

AGENDA



Recommendation for Board Action

AUSTIN HOUSING FINANCE CORPORATION (AHFC)

AHFC Meeting: October 19, 2017

Item Number: **AHFC002**

Consent

Conduct a public hearing and receive public comment regarding the issuance of up to \$20,000,000 dollars of Multi-family Housing Revenue Bonds to be issued by the Austin Housing Finance Corporation to finance the development by Austin DMA Housing III, LLC, or an affiliated entity, for a proposed affordable multi-family development for seniors to be known as The Nightingale and located at 5900 Charles Merle Drive in the Goodnight Ranch Planned Unit Development.

District(s) Affected: District 2

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| Lead Department | Neighborhood Housing and Community Development |
| Fiscal Note | There is no anticipated fiscal impact. A fiscal note is not required. |
| For More Information | Rosie Truelove, Austin Housing Finance Ccorporation Treasurer, 512-974-3064; David Potter, Program Manager, 512-974-3192. |
| Council Committee, Boards and Commission Action | September 28, 2017 - Austin Housing Finance Ccorporation Board authorized inducement of up to \$20,000,000 in private activity volume cap for The Nightingale Apartments. |

Additional Backup Information:

This public hearing meets the Tax Equity Financial Responsibility Act (TEFRA) hearing requirements and allows the Austin Housing Finance Corporation (AHFC) to receive public input for the issuance of up to \$20,000,000 in housing non-recourse bonds to provide interim and permanent financing for the development of The Nightingale Apartments. The property is located in Council District 2.

Proposed Project

The proposed development is for 174 units for seniors to be located on Charles Merle Drive in the Goodnight Ranch Planned Unit Development (PUD). Financing for the development is proposed to come from non-competitive 4% Low Income Housing Tax Credits, the Private Activity Bonds issued by AHFC, and Rental Housing Development Assistance (RHDA) funding from AHFC.

Estimated Sources and uses of Funds

Sources:

Private Activity Bonds \$ 15,000,000
Tax Credits 5,696,751
TDHCA Loan 1,500,000
Requested AHFC funding 2,000,000
Deferred Developer Fee 2,001,520

Uses:

Acquisition \$ 1,962,500
Pre-Development & Soft Costs 1,705,546
Construction/Hard Costs 17,452,846
Developer Fee & Financing Costs 5,077,379

Total \$ 26,198,271
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Project Characteristics

- § 174 units to be built on property in the Goodnight Ranch PUD.
- § 134 one-bedroom units (approximately 730 to 863 square feet, approximate rent \$405 to \$863).
- § 40 two-bedroom units (approximately 952 to 1,223 square feet, approximate rent \$476 to \$1,026).

Population Served

- § The Nightingale will be built as a senior development.
- § Sixteen (16) units will be reserved for households with incomes at or below 30% Median Family Income (MFI), currently \$17,100 per year for a single-person household.
- § Thirty-six (36) units will be reserved for households with incomes at or below 50% MFI, currently \$28,500 for a single-person household.
- § Eighty-nine (89) units will be reserved for households with incomes at or below 60% MFI, currently \$34,200 for a single-person household.
- § Thirty-three (33) units will have no income restrictions.

Current Property Tax Status and Future Impact

The property currently has no property tax exemptions. The Travis Central Appraisal District will determine whether the residential use of this vacant property will be eligible for any exemptions after the property is developed.

Austin DMA Housing III, LLC (DMA)

DMA Development Company is very experienced in the development and construction of complicated real estate developments, having extensive experience with both new construction and renovation, and with all the financial tools proposed for this project. In 2016, DMA Development Company closed bond financing and is completing construction on Aldrich 51, a 240-unit vertical mixed use development in the Mueller community. Previously, DMA Development Company developed a highly successful senior development, Wildflower Terrace, also in the Mueller community.

For more information on the proposed project, as well as socioeconomic characteristics and amenities in the surrounding area, please see the project's Development Application here: [<http://austintexas.gov/page/fy-16-17-funding-applications>](http://austintexas.gov/page/fy-16-17-funding-applications).