



Recommendation for Action

File #: 21-1993, Agenda Item #: 2.

6/3/2021

Posting Language

Approve a resolution authorizing the Austin Housing Finance Corporation to issue Multi-family Housing Revenue Bonds, in an aggregate principal amount up to \$20,000,000, that will provide financing for the development of Espero Austin at Rutland, located at 1934 Rutland Drive, in the City; approving related documents; and authorizing specific named representatives of the Austin Housing Finance Corporation to execute the documents relating to issuance of the bonds and closing the transaction.

Lead Department

Housing and Planning Department.

Fiscal Note

The item has no fiscal impact.

Prior Council Action:

February 6, 2020 - Council approved a resolution of support for Espero Austin at Rutland to the Texas Department of Housing and Community Affairs' 2020 9% Low Income Housing Tax Credit (LIHTC) round. Having not secured a 9% LIHTC award, Espero Austin at Rutland will now pursue a 4% LIHTC award.

September 3, 2020 - Council set a public hearing for September 17, 2020 regarding an application by Espero Austin at Rutland, LP, for housing tax credits for a multi-family development that will be financed through the private activity bond program.

September 17, 2020 - Council conducted a public hearing regarding an application by Espero Austin at Rutland, LP, for housing tax credits for a multi-family development that will be financed through the private activity bond program.

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:

July 29, 2020 - 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 \$20,000,000 in private activity volume cap multifamily revenue (non-recourse) bonds.

September 3, 2020 - Austin Housing Finance Corporation Board authorized negotiation and execution of a loan agreement and related documents between Austin Housing Finance Corporation and Espero Austin at Rutland, LP, or an affiliated entity, in an amount not to exceed \$2,507,214, for a multifamily rental development to be known as Espero Austin at Rutland Apartments, to be located at or near 1934 Rutland Drive, Austin, Texas.

November 12, 2020 - Austin Housing Finance Corporation Board approved the negotiation and execution of a loan agreement with Espero Austin at Rutland, LP, or an affiliated entity in an amount not to exceed \$5,992,786 for a multi-family rental development to be known as Espero at Rutland, to be located at or near 1934 Rutland Drive.

November 12, 2020 - Austin Housing Finance Corporation approved a resolution authorizing the formation of AHFC Espero Non-Profit Corporation, a Texas nonprofit corporation and instrumentality of the Austin Housing Finance Corporation; approving its Certificate of Formation and By-laws; appointing its Board of Directors and President; and authorizing AHFC Espero Non-Profit Corporation to act as General Partner (or Managing Member) of Espero Austin at Rutland, LP, or other ownership entity, which will own the Espero Austin at Rutland Apartments.

December 3, 2020 - Austin Housing Finance Corporation approved a resolution authorizing the negotiation and execution of a three-year agreement with Espero Austin at Rutland, LP, or an affiliated entity, to provide housing assistance payments for a multi-family rental development to be known as Espero Austin at Rutland Apartments, located at or near 1934 Rutland Drive, in an amount not to exceed \$1,950,000.

February 4, 2021 - Austin Housing Finance Corporation set a public hearing to receive public comment regarding the issuance of up to \$20,000,000 of Multi-family Housing Revenue Bonds to be issued by the Austin Housing Finance Corporation to finance the project of Espero Austin at Rutland by Espero Austin at Rutland, LP, or an affiliated entity, for a proposed housing development to be located at 1934 Rutland Drive, in the City of Austin.

March 4, 2021 - Austin Housing Finance Corporation set a public hearing to receive public comment regarding the issuance of up to \$20,000,000 of Multi-family Housing Revenue Bonds to be issued by the Austin Housing Finance Corporation to finance the project of Espero Austin at Rutland by Espero Austin at Rutland, LP, or an affiliated entity, for a proposed housing development to be located at 1934 Rutland Drive, in the City of Austin.

Additional Backup Information:

If approved, this action would authorize the Austin Housing Finance Corporation (AHFC) to issue up to \$20,000,000 in multi-family housing non-recourse bonds to provide interim and permanent financing for the development Espero Austin at Rutland. The property is located in Council District 4.

Proposed Project

Espero Austin at Rutland Apartments will be an affordable, new construction multifamily development and will provide approximately 171 units. The development is being designed for persons experiencing homelessness. 101 of the 171 units will be reserved for persons experiencing homelessness through Austin's Continuum of Care.

The development will consist of one elevator-served building with the following unit income mix: (i) 48 units will be reserved for individuals with incomes at or below 30% AMFI, (ii) 96 units will be reserved for individuals with incomes at or below 50% AMFI and (iii) 27 units will be reserved for individuals with incomes at or below 60% AMFI.

An affiliate of AHFC will be a partner in the development. The Limited Partnership (LP) (or limited liability company) structure proposed for this development is similar to previous LLC (or limited liability company) structures in which AHFC-established nonprofit corporations have participated. These include developments such as Vi Collina, 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, a Direct Loan from the Texas Department of Housing and Community Affairs (TDHCA), and a Rental Housing Development Assistance (RHDA) subordinate loan from AHFC to the Owner.

Espero Austin at Rutland will have 101 units supported by vouchers. 51 vouchers are from AHFC's Local Housing Voucher program; the remaining 50 vouchers are provided by the Housing Authority of the City of Austin (HACA).

For more information on the proposed project, as well as socioeconomic characteristics and amenities in the surrounding area, please see the project's Development Application here:

<http://www.austintexas.gov/page/current-rhdaohda-applications>.