

# City of Austin



## Recommendation for Action

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**File #:** 25-1048, **Agenda Item #:** 4.

6/5/2025

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### **Posting Language**

Approve a resolution authorizing the formation of AHFC Sunset Ridge Nonprofit Corporation, a Texas nonprofit corporation and instrumentality of the Austin Housing Finance Corporation; approving the form of its certificate of formation and bylaws; authorizing a ground lease; appointing its board of directors and president; and authorizing AHFC Sunset Ridge Nonprofit Corporation to act as general partner, or managing member, of the entity that will own an approximately 364 to 444-unit multifamily rental development located at 8413 Southwest Parkway, Austin, Texas 78735. This item has no fiscal impact.

### **Lead Department**

Austin Housing Finance Corporation

### **Fiscal Note**

This item has no fiscal impact.

### **For More Information:**

Mandy DeMayo, Treasurer, Austin Housing Finance Corporation, 512-974-1091.

### **Council Committee, Boards and Commission Action:**

February 29, 2024 - Austin Housing Finance Corporation approved authorization to negotiate and execute a loan agreement and related documents with Manifold Sunset Ridge LIHTC, LLC, or an affiliated entity, in an amount not to exceed \$8,885,000, for the development of rental housing.

### **Additional Backup Information:**

This item requests the Austin Housing Finance Corporation (AHFC) to approve a resolution authorizing the formation of the AHFC Sunset Ridge Nonprofit Corporation (Nonprofit Corporation); approve the form of its Certificate of Formation and Bylaws; authorize a ground lease; appoint the Board of Directors and President of the Nonprofit Corporation; and authorize the Nonprofit Corporation to serve as general partner, or managing member, of the entity that will own the multifamily rental development (the Owner) located at 8413 Southwest Parkway, Austin, Texas 78735. It is anticipated that AHFC will own the land upon which the development is located and AHFC will ground lease it to the Owner.

The proposed form of the Certificate of Formation and the Bylaws for the Nonprofit Corporation are attached as Exhibits A and B to the resolution. The Board of Directors of the Nonprofit Corporation will serve for terms stated in the Bylaws. The requested Director appointments are:

Director: Assistant City Manager, Dr. Eric Anthony Johnson

Director: Interim Housing Director, Mandy DeMayo

Director: Housing and Community Development Officer, James May

The requested appointment for President of the Nonprofit Corporation is Assistant City Manager, Dr. Eric Anthony Johnson. The President serves for the term stated in the Bylaws.

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The remaining officers of the Nonprofit Corporation will be appointed by the Nonprofit Corporation's Board of Directors.

Proposal, Ownership and Financing Structures

Sunset Ridge is proposed as a newly constructed apartment development in Council District 8. The development will be an affordable multifamily development and will provide approximately 364 units in the first phase of construction. An additional phase may be built depending on market and financing conditions to create a total of approximately 444 units.

The first phase of development including 364 units is anticipated to consist of the following unit income mix: (i) approximately 96 units will be available only to households with incomes at 50 percent median family income (MFI) and below, (ii) approximately 8 units will be available only to individuals with incomes at 60 percent MFI and below, (iii) approximately 60 units will be available only to individuals with incomes at 70 percent MFI and below, (iv) approximately 18 units will be available only to individuals with incomes at 80 percent MFI and below, (v) approximately 146 units will be available only to individuals with incomes at 120 percent MFI and below, and (vi) approximately 36 units will be unrestricted.

The second phase of development is anticipated to consist of 80 units with the following unit income mix: (i) approximately 40 units income-averaged to 60 percent MFI and below, (ii) approximately 32 units will be available only to individuals with incomes at 120 percent MFI and below, and (iii) approximately 8 units will be unrestricted.

In sum, the development with a total of 444 units is anticipated to consist of the following unit income mix: (i) approximately 96 units will be available only to households with incomes at 50 percent median family income (MFI) and below, (ii) approximately 48 units will be available only to individuals with incomes at 60 percent MFI and below, (iii) approximately 60 units will be available only to individuals with incomes at 70 percent MFI and below, (iv) approximately 18 units will be available only to individuals with incomes at 80 percent MFI and below, (v) approximately 178 units will be available only to individuals with incomes at 120 percent MFI and below, and (vi) approximately 44 units will be unrestricted.

The ownership structure proposed for this development is similar to previous ownership structures in which AHFC-established nonprofit corporations have participated. These include developments such as Norman Commons, Libertad Austin at Gardner, Espero 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 proposed to come from a HUD loan and a Rental Housing Development Assistance subordinate loan from AHFC to the Owner.