Square feet Estimated Rents: \$513-\$1,220

Population Served

- 11 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;
- 44 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.
- 55 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.
- 10 units will be reserved for persons with incomes at or below 120% MFI; currently, \$68,400 for a single-person household and \$97,680 for a 4-person household.

Estimated Sources and Uses

<u>Sources</u>		<u>Uses</u>	
Tax Credit Equity	\$ 13,798,620.00	Acquisition	\$ 2,575,000.00
Debt Financing	\$ 7,140,314.00	Hard Costs	\$ 12,878,618.00
Deferred Dev Fee	\$ 250,999.00	Soft & Financing Costs	\$ 2,805,711.00
TOTAL	\$ 21,189,933.00	Reserves & Developer Fees	\$ 2,930,604.00
		TOTAL	\$ 21,189,933.00

The proposed development is located:

- **less than ½ mile** from an Imagine Austin Corridor.
- **less than ¾ mile** walking distance from a transit stop.

The Applicant

Generation Housing Development was founded in 2002 and is a Texas-based developer, owner, and asset manager throughout Texas, Mississippi, Louisiana, Illinois, and Indiana. GHD has been involved in development, construction, and management of over 4,000 units. GHD concentrates its efforts on families and seniors living on moderate or fixed incomes, by utilizing financing structures such as Housing Tax Credits, Tax Exempt Mortgage Backed Revenue Bonds, grants and subsidies from other federal, state and local municipalities.