



Recommendation for Action

File #: 20-1665, **Agenda Item #:** 2.

3/26/2020

Posting Language

Approve a resolution authorizing the formation of AHFC Vi Collina Non-Profit Corporation, a Texas nonprofit corporation and instrumentality of the Austin Housing Finance Corporation; approving its Certificate of Formation, Articles of Incorporation, and Bylaws; appointing its Board of Directors and President; and authorizing AHFC Vi Collina Non-Profit Corporation to act as Managing Member of Vi Collina, LLC, which will own the Vi Collina Apartments.

Lead Department

Neighborhood Housing and Community Development.

Fiscal Note

This item has no fiscal impact.

For More Information:

Rosie Truelove, Treasurer, Austin Housing Finance Corporation, 512-974-3064; Mandy DeMayo, Community Development Administrator, Neighborhood Housing and Community Development, 512-974-1091.

Council Committee, Boards and Commission Action:

October 17, 2019 - Austin Housing Finance Corporation Board approved an inducement resolution for private activity bond financing to be submitted to the Texas Bond Review Board for an allocation of up to \$24,000,000 in private activity volume cap multifamily revenue (non-recourse) bonds.

November 14, 2019 - Austin Housing Finance Corporation Board approved negotiation and execution of a loan agreement and related documents between Austin Housing Finance Corporation and O-SDA Industries, LLC, or an affiliated entity, in an amount not to exceed \$3,500,000, for a multifamily rental development to be known as Vi Collina Apartments, to be located at or near 2401 East Oltorf Street, Austin, Texas.

December 5, 2019 - Austin Housing Finance Corporation Board approved setting a TEFRA public hearing regarding the issuance of up to \$24,000,000 for Multifamily Housing Revenue Bonds to be issued by the Austin Housing Finance Corporation to finance the development of Vi Collina, with the public hearing to be held on January 23, 2020.

January 23, 2020 - Austin Housing Finance Corporation Board conducted a TEFRA public hearing regarding the issuance of up to \$24,000,000 for Multifamily Housing Revenue Bonds to be issued by the Austin Housing Finance Corporation to finance the development of Vi Collina.

Additional Backup Information:

This item requests the Austin Housing Finance Corporation (AHFC) Board of Directors approve AHFC Vi Collina Non-Profit Corporation's Certificate of Formation, Articles of Incorporation, and By-laws; appoint the Board of Directors and President; and authorize it to serve as Managing Member of Vi Collina, LLC, a Texas limited liability company, that will own the Vi Collina Apartments. AHFC will own the land and ground lease it to Vi Collina, LLC, under the terms of a Ground Lease between AHFC and Vi Collina, LLC. The Vi Collina

Apartments will be located at 2401 East Oltorf Street within the City.

The Certificate of Formation, the Articles of Incorporation, and the Bylaws are attached as Exhibits A and B to the resolution. The Board of Directors appointed by the resolution will serve for terms stated in the By-laws.

The requested Director appointments are:

Director: J. Rodney Gonzales

Director: Rosie Truelove

Director: Rebecca Giello

The requested appointment for President of the AHFC Vi Collina Non-Profit Corporation is Rodney Gonzales. The President shall serve for the term stated in the By-laws.

The remaining officers of the corporation will be appointed by the AHFC Vi Collina Non-Profit Corporation's Board of Directors at its first organizational meeting or by unanimous consent.

Proposal, Ownership and Financing Structures

Vi Collina is proposed as a newly constructed apartment community in Council District 3. Vi Collina will be an affordable multifamily development and will provide approximately 170 units comprised of the following bedroom and AMFI unit mix.

Vi Collina will consist of four elevator-served buildings, each ranging from five to six stories in height. Approximately 43.5% of the units will be affordable to households earning less than 50% of the median income for the Austin metropolitan statistical area, with the remaining units being affordable to households at the 60%, 70%, and 80% AMFI levels.

The Limited Liability Company (LLC) structure proposed for this development is similar to previous Limited Partnership and Limited Liability Company structures in which AHFC-established nonprofit corporations have participated. These include developments such as Nightingale at Goodnight Ranch, Aldrich 51, The Timbers, Villas on Sixth, Arbors at Creekside, Heritage Heights at Blackshear (also known as SCIP I), and Retreat at North Bluff (formerly known as Village on Little Texas).

Financing for the development is proposed to come from 4% Low Income Housing Tax Credits, Private Activity Bonds issued by AHFC, and Rental Housing Development Assistance (RHDA) funding from AHFC.