

AGENDA



Recommendation for Council Action

AUSTIN CITY COUNCIL

Regular Meeting: May 24, 2018

Item Number: 017

Neighborhood Housing and Community Development

Approve a resolution supplementing Resolution No. 20171109-085, which relates to Elysium Grand, LP, or an affiliated entity's application to the Texas Department of Housing and Community Affairs for low income housing tax credits for the property located at 3300 Oak Creek Drive.

District(s) Affected: District 7

Lead Department	Neighborhood Housing and Community Development.
Fiscal Note	This item has no fiscal impact.
For More Information	Rosie Truelove, Director, Neighborhood Housing and Community Development, 512-974-3064; Mandy DeMayo, Community Development Administrator, Neighborhood Housing and Community Development, 512-974-1091.
Council Committee, Boards and Commission Action	<p>February 9, 2017- The Austin Housing Finance Corporation Board of Directors authorized negotiation and execution of a loan agreement with Saigebrook Development, LLC, in the amount of \$2,120,000.</p> <p><u>November 9, 2017</u>- Conducted a public hearing to receive public comment regarding the issuance of up to \$10,000,000 dollars of Multi-family Housing Revenue Bonds to be issued by the Austin Housing Finance Corporation for Elysium Grand.</p> <p><u>December 14, 2017</u>- The Austin Housing Finance Corporation Board of Directors authorized an amendment to Motion No. 20170209-AHFC006 to increase the amount of a loan agreement to be negotiated and executed with Saigebrook Development, LLC, in an amount equal to \$1,200,000 for a total loan amount not to exceed</p>

	\$3,320,000.
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Additional Backup Information:

On November 9, 2017, Council approved Resolution No. 20171109-85, which stated that the Council did not object to the proposed development. This resolution supplements the November, 2017 resolution to include an acknowledgment that the City has more than twice the state average of units per capita supported by Housing Tax Credits or Private Activity Bonds and to authorize the City Clerk to certify both resolutions to the State. If approved, Elysium Grand, LP, or an affiliated entity, will submit the amended resolution to the Texas Department of Housing and Community Affairs (TDHCA) with its application for non-competitive 4% tax credits for the rehabilitation of affordable multi-family rental housing located at 3300 Oak Creek Drive. The property is located in District 7.

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. At the time Council approved the November, 2017 resolution, Austin did not have twice the state average of units per capita supported by housing tax credits or private activity bonds.

Proposed Project

The proposed development is for approximately 90 units to be located on Oak Creek Drive. Financing for the development is proposed to be partially funded with non-competitive 4% Low Income Housing Tax Credits, and Private Activity Bonds issued by Austin Housing Finance

Corporation (AHFC), and Rental Housing Development Assistance (RHDA) funding from AHFC.

Estimated Sources & Uses of Funds

<u>Sources</u>		<u>Uses</u>	
Private Activity Bonds	\$ 9,800,000.00	Acquisition	\$ 2,000,000.00
Tax Credits	\$ 3,664,913.00	Hard Costs	\$ 10,078,777.00
AHFC Funding	\$ 3,320,000.00	Soft & Carrying Costs	\$ 5,673,752.00
Deferred Developer Fee	\$ 967,616.00	TOTAL	\$ 17,752,529.00
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Population Served

The development will be a mixed-income community and will include 25 Veteran Affairs Supportive Housing (VASH) Project-based Vouchers and an on-site case manager.

- 12 units at 30% MFI (currently \$22,000 for a 3-person household);
- 40 units at 50% MFI (currently \$36,650 for a 3-person household);
- 17 units at 60% MFI (currently \$43,980 for a 3-person household);
- 21 units will have no income restrictions.

Project Attributes

- The approximate unit mix will include:
 - 19 1-bedroom units; approximately 703 square feet;
 - 53 2-bedroom units; approximately 895 square feet;
 - 18 3-bedroom units; approximately 1,148 square feet.
- The services to be provided are based on the interests and needs of the residents. Proposed residential services are to be provided by a third party (Skillpoint Alliance), and will likely include job training, computer efficiency classes, and summer camp for children.
- On-site amenities will likely include a business center, fitness center, media room, indoor/outdoor flex space, barbecue grills, bike parking, covered picnic pavilion, a children's playground, and a furnished community room.

Current Property Tax Status and Future Impact

The property is currently not 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.

Saigebrook Development, LLC (an affiliate of Elysium Grand, LP)

According to information provided by the developer, Saigebrook Development and its Principal, Lisa Stephens, have specialized in providing first-class affordable and workforce housing communities in urban core and suburban areas since 1996. Ms. Stephens has secured 18 allocations of Housing Tax Credits in Texas and has financed and closed approximately 5,000 units in the southern United States. Elysium Grand will be Saigebrook Development's fourth development in Austin.

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-16-17-funding-applications>.](http://austintexas.gov/page/fy-16-17-funding-applications)