



Recommendation for Action

File #: 21-1639, Agenda Item #:

4/8/2021

Posting Language

Authorize negotiation and execution of a loan agreement and related documents with AHFC Arbors Investor Non-Profit Corporation to purchase the limited partner interests in Arbors Housing Partners Ltd., the owner of the affordable multi-family rental development known as the Arbors at Creekside, located at 1026 Clayton Lane, in an amount not to exceed \$1,250,000.

Lead Department

Housing and Planning Department.

Fiscal Note

A Fiscal Note is Attached..

For More Information:

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

Council Committee, Boards and Commission Action:

May 24, 2001 - Austin Housing Finance Corporation Board of Directors approved a resolution authorizing the creation of the Arbors at Creekside Non-Profit Corporation to participate in the development of the Arbors at Creekside, a 176-unit affordable senior citizen apartment complex located at 1022 Clayton Lane.

May 24, 2001 - Austin Housing Finance Corporation Board of Directors approved a resolution authorizing the negotiation of an agreement for Austin Housing Finance Corporation (AHFC) to participate as a co-developer of the Arbors at Creekside.

December 10, 2020 - Austin Housing Finance Corporation Board approved a resolution authorizing the creation of AHFC Arbors Investor Non-Profit Corporation as an affiliate and instrumentality of AHFC to purchase one or more limited partner interests in Arbors Housing Partners, Ltd., the owner of Arbors at Creekside.

Additional Backup Information:

If approved, AHFC will be authorized to enter into a loan agreement and related documents with AHFC Arbors Investor Non-Profit Corporation (Corporation) in an amount not to exceed \$1,250,000 to acquire the limited partner interests in the Arbors Housing Partners Ltd (Partnership). The loan proceeds will be paid to the current beneficial owner of these limited partner interests, Alden Torch Financial, LLC, or its assigns. The purchase of the limited partners interests will give AHFC, through its affiliates, 100% beneficial ownership and control of the Partnership and Development. Moreover, it will ensure the continued deep affordability of this strategically located affordable housing development.

Project Information: The Arbors at Creekside is a Low Income Housing Tax Credit and Private Activity Bond development (Development). It consists of 176 units, 100% of which are affordable to households with

incomes at or below 60% Area Median Family Income. The general partner of the Partnership is an AHFC affiliate - Arbors at Creekside Non-Profit Corporation. The current limited partners have agreed to sell their interests in the Partnership for a purchase price of \$1,250,000. By purchasing the limited partner interests, AHFC can ensure the continued affordability of the Development and begin preparing for the potential "re-syndication" of the Development with new low income housing tax credits and bonds, or other type of financial restructuring in which the Development, including its rental units, will be substantially rehabilitated. In addition, with new tax credits, the affordability period will be extended under a new 30-year, or longer, TDHCA land use and regulatory agreement.