

<b>Recommendation for Board Action</b>				
Austin Housing Finance Corporation	Item ID	62438	Agenda Number	5.
Meeting Date:	9/1/2016		Department:	Neighborhood and Community Development
Subject				
<p>Approve a resolution appointing Bert Lumbreras, Rosie Truelove, and Rebecca Giello as Directors of Arbors at Creekside Non-Profit Corporation, the Austin Inner-City Redevelopment Corporation, the Villas on Sixth Non-Profit Corporation, and the AHFC Village on Little Texas Non-Profit Corporation for terms expiring on July 31, 2019.</p>				
Amount and Source of Funding				
Fiscal Note				
<p>There is no unanticipated fiscal impact. A fiscal note is not required.</p>				
Purchasing Language:				
Prior Council Action:				
For More Information:	Contact: Rosie Truelove, NHCD Interim Director, 512-974-3064; David Potter, NHCD Program Manager, 512-974-3192.			
Boards and Commission Action:	August 8, 2013 – The AHFC Board approved the appointment of Bert Lumbreras, Elizabeth A. Spencer, and Rebecca Giello to the Board of Directors of the above-referenced corporations with terms that expired on July 28, 2016.			
MBE / WBE:				
Related Items:				
Additional Backup Information				
<p>If approved, this resolution would appoint Bert Lumbreras, Rosie Truelove, and Rebecca Giello as Directors of the following corporations with terms expiring on July 31, 2019:</p> <ul style="list-style-type: none"> <li>• Arbors at Creekside Non-Profit Corporation</li> <li>• Austin Inner-City Redevelopment Corporation</li> <li>• Villas on Sixth Non-Profit Corporation</li> <li>• AHFC Village on Little Texas Non-Profit Corporation</li> </ul> <p><b><u>Purpose and Roles of the Corporations</u></b></p> <p>Under the rules of the Internal Revenue Code, properties receiving Low Income Housing Tax Credits (LIHTC) must create a single-asset entity that will serve as the owner of the property receiving the tax credits. In other words, the entity that owns the property will only own that property and will own no other properties. This limits the liability of the owner to the one property.</p>				

Also, the rules require that the owner be structured as a limited partnership or limited liability company in which the investor purchasing the tax credits (the limited partner/investor member) owns approximately 99.9% of the development and the developer/operator of the property (the general partner/managing member) owns approximately 0.01% during the initial 15-year compliance period.

The **Arbors at Creekside Non-Profit Corporation** was formed for the purpose of serving as the General Partner of the limited partnership that owns Primrose at Shadow Creek Apartments, a 176-unit senior development located at 1026 Clayton Lane in **District 1**. The property was constructed in 2002, and \$500,000 of funding was provided by AHFC, and AHFC issued \$8,600,000 in private activity bonds to help finance the development. AHFC also holds title to the land, providing the development with a 100% property tax exemption. The 15-year initial tax credit compliance period for this property ends on December 31, 2017 at which time the property could be refinanced or sold in accordance with IRS rules. However, the affordability restrictions must remain in place for another 15 years beyond the initial 15-year period.

The **Austin Inner-City Redevelopment Corporation** was formed for the purpose of serving as the General Partner of Austin Inner-City Redevelopment, Phase I, Ltd. limited partnership that owns the 25 single-family rental homes known as Heritage Heights. The homes are located in the 1600 blocks of East 9<sup>th</sup>, 10<sup>th</sup>, and 11<sup>th</sup> Streets in **District 1**. The homes were constructed in 1993, and are in the second required 15-year affordability period which ends December 31, 2023. Although the land is not owned by AHFC, a 2009 determination from the Travis Central Appraisal District ruled that the property should be 100% exempt from property taxes.

The **Villas on Sixth Non-Profit Corporation** was formed for the purpose of serving as the General Partner of Villas on Sixth Housing Associates, LP, the limited partnership that owns the Villas on Sixth Apartments, located at 2021 East Sixth Street in **District 3**. Villas on Sixth was constructed in 2005 and consists of 160 units of mixed-income housing with 90% of the housing affordable to low-income households. The development received \$500,000 of funding from AHFC and AHFC holds title to the land, providing the development with a 100% property tax exemption.

The **AHFC Village on Little Texas Non-Profit Corporation** was formed for the purpose of serving as Managing Member of the Village on Little Texas, LLC, the limited liability company that owns the Retreat at North Bluff Apartments. The property is located at 6212 Crow Lane, just off South Congress Avenue, in **District 2**. The property opened in 2009 and consists of 240 units of mixed-income housing, 75% of which is affordable to low- and moderate-income households and which includes 6 permanent supportive housing units. The development received \$2,940,000 in funding from AHFC of which more than \$800,000 has been repaid to date through cash flows and funds generated through refinancing the property's mortgage. AHFC holds title to the land, providing the development with a 100% property tax exemption. This property did not use tax credits or private activity bonds. It was financed through a HUD-insured mortgage, money from equity investors, and the AHFC funding. Unlike the tax credit-financed properties described above which are required to be affordable for 30 years, the Retreat at North Bluff has a 99-year affordability period.