City of Austin

Recommendation for Action

File #: 26-2269, **Agenda Item #:** 54. 8/27/2026

Posting Language

Approve a resolution of support for the development, Arbor Park, located at or near 6306 McNeil Drive, Austin, Texas 78729, to satisfy state administrative rules relating to a change to the ownership structure of a competitive housing tax credit development by the addition of Strategic Housing Finance Corporation, a housing finance corporation that will result in a 100 percent property tax exemption. Funding: This action will result in a 100 percent exemption from the City's portion of property taxes resulting in unrealized revenue and will aid in the development and preservation of long-term affordable housing.

Lead Department

Austin Housing Finance Corporation.

Fiscal Note

This action will result in a 100 percent exemption from the City's portion of property taxes resulting in unrealized revenue and will aid in the development and preservation of long-term affordable housing.

For More Information:

Deletta Dean, Director, Austin Housing, 512-978-1410.

Prior Council Action:

February 6, 2020 - Council approved Resolution No. 20200206-017 related to an application by DMA Development Company, LLC, or an affiliated entity, for competitive 9 percent housing tax credits for a new construction development to be known as Arbor Park, located at or near 6306 McNeil Drive; and related to the allocation of housing tax credits within the City and near the proposed development.

Boards and Commission Action:

April 9, 2020 - Austin Housing Finance Corporation approved an inducement resolution for private activity bond financing to be submitted to the Texas Bond Review Board for an allocation of up to $18,500,000 in private activity volume cap multifamily non-recourse bonds, for a proposed affordable multifamily development to be known as Arbor Park, located at or near 6306 McNeil Drive, Austin, Texas, 78729.

Additional Backup Information:

Austin McNeil DMA Housing, LLC, (the Owner) is developing Arbor Park partially funded by 9percent Low Income Housing Tax Credits, or competitive housing tax credits. The Owner is currently working to change its ownership structure by adding Strategic Housing Finance Corporation (Strategic HFC), a Texas housing finance corporation, as the Managing Member. Prior to the Texas Department of Housing and Community Affairs' issuance of IRS Form 8609 for federal tax credits, state rules in Title 10 Texas Administrative Code, Part 1, Subsection 10.406(e) requires the Owner to obtain from Council a resolution of support as this change in the ownership structure will involve a housing finance corporation entity and result in a 100 percent property tax exemption that was not reflected in the Owner's competitive housing tax credit application submitted to the Texas Department of Housing and Community Affairs.

Property Tax Impact

Strategic HFC becoming the Managing Member would allow for a 100 percent property tax exemption under Section 394.905 of the Texas Local Government Code and state case law. The property tax exemption will affect Travis County, the City, Round Rock ISD., Travis County Healthcare District, and the Austin Community College District. The City's estimated portion of unrealized property tax revenue is currently $73,705 annually. The development will be eligible for the 100 percent property exemption as long as Strategic HFC remains in the ownership structure and the development satisfies the requirements of Chapter 394 of the Texas Local Government Code.