



## Recommendation for Action

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**File #: 21-1640, Agenda Item #:**

**4/8/2021**

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### **Posting Language**

Authorize negotiation and execution of a loan agreement and related documents with Arbors Housing Partners Ltd., the owner of the affordable multi-family rental development known as the Arbors at Creekside, located at 1026 Clayton Lane, for needed repairs and potential operating shortfalls, in an amount not to exceed \$750,000.

### **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 of Directors 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 negotiate and execute a loan agreement and related documents with Arbors Housing Partners Ltd. (Partnership) in order to provide funds for needed repairs to the Development and possible operating shortfalls. In a separate Board item, the AHFC Board of Directors is being asked to authorize the execution of a loan agreement with AHFC Arbors Investor Non-Profit Corporation (an AHFC affiliate) to purchase the current limited partner interests in the Partnership. When AHFC Arbors Investor Non-Profit Corporation purchases the current limited partner interests, AHFC, through its affiliates, will beneficially own and control 100% of the Partnership and the Development. After the purchase, AHFC will make the loan to the Partnership for up to \$750,000 for repairs and potential operating shortfalls.

**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

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incomes at or below 60% Area Median Family Income. Arbors at Creekside Non-Profit Corporation is the general partner of the Partnership. The current limited partners have agreed to sell their interests in the Partnership to AHFC Arbors Investor Non-Profit Corporation for \$1,250,000. The purchase of these limited partnership interests is contemplated in a separate AHFC Board item.

The loan contemplated in this AHFC Board item will provide funds to pay for necessary repairs at the Development and to cover any potential operating losses until the Development can be re-syndicated with new Low Income Housing Tax Credit and Private Activity Bond proceeds, in which is expected to occur in 2022.