

## AGENDA



### Recommendation for Council Action

**AUSTIN CITY COUNCIL**
**Regular Meeting : February 1, 2018**
**Item Number: 032**
**Neighborhood Housing and Community Development**

Approve a resolution to be submitted to the Texas Department of Housing and Community Affairs by Austin Affordable Housing Corporation, or an affiliated entity, supporting an allocation of low income housing tax credits for the proposed new construction, multi-family housing development to be called Pathways at Chalmers Courts East Apartments, located near the southwest corner of Chicon Street and East 4th Street, and acknowledging that the City of Austin has more than twice the state average of units per capita supported by low income housing tax credits or private activity bonds at the time of application.

**District(s) Affected:** District 3

<b>Lead Department</b>	Neighborhood Housing and Community Development.
<b>Fiscal Note</b>	This item has no fiscal impact.
<b>For More Information</b>	Rosie Truelove, Neighborhood Housing and Community Development Director, 512-974-3064; David Potter, Neighborhood Housing and Community Development Program Manager, 512-974-3192..

**Additional Backup Information:**

If approved, this resolution will be submitted by Austin Affordable Housing Corporation, or an affiliated entity, to the Texas Department of Housing and Community Affairs (TDHCA) with its application for competitive 9% tax credits for the new construction of affordable multi-family rental housing at the southwest corner of Chicon Street and East 4<sup>th</sup> Street. The property is located in District 3.

### **Twice the State Average Per Capita**

Texas Government Code, §2306.6703(a)(4), requires an applicant to obtain prior approval from the local governing body for an allocation of tax credits for a proposed housing development when the municipality has more than twice the state average of units per capita supported by housing tax credits or private activity bonds.

On July 27, 2017, TDHCA updated its Housing Tax Credit Site Demographic Characteristics Report, and with recent competitive and non-competitive awards of tax credits for Austin developments, Austin now has more than twice the state average per capita of tax credit and private activity bond-financed units. There are 172 cities in Texas that exceed twice the state average per capita.

The figures TDHCA used for Austin's population came from the 2010-2014 American Community Survey (ACS). The ACS population figure for Austin is 864,218 and the number of tax credit or bond-financed units in Austin is 16,237. TDHCA calculates the state average per capita rate to be 0.00932365 as of August 10, 2017. Twice the state average per capita rate is 0.0186473. According to TDHCA, the Austin per capita rate is more than twice the state average at 0.01878808 units per capita.

### **Proposed Development**

142 Units in the following mix:

- 72 1-bedroom/1 bath 650 Square feet Estimated Rents: \$400-\$858
- 52 2-bedroom/1 bath 940 Square feet Estimated Rents: \$475-\$1,025
- 10 3-bedroom/2 bath 1,250 Square feet Estimated Rents: \$544-\$1,179
- 8 4-bedroom/2 bath 1,400 Square feet Estimated Rents: \$603-\$1,312

### **Population Served**

- 14 units will be reserved for persons with incomes at or below 30% Median Family Income (MFI); currently, \$17,100 for a single-person household and \$24,400 for a 4-person household;
- 55 units will be reserved for persons with incomes at or below 50% MFI; currently, \$28,500 for a single-person household and \$40,700 for a 4-person household.
- 66 units will be reserved for persons with incomes at or below 60% MFI; currently, \$34,200 for a single-person household and \$48,840 for a 4-person household.
- 7 units will be reserved for persons with incomes at or below 120% MFI; currently, \$68,400 for a single-person household and \$97,680 for a 4-person household.

### **Estimated Sources and Uses**

<u>Sources</u>		<u>Uses</u>	
Tax Credit Equity	\$ 14,250,000.00	Acquisition	\$ 2,000.00
Debt Financing	\$ 5,634,500.00	Hard Costs	\$ 12,920,000.00
Deferred Dev Fee	\$ 487,500.00	Soft & Financing Costs	\$ 4,200,000.00
TOTAL	\$ 20,372,000.00	Reserves & Developer Fee	\$ 3,250,000.00
		TOTAL	\$ 20,372,000.00

The proposed development is located:

- **less than ½ mile** from an Imagine Austin Corridor.
- **less than ¼ mile** walking distance to high-frequency transit; and
- **less than ¾ mile** walking distance from a transit stop.

### **The Applicant**

Austin Affordable Housing Corporation (AAHC), a non-profit subsidiary of the Housing Authority of the City of Austin (HACA). AAHC 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.