



Recommendation for Action

File #: 22-2151, **Agenda Item #:** 3.

6/16/2022

Posting Language

Approve a resolution authorizing the formation of AHFC City View Non-Profit Corporation, a Texas nonprofit corporation and instrumentality of the Austin Housing Finance Corporation (AHFC), to develop low-income housing; approving the form of its certificate of formation and by-laws, and appointing its Board of Directors and President, for the purpose of acquiring the general partner interest in the limited partnership that is the owner of a leasehold interest in a 70-unit multifamily rental development known as City View Apartments, located at 2000 Woodward Street, Austin, Texas 78741.

Lead Department

Austin Housing Finance Corporation.

Fiscal Note

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For More Information:

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

Additional Backup Information:

This item requests the AHFC Board of Directors to adopt a resolution to approve the formation of the AHFC City View Non-Profit Corporation (Non-Profit Corporation) which will develop low-income housing. The resolution also requests the Board of Directors to approve the form of the Non-Profit Corporation's 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 acquire the general partner interest in the limited partnership that is the owner of a leasehold interest in a 70-unit multifamily rental development known as City View Apartments, located at 2000 Woodward Street, Austin, Texas 78741.

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

The Non-Profit Corporation is being formed for the purpose of acquiring the general partner interest in the limited partnership that owns the City View Apartments, a 70-unit, elderly-only multifamily apartment development located at 2000 Woodward Street, Austin, Texas 78741. The current general partner is an affiliate of the Strategic Housing Finance Corporation, which itself is affiliated with the Housing Authority of Travis County. The City View Apartments are located in Council District 3.

The general partner interest will be acquired using Project Connect Anti-Displacement Funds. The acquisition, including the acquisition price, will be requested by the AHFC Board of Directors through a separate request for board action at a later date, after AHFC (and/or the Non-Profit Corporation) has executed a Purchase and Sale Agreement with Strategic Housing Finance Corporation and/or its affiliates. At that time, Staff will also seek approval for AHFC to acquire the related land underlying the City View Apartments. Staff is seeking advance approval to form the Non-Profit Corporation due to the amount of the time it takes to have new entities approved by the Texas Secretary of State.

The acquisition of the general partner interest in the City View Apartments, and AHFC's acquisition of the underlying land, presents the opportunity to preserve existing affordable housing and to potentially develop a Phase II affordable housing development on the site, where excess land abuts Mabel Davis District Park. Preliminary analysis by Staff suggests that a small permanent supportive housing development that targets the elderly may be appropriate for this site, although further due diligence is necessary before a potential Phase II is pursued.

If the Non-Profit Corporation is successful in acquiring the general partner interest, AHFC will then pursue acquiring the tax credit investor's limited partnership interest in the owner through another affiliate, which will entail a new request for board action that staff will bring before the Board of Directors.