



Recommendation for Action

File #: 23-2180, **Agenda Item #:** 76.

6/8/2023

Posting Language

Approve a resolution which approves the issuance by the Austin Housing Public Facility Corporation of multi-family housing revenue bonds in an aggregate principal amount up to \$45,000,000 to ACG RBJ II, LLC, or an affiliated entity, and approves the execution by the Austin Housing Public Facility Corporation of related documents, in substantially the form attached to the resolution, to provide financing for the development of The Rebekah, located at or near 1320 Art Dilly Drive, Austin, Texas 78702.

Lead Department

Housing Department.

Fiscal Note

This item has no fiscal impact.

Prior Council Action:

March 25, 2021 - Council conducted a public hearing related to an application by AGC RBJ II, LLC, or an affiliated entity, for housing tax credits for a multi-family development to be financed through the private activity bond program and to be known as The Rebekah, located at or near 1320 Art Dilly Drive, Austin, Texas 78702, within the City; and passed a resolution related to the proposed development, the application, and the allocation of housing tax credits and private activity bonds.

June 23, 2016 - Council passed Ordinance No. 20160623-101, amending City Code Section 25-2-735 relating to regulation of senior housing and mixed-use development within the waterfront overlay.

December 17, 2015 - Council approved Resolution No. 20151217-057, initiating amendments to the Waterfront Overlay, Land Development Code Section 25-2-735 (Festival Beach Sub-District Regulations), to increase allowable impervious cover, and directed the City Manager to develop an ordinance to be presented to City Council for consideration after completion of the required public process.

For More Information:

Rosie Truelove, Director, Housing Department, 512-974-3064; Mandy DeMayo, Deputy Director, Housing Department, 512-974-1091.

Council Committee, Boards and Commission Action:

June 1, 2023 - The Austin Housing Public Facility Corporation (AHPFC) Board approved Resolution No. 20230601-AHPFC002 authorizing the issuance of AHPFC multi-family housing revenue bonds in an aggregate principal amount up to \$45,000,000 to ACG RBJ II, LLC, or an affiliated entity, to finance the rehabilitation of a multi-family housing development to be known as The Rebekah, located at 1320 Art Dilly Drive, Austin, Texas 78702; approving related documents in substantially the form attached to the resolution; and authorizing specific named representatives of AHPFC to execute the documents relating to issuance of the bonds and closing the transaction.

May 4, 2023 - The AHPFC Board conducted a public hearing related to the issuance by AHPFC of up to \$45,000,000 of multi-family housing revenue bonds to ACG RBJ II, LLC, or an affiliated entity, to finance the rehabilitation of a multi-family housing development to be known as The Rebekah located at or near 1320 Art Dilly Drive, Austin, Texas 78702.

September 29, 2022 - The AHPFC Board approved an inducement resolution related to an application for private activity bond financing that authorized an allocation of up to \$45,000,000 in private activity volume cap multi-family non-recourse bonds to ACG RBJ II, LLC, or an affiliated entity, for a proposed affordable multi-family development to be known as The Rebekah, located at 1320 Art Dilly Drive, Austin, Texas 78702.

September 2, 2021 - The Austin Housing Finance Corporation (AHFC) Board approved an inducement resolution for private activity bond financing to be submitted to the Texas Bond Review Board for an allocation of up to \$45,000,000 in private activity volume cap multi-family non-recourse bonds, by AGC RBJ II, LLC, or an affiliated entity, for a proposed affordable multi-family development to be known as The Rebekah, located at 1320 Art Dilly Drive, Austin, Texas, 78702.

October 15, 2020 - The AHFC Board approved an inducement resolution for private activity bond financing to be submitted to the Texas Bond Review Board for an allocation of up to \$37,000,000 in private activity volume cap multi-family non-recourse bonds, by AGC RBJ II, LLC, or an affiliated entity, for a proposed affordable multi-family development to be known as The Rebekah, located at 1320 Art Dilly Drive, Austin, Texas, 78702.

December 14, 2017 - The AHFC Board authorized an amendment to its Motion No. 20170209-AHFC005 to increase the amount of a loan agreement to be negotiated and executed with The Austin Geriatric Center, Inc., or an affiliated entity, in an amount equal to \$3,479,000 for a total loan amount not to exceed \$6,479,000 for the rehabilitation of senior housing at the Rebekah Baines Johnson Center and the development of new mixed-income housing on the site.

October 19, 2017 - The AHFC Board conducted a public hearing to receive public comment regarding the issuance of up to \$50,000,000 dollars of multi-family housing revenue bonds to be issued by AHFC for the Rebekah Baines Johnson Center.

September 28, 2017 - The AHFC Board approved an inducement resolution for private activity bond financing to be submitted to the Texas Bond Review Board for an allocation of up to \$50,000,000 in private activity volume cap multi-family non-recourse bonds.

February 9, 2017 - The AHFC Board authorized negotiation and execution of a loan to The Austin Geriatric Center, Inc. for an amount not to exceed \$3,000,000 for the Rebekah Baines Johnson Center tower (RBJ Tower) rehabilitation and development of new multi-family senior housing at the site.

Additional Backup Information:

Under Texas Local Government Code Chapter 303, the Public Facility Corporation Act, Council, as the Sponsor of AHPFC, must approve of AHPFC's issuance of up to \$45,000,000 in multi-family housing non-recourse bonds to provide interim and permanent financing for the rehabilitation of a multi-family housing development to be known as The Rebekah. On June 1, 2023, the AHPFC Board voted separately to approve of the issuance of private activity bonds. The property is located in Council District 3.

Proposed Development

ACG RBJ II, LLC, which is an affiliate of The Austin Geriatric Center, Inc. and DMA Development Company, LLC, is

planning to rehabilitate The Rebekah, a 225-unit multi-family project located at 1320 Art Dilly Drive, Austin, Texas, 78702. The community will be affordable to households earning at or below 30 percent, 50 percent, and 60 percent of the Area Median Family Income.

The development is proposed to be partially funded with 4% Low-Income Housing Tax Credits (4% LIHTCs), tax-exempt private activity bonds issued by AHPFC, and Rental Housing Development Assistance funding from AHFC.

Current Property Tax Status and Future Impact

The general partner of the development's partnership will be an affiliate of The Austin Geriatric Center, Inc. The Austin Geriatric Center, Inc. is a Texas non-profit corporation and a qualifying non-profit organization under Section 11.1825 of the Texas Tax Code. Because of the affiliation with The Austin Geriatric Center, Inc. the property will be exempt from property tax.

The Austin Geriatric Center, Inc. and DMA Development Company, LLC

The Austin Geriatric Center, Inc. has been operating the RBJ Tower for more than 40 years. It is intimately familiar with the needs of the development as well as its residents as long-term stewards of that property.

DMA Development Company, LLC is very experienced in the development and construction of complicated real estate developments, having extensive experience with both new construction and renovation, and with all the financial tools proposed for this project. It most recently closed bond financing and began construction on a 240-unit vertical mixed-use development in the Mueller community. This development, Aldrich 51, which is a joint venture with AHFC, utilized 4% LIHTCs and tax-exempt bond financing, and involved structured parking, as does this proposed development.

The proposed development's application to the City, as well as socioeconomic information and amenities in the surrounding area, may be found at https://www.austintexas.gov/sites/default/files/files/Housing_%26_Planning/Public%20PAB%20Application%20-%20The%20Rebekah.pdf.