



Recommendation for Action

File #: 21-3404, **Agenda Item #:** 1.

11/18/2021

Posting Language

Approve a resolution authorizing the formation of AHFC Manor 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 Manor Non-Profit Corporation to act as general partner of the limited partnership that will own and operate the to-be-constructed low-income multifamily development located at or near 3515 Manor 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 - The Austin Housing Finance Corporation Board of Directors (Board) authorized the negotiation and execution of all documents and instruments necessary or desirable to acquire approximately 0.4495 acres for affordable housing purposes, located at or near 3515 Manor Road, in an amount not to exceed \$1,100,000, including closing costs. District(s) Affected: District 1.

August 26, 2021 - The Board authorized the negotiation and execution of all documents and instruments necessary or desirable to acquire approximately 2.594 acres for affordable housing purposes, located at or near 3511 Manor Road, in an amount not to exceed \$800,000, including closing costs. District(s) Affected: District 1.

Additional Backup Information:

This item requests the Board adopt a resolution to approve the formation of the AHFC Manor 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 a to-be-formed Texas limited partnership (Owner) which will construct, own and operate a low income multifamily development of approximately 240 rental units located at 3515 Manor Road, Austin, TX 78723 (Development). The land upon which the Development will be located is owned by AHFC and at the construction loan closing 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

AHFC is repositioning a recently and soon-to-be acquired approximately 3-acre property located at the corner of Manor Road and E.M. Franklin Avenue in Central East Austin for the development of affordable housing. Community engagement is ongoing.

A developer to be selected through RFP process will partner with AHFC to develop the site. The RFP will likely be issued in the first quarter of 2022.

The Development will likely be developed as two multi-story, elevator-served apartment buildings. It is currently envisioned that one building will serve families and the workforce population, and a second building will serve individuals at-risk of or exiting homelessness. The latter building will include ample space for wrap-around services and will have 24/7 onsite staff to best serve the needs of the residents.

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 expected to primarily be derived from 4% Low Income Housing Tax Credits and Private Activity Bonds issued by AHFC. There may also be a need for gap financing sourced through AHFC's Rental Housing Development Assistance program or the Texas Department of Housing and Community Affairs' Direct Loan program.