

A G E N D A

**Recommendation for Council Action****AUSTIN CITY COUNCIL****Regular Meeting : February 1, 2018****Item Number: 031****Neighborhood Housing and Community Development**

Approve a resolution under the State of Texas 2018 Qualified Allocation Plan, supporting an application to be submitted by Austin Affordable Housing Corporation, 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 new construction, multi-family housing development to be called Pathways at Chalmers Courts East Apartments, located at the southwest corner of Chicon Street and East 4th Street.

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 18081 to be submitted by Austin Affordable Housing Corporation, or an affiliated entity, to the Texas Department of Housing and Community Affairs (TDHCA) for the proposed Pathways at Chalmers Courts East 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

142 Units in the following mix:

- 72 1-bedroom/1 bath 650 Square feet Estimated Rents: \$400-\$858
- 52 2-bedroom/1 bath 940 Square feet Estimated Rents: \$475-\$1,025
- 10 3-bedroom/2 bath 1,250 Square feet Estimated Rents: \$544-\$1,179
- 8 4-bedroom/2 bath 1,400 Square feet Estimated Rents: \$603-\$1,312

Population Served

- 14 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;
- 55 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.
- 66 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.
- 7 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	\$ 14,250,000.00	Acquisition	\$ 2,000.00
Debt Financing	\$ 5,634,500.00	Hard Costs	\$ 12,920,000.00
Deferred Dev Fee	\$ 487,500.00	Soft & Financing Costs	\$ 4,200,000.00
TOTAL	\$ 20,372,000.00	Reserves & Developer Fee	\$ 3,250,000.00
		TOTAL	\$ 20,372,000.00

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

Austin Affordable Housing Corporation (AAHC), a non-profit subsidiary of the Housing Authority of the

City of Austin (HACA). AAHC was created in 2003 to preserve and increase the stock of affordable housing for low to moderate-income families in Austin as well as provide financial literacy and homeownership opportunities. AAHC's real estate portfolio consists of office buildings, a shopping center, single-family houses and multi-family rental developments.