

## A G E N D A



## Recommendation for Council Action

|                     |         |       |               |     |
|---------------------|---------|-------|---------------|-----|
| Austin City Council | Item ID | 58296 | Agenda Number | 61. |
|---------------------|---------|-------|---------------|-----|

|               |          |             |  |
|---------------|----------|-------------|--|
| Meeting Date: | 6/9/2016 | Department: | Neighborhood and Community Development |
|---------------|----------|-------------|--|

## Subject

Conduct a public hearing and consider a resolution for an application to be submitted to the Texas Department of Housing and Community Affairs by HACA Pathways I, LP, or an affiliated entity, for the rehabilitation of an affordable multi-family development to be called the Pathways at Shadowbend Ridge Apartments, located at 6328 Shadow Bend. (District 2)

## Amount and Source of Funding

## Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

|  |   |
|--|---|
| Purchasing Language:                             |   |
| Prior Council Action:                            | October 16, 2014 – Resolution 20141016-034 includes establishing a goal to preserve 20,000 affordable units over the next 20 years. |
| For More Information:                            | Betsy Spencer, NHCD Director, 512-974-3182; David Potter, NHCD Program Manager, 512-974-3192  |
| Council Committee, Boards and Commission Action: |   |
| MBE / WBE:                                       |   |
| Related Items:                                   |   |

## Additional Backup Information

This action will conduct a public hearing to receive public comment regarding approval of a resolution as required by the Texas Department of Housing and Community Affairs (TDHCA) 2016 Uniform Multi-family Rules. The applicant, HACA Pathways I, LP, or an affiliated entity, must submit to TDHCA a resolution of no objection from the applicable governing body in which the development is located. This existing development is located in District 2.

**Proposed Rehabilitation Project**

HACA Pathways I, LP is planning to rehabilitate a 50-unit development located at 6328 Shadow Bend, which would be 100% affordable to households with incomes at or below 60% Median Family Income (MFI), currently \$46,680 for a 4-person household. The development, to be known as the Pathways at North Loop Apartments, is proposed to be partially funded with 4% Low Income Housing Tax Credits, and Private Activity Bonds issued by Austin Affordable PFC, Inc. No funding is being requested from the Austin Housing Finance Corporation.

### Estimated Sources of Funds

| <u>Sources</u>         |                  | <u>Uses</u>                |                  |
|------------------------|------------------|----------------------------|------------------|
| Debt Financing         | \$ 1,415,000     | Acquisition Cost           | \$ 5,200,000     |
| Tax Credit Equity      | 2,584,292        | Rehabilitation Cost        | 2,571,712        |
| Private Activity Bonds | <u>6,886,772</u> | Soft and Financing Cost    | 686,582          |
| Total                  | \$ 10,886,064    | Reserves and Developer Fee | <u>2,427,770</u> |
|                        |                  | Total                      | \$ 10,886,064    |

### Project Attributes

- The project will be 100% affordable to households with incomes at or below 60% MFI.
- The unit mix will include:
  - 18 1-bed/1-bath units, approximately 646 square feet;
  - 20 2-bed/1-bath units, approximately 872 square feet;
  - 9 3-bed/2-bath units, approximately 1,273 square feet;
  - 2 4-bed/2-bath units, approximately 1,377 square feet;
  - 1 5-bed/2-bath units, approximately 1,467 square feet.
- Tenant services include a Play to Learn Digital Education for Families program, a Tech Starters Computer Training I and II program, Family Self Sufficiency program, onsite summer camps, and elderly home visits.
- On-site amenities will include a furnished community room, playscape, and common area wi-fi.

### Preservation of Affordable Units

On October 16, 2014, City Council adopted a goal to preserve 20,000 units of affordable housing over the next 20 years. This development would help reach that goal.

### Current Property Tax Status and Future Impact

The property is currently 100% exempt from property taxation because it is owned by the Housing Authority of the City of Austin. Once ownership passes to HACA Pathways I, LP, the Travis Central Appraisal District will make a determination if the property continues to be eligible for the 100% exemption.

### HACA Pathways I, LP

The development will be owned by HACA Pathways I, LP, an affiliate of Austin Affordable Housing Corporation (AAHC), a non-profit subsidiary of the Housing Authority of the City of Austin (HACA). AAAC 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. By purchasing older existing stock, AAHC gained experience in apartment, office building and retail rehabilitation. The majority of the multi-family rental developments have successfully undergone major rehabilitation.

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-15-16-funding-applications>.