

AGENDA



Recommendation for Board Action

AUSTIN HOUSING FINANCE CORPORATION (AHFC)

Regular Meeting: May 24, 2018

Item Number: AHFC001

Consent

Approve 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, by Elysium Grand, LP, or an affiliated entity, for a proposed affordable multi-family development to be known as Elysium Grand, located at 3300 Oak Creek Drive.

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, Treasurer, Austin Housing Finance Corporation, 512-974-3064; Mandy DeMayo, Community Development Administrator, Neighborhood Housing and Community Development, 512-974-1091.
Council Committee, Boards and Commission Action	<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><u>November 9, 2017</u>- 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> <p><u>December 14, 2017</u>- The Austin Housing Finance Corporation Board of Directors authorized an amendment to Motion No. 20170209-AHFC006 to increase the amount of a loan agreement to be negotiated and executed with Saigebrook Development, LLC, in an</p>

	amount equal to \$1,200,000 for a total loan amount not to exceed \$3,320,000.
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Additional Backup Information:

Approval of this inducement resolution will permit staff to submit an application to the Texas Bond Review Board (BRB) requesting consideration to authorize the Austin Housing Finance Corporation (AHFC) to issue multi-family housing revenue bonds in an amount up to \$10,000,000 to assist with the development of the Elysium Grand Apartments by Elysium Grand, LP, or an affiliated entity. The property is located in Council District 7.

Regulations governing the issuance of revenue bonds for the purpose of financing affordable housing specify that the bonds are non-recourse, and the full faith and credit of the AHFC or the City of Austin (City) is not pledged to repay the bonds.

Proposed Project

The proposed development is for approximately 90 units to be located on Oak Creek Drive. Financing for the development is proposed to be partially funded with non-competitive 4% Low Income Housing Tax Credits, and Private Activity Bonds issued by AHFC, and Rental Housing Development Assistance (RHDA) funding from AHFC.

Estimated Sources & Uses of Funds

<u>Sources</u>		<u>Uses</u>	
Private Activity Bonds	\$ 9,800,000.00	Acquisition	\$ 2,000,000.00
Tax Credits	\$ 3,664,913.00	Hard Costs	\$ 10,078,777.00
AHFC Funding	\$ 3,320,000.00	Soft & Carrying Costs	\$ 5,673,752.00
Deferred Developer Fee	\$ 967,616.00	TOTAL	\$ 17,752,529.00
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Population Served

The development will be a mixed-income community and will include 25 Veteran Affairs Supportive Housing 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);
- 17 units at 60% MFI (currently \$43,980 for a 3-person household);
- 21 units will have no income restrictions.

Project Attributes

- The approximate unit mix will include:
 - 19 1-bedroom units; approximately 703 square feet;
 - 53 2-bedroom units; approximately 895 square feet;
 - 18 3-bedroom units; approximately 1,148 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. In the future, the Travis Central Appraisal District would make a determination on any tax exemptions for which the property may qualify.

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>.