




MEMORANDUM

TO: AHFC Board of Directors

FROM: Rosie Truelove, Treasurer, Austin Housing Finance Corporation 

DATE: July 27, 2022

SUBJECT: AHFC Agenda Item #2 (July 28, 2022)

On July 22, 2022, Austin Housing Finance Corporation (AHFC) provided a staff memo detailing the reasons for staff's recommendation for the development of an AHFC-owned property at 3515 Manor Road. Recently, there have been calls for the postponement of this AHFC item. Staff does not recommend postponement.

AHFC and Austin Public Health (APH) believe that the postponement of the consideration of Item AHFC002 on the July 28, 2022, AHFC Board of Directors meeting agenda will have a potentially negative impact on the successful funding and subsequent development of future affordable housing and Permanent Supportive Housing at the AHFC-owned property at 3515 Manor Road.

All proposals currently under consideration as part of the 3515 Manor Request for Proposal process contemplate being funded with APH social service contract funding and 4% Low Income Housing Tax Credits and Private Activity Bonds. APH is funding the full term of the agreement from their FY22 operating budget, thus after September 30th, those funds will no longer be available to them. They are also under the time restraints of their Department and Corporate Purchasing deadlines to have all FY22 funded projects submitted by September 20, 2022. APH must execute a contract and encumber the proposed social service funding before the end of this fiscal year (September 30, 2022). Additionally, staff anticipate that the proposer who is awarded this development opportunity will submit an application to the State of Texas Bond Review Board for Private Activity Bonds this October. AHFC will need to negotiate and execute a ground lease option agreement and other appropriate agreements with the selected proposer for this proposed development prior to them submitting the Private Activity Bond application in October. Historically these documents have taken three to six months to execute, therefore AHFC will need all the time necessary between July 28th and October 2022, to ensure the timely negotiation and execution of these agreements.

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If the selected proposer fails to meet the financing deadlines discussed above, the proposed development will be delayed by at least one year, and potentially lose the existing social services funding which would likely require a new RFP solicitation to identify a developer partner for a reimagined project.

Should you have any questions, please do not hesitate to contact me or Mandy DeMayo mandy.demayo@austintexas.gov.

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