

AGENDA



Recommendation for Board Action

AUSTIN HOUSING FINANCE CORPORATION (AHFC)**AHFC Meeting: August 23, 2018**Item Number: **AHFC003****Consent**

Approve the negotiation and execution of a loan agreement with the DMA Development Company, LLC, or an affiliated entity, in an amount not to exceed \$1,500,000 for a new construction, multi-family housing development to be known as the Travis Flats, to be located at 5325 - 5335 Airport Boulevard.

District(s) Affected: District 4

Lead Department	Neighborhood Housing and Community Development.
Fiscal Note	Funding is available in the Fiscal Year 2017-2018 Capital Budget of the Austin Housing Finance Corporation. A fiscal note is attached.
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.

Additional Backup Information:

This action authorizes the Austin Housing Finance Corporation (AHFC) to enter into a loan agreement with DMA Development Company, LLC, or an affiliated entity, to develop the multi-family affordable housing community. The proposed development will be located in Council District 4.

Project Proposal

Travis Flats is a proposed mixed-use, mixed-income development - with 146 apartment units - to be located at the intersection of Airport Boulevard and 53 ½ Street in North Central Austin. Travis Flats will include a mix of studios, one-bedroom, two-bedroom and three-bedroom apartments. Of these, 13 units will have rents affordable to households with incomes at or below 30% of the Austin Median Family Income (MFI), 49 units will have rents affordable to households with incomes at or below 50% MFI, 60 units for households at 60% of MFI, and 24 units will have no income restrictions.

Funding Request

- Staff recommends \$128,412 of GO Bond funds and \$1,371,588 of CDBG - Disaster Relief funds be approved in the current fiscal year.
- Funding will be used for new construction of rental units.
- The project expects an award of Low Income Housing Tax Credits as part of the financing plus a permanent loan.
- AHFC funding would represent approximately 4.8% of the total project cost, with an average cost of AHFC funds at \$24,194 per rental unit.

Estimated Sources of Funds

<u>Sources</u>		<u>Uses</u>	
Tax Credit Equity	\$ 13,498,605.00	Acquisition Costs	\$ 100,000.00
Third Party Equity	\$ 2,600,000.00	Hard Costs	\$ 21,647,220.00
Conventional Loan	\$ 13,000,000.00	Soft & Financing Costs	\$ 5,383,530.00
City of Austin	\$ 1,500,000.00	Reserves & Developer Fee	\$ 4,285,372.00
Deferred Developer Fee	\$ 66,267.00		
City Fee Waivers	\$ 751,250.00		
TOTAL	\$ 31,416,122.00	TOTAL	\$ 31,416,122.00

Population Served

- 13 units will be reserved for persons with incomes at or below 30% MFI; currently, \$18,100 for a single-person household and \$25,800 for a 4-person household;
- 49 units will be reserved for persons with incomes at or below 50% MFI; currently, \$30,100 for a single-person household and \$43,000 for a 4-person household.
- 60 units will be reserved for persons with incomes at or below 60% MFI; currently, \$36,120 for a single-person household and \$51,600 for a 4-person household.
- 3 Permanent Supportive Housing units for non-specific populations who would be eligible or in need of support housing services.
- 24 units will be market rate units.

Project Characteristics

146 Units in the following mix:

- 24 efficiency units 560-590 Square feet Estimated Rents: \$382-\$667
- 81 1-bedroom 685-900 Square feet Estimated Rents: \$405-\$1,250
- 33 2-bedroom/1 & 2 bath 885-1,104 Square feet Estimated Rents: \$661-\$1,750
- 8 3-bedroom/2 bath 1,219 Square feet Estimated Rents: \$965-\$2,100

Current Property Tax Status and Future Impact

The property is currently owned by Travis County and is therefore 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.

Austin TCHFC-DMA Housing, LLC

Austin TCHFC-DMA, LLC is an affiliate of the DMA Development Company, LLC (DDC) which was formed in 1999 by Diana McIver for the purpose of developing and owning affordable and market-rate properties. DDC has successfully developed 25 properties since 2000 which include workforce housing, senior housing, and supportive housing properties. The Austin Housing Finance Corporation was one of the lenders on DDC's Wildflower Terrace, a highly successful 201-unit mixed-income senior community in the Robert Mueller Municipal Airport Redevelopment. In November 2017, work was completed on a joint venture with AHFC known as Aldrich 51 Apartments, 240 units at the Robert Mueller Municipal Airport Redevelopment area.

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-17-18-funding-applications>.