



Recommendation for Action

File #: 21-2969, **Agenda Item #:** 2.

9/30/2021

Posting Language

Approve a resolution authorizing the formation of AHFC Cairn Point 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 Cairn Point Non-Profit Corporation to act as general partner of the limited partnership that will own the Cairn Point Apartments, located at 5612 Springdale Road, Austin, TX 78723.

Lead Department

Housing and Planning Department.

Fiscal Note

This item has no fiscal impact.

For More Information:

Rosie Truelove, Treasurer, Austin Housing Finance Corporation, 512-974-3064; Mandy DeMayo, Interim Deputy Director, Housing and Planning Department, 512-974-1091.

Council Committee, Boards and Commission Action:

April 22, 2021: Austin Housing Finance Corporation Board of Directors approved an inducement resolution related to an application for private activity bond financing that authorizes an allocation of up to \$20,000,000 in private activity volume cap multi-family limited obligation (non-recourse) bonds to Cairn Point Austin at Springdale, LP, or an affiliated entity, for a proposed affordable multi-family development to be known as Cairn Point, located at 5612 Springdale, Austin, Texas 78723.

Additional Backup Information:

This item requests the Austin Housing Finance Corporation (AHFC) Board of Directors adopt a resolution to approve the formation of the AHFC Cairn Point Non-Profit Corporation (Non-Profit Corporation) and the form of its Certificate of Formation and By-Laws; appoint the Board of Directors and President of the Non-Profit Corporation; and authorize the Non-Profit Corporation to serve as general partner of Cairn Point Austin at Springdale, LP, a Texas limited partnership (the "Owner") which will construct, own (subject to a ground lease), and operate the Cairn Point Apartments (the "Development"). The land upon which the Development will be located will be conveyed to AHFC at construction financing closing, and AHFC will ground lease it to the Owner under the terms of a Ground Lease between AHFC and the Owner.

The proposed form of the Certificate of Formation and the By-Laws for the Non-Profit Corporation) are attached as Exhibits A and B to the resolution. The Board of Directors of the Non-Profit Corporation will serve for terms stated in the By-Laws. The requested Director appointments are:

Director: J. Rodney Gonzales

Director: Rosie Truelove

Director: Mandy DeMayo

The requested appointment for President of the Corporation is J. Rodney Gonzales. The President serves for the term stated in the By-laws.

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

Proposal, Ownership and Financing Structures

Cairn Point Austin will be a 130-unit affordable senior community development that will provide wrap-around supportive services for persons who have experienced homelessness and housing instability. The target population of Cairn Point Austin is elderly - as the property will cater to older persons who have faced housing insecurity with efficiency units, outdoor recreational space and common area spaces with supportive programming slated to be provided by Family Eldercare - a Central TX-based 501(c)(3) nonprofit founded in 1982 and guided by the vision that a supportive community is a great place to grow old.

The Vecino Group will partner with the Owner to develop Cairn Point Austin with the shared goals of providing deeply affordable and supportive housing to prevent and end homelessness in a vibrant urban neighborhood while ensuring economic integration and preventing long-term displacement.

Cairn Point Austin will be developed as 4-story, elevator-served single apartment building with 100% studio units and will include targeted and supportive interior and exterior common area spaces.

The limited partnership (LP) structure proposed for the Development is similar to previous LP structures in which AHFC-established nonprofit corporations have participated. These include developments such as Espero Austin at Rutland, 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 primarily proposed to come from 4% Low Income Housing Tax Credits, a Direct Loan from the Texas Department of Housing and Community Affairs, an AHFC Rental Housing Development Assistance loan from AHFC to the Owner, and Private Activity Bonds issued by AHFC.