

# City of Austin



## Recommendation for Action

File #: 26-1404, Agenda Item #: 6.

4/9/2026

### Posting Language

Authorize negotiation and execution of all documents and instruments necessary or desirable for AHFC Central Housing Non-Profit Corporation to make a capital contribution to Central Housing, LP, or an affiliated entity, in an amount not to exceed \$2,500,000, for repaying a portion of the seller financing at the Preserve at Central Park, located at or near 6008 and 6010 North Lamar Blvd., Austin, Texas 78752. Funding: Funding in the amount of \$2,500,000 is available in the Fiscal Year 2025-2026 Operating Budget of the Austin Housing Finance Corporation using Project Connect Funds.

### Lead Department

Austin Housing Finance Corporation

### Fiscal Note

Funding: Funding in the amount of \$2,500,000 is available in the Fiscal Year 2025-2026 Operating Budget of the Austin Housing Finance Corporation using Project Connect Funds.

### For More Information:

Deletta Dean, Treasurer, Austin Housing Finance Corporation, 512-978-1410; or Mandy DeMayo, Deputy Director, Austin Housing, 512-974-1091

### Council Committee, Boards and Commission Action:

December 8, 2022 - Austin Housing Finance Corporation (AHFC) authorized negotiation and execution of all documents and instruments necessary or desirable for AHFC, or its affiliates, to acquire solely, or in joint partnership, fee simple interest in multifamily apartments located at or near 1100 E. 32nd Street, Austin, Texas, 78722; 4000 Avenue A, Austin, Texas, 78751; 4415 Avenue B, Austin, Texas, 78751; 1037 E. 44th Street, Austin, Texas, 78751; 4100 Avenue A, Austin, Texas, 78751; 609 E. 45th Street, Austin, Texas, 78751; 4209 Speedway, Austin, Texas, 78751; 6000, 6008, and 6010 North Lamar Blvd., Austin, Texas, 78752; and 4200 and 4208 Avenue A, Austin, Texas, 78751 for affordable housing purposes, in an amount not to exceed \$19,000,000, plus closing costs not to exceed \$400,000. District(s) Affected: District 7, District 9.

December 8, 2022 - AHFC approved a resolution authorizing the formation of AHFC Central Fiesta Non-Profit Corporation, a Texas nonprofit corporation and instrumentality of AHFC; approving the forms of its certificate of formation and by-laws; appointing its Board of Directors and President; and authorizing AHFC Central Fiesta Non-Profit Corporation to act as general partner or controlling member of the general partner of the limited partnership that will own properties located at or near 6000, 6008, and 6010 North Lamar Blvd., Austin, Texas, 78752; and 4200 and 4208 Avenue A, Austin, Texas, 78751. District(s) Affected: District 7, District 9.

April 20, 2023 - AHFC approved a resolution amending and restating Resolution No. 20221208-AHFC004 to delete 6000 North Lamar Blvd., Austin, Texas 78752, and 4200 and 4208 Avenue A, Austin, Texas 78751 from the properties to be owned by the limited partnership and to change the name of AHFC Central Fiesta Non-Profit Corporation to AHFC Central Housing Non-Profit Corporation; authorizing the formation of AHFC Central Housing Non-Profit Corporation, a Texas nonprofit corporation and instrumentality of AHFC; approving the forms of its certificate of formation and by-laws; appointing its Board of Directors and President; and

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authorizing AHFC Central Housing Non-Profit Corporation to act as general partner or controlling member of the general partner of the limited partnership that will own properties located at or near 6008 and 6010 North Lamar Blvd., Austin, Texas 78752. District(s) Affected: District 7, District 9.

**Additional Backup Information:**

AHFC partnered with the Texas Housing Conservancy (TxHC, formerly known as Affordable Central Texas) to acquire a portfolio of naturally occurring affordable housing multifamily properties in Council Districts 7 and 9 in 2023. As part of this acquisition, AHFC and TxHC formed a limited partnership, Central Housing, LP, and purchased the Preserve at Central Park, a multifamily apartment complex consisting of 108 units located at or near 6008 and 6010 North Lamar Boulevard, Austin, Texas 78752. AHFC and TxHC implemented the following income restrictions to maximize the number of deeply affordable units, while also allowing for a variety of income restrictions to minimize displacement and to create mixed-income communities: 20 percent of the units are available to households at or below 50 percent of median family income (MFI); 30 percent of units are available to households at or below 60 percent MFI; 20 percent of the units are available at or below 80% MFI; 10 percent of units are available at or below 100 percent MFI; 10 percent of units are available at or below 10 percent MFI; and 10 percent are unrestricted.

AHFC and TxHC both contributed equity to cover a portion of the acquisition costs; AHFC also contributed \$2,500,000 for the land located at 6000, 6008, and 6010 North Lamar Boulevard, Austin, Texas 78752. AHFC and TxHC financed the remaining acquisition costs using seller financing that matures on April 28, 2026.

AHFC and TxHC are working to secure permanent debt for the property. However, since the acquisition in 2023, there has been a drastic decrease in rental rates and demand in the City's housing market and the development is not anticipated to secure sufficient permanent financing to pay off the seller financing. As a result, AHFC, through AHFC Central Housing Non-Profit Corporation, and TxHC will need to contribute additional capital to pay a portion of the seller financing. AHFC and TxHC are both anticipated to contribute an equal amount of equity, currently anticipated not to exceed \$2,500,000 per organization. Central Housing, LP will obtain a commercial loan to pay the remaining portion of the seller financing. Due to the current rental market, a commercial loan could not be obtained to refinance the entire amount of the seller financing.

AHFC will use Project Connect Anti-Displacement Funds to cover its portion of the additional capital contribution. The Preserve at Central Park is located within a Displacement Risk Area (Historic Displacement) and is within a half mile of the planned Koenig Station of the Project Connect Light Rail Route Priority Extension. This funding will help ensure this property continues operating as income-restricted affordable housing.