

Legislation Text

File #: 22-1070, **Version:** 1

Posting Language

Approve a resolution authorizing the execution of an Affordable Housing Program Agreement and related Affordable Housing Program documents to obtain a \$750,000 loan or grant for the development to be known as Espero Austin at Rutland Apartments, located at or near 1934 Rutland Drive.

Lead Department

Housing and Planning Department.

Fiscal Note

This item has no fiscal impact.

Prior Council Action:

February 6, 2020: Council approved a resolution of support for Espero Austin at Rutland to the Texas Department of Housing and Community Affairs' 2020 9% Low Income Housing Tax Credit (LIHTC) round. Having not secured a 9% LIHTC award, Espero Austin at Rutland, LP pursued a 4% LIHTC award.

September 3, 2020 - Austin City Council set a public hearing for September 17, 2020 regarding an application by Espero Austin at Rutland, LP, for housing tax credits for a multi-family development that will be financed through the private activity bond program.

September 17, 2020 - Austin City Council conducted a public hearing regarding an application by Espero Austin at Rutland, LP, for housing tax credits for a multi-family development that will be financed through the private activity bond program.

For More Information:

Rosie Truelove, Treasurer, Austin Housing Finance Corporation, 512-974-3064; Mandy DeMayo, Interim Deputy Director, Housing and Planning Department, 512-974-1091.

Council Committee, Boards and Commission Action:

July 29, 2020 - Austin Housing Finance Corporation Board (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 \$20,000,000 in private activity volume cap multifamily revenue (non-recourse) bonds.

September 3, 2020 - The Board authorized negotiation and execution of a loan agreement and related documents between Austin Housing Finance Corporation (AHFC) and Espero Austin at Rutland, LP, or an affiliated entity, in an amount not to exceed \$2,507,214, for a multifamily rental development to be known as Espero Austin at Rutland Apartments, to be located at or near 1934 Rutland Drive, Austin, Texas.

November 12, 2020 - The Board approved the negotiation and execution of a loan agreement with Espero Austin at Rutland, LP, or an affiliated entity, in an amount not to exceed \$5,992,786 for a multi-family rental development to be known as Espero at Rutland, to be located at or near 1934 Rutland Drive.

November 12, 2020 - The Board approved a resolution authorizing the formation of AHFC Espero Non-Profit Corporation, a Texas nonprofit corporation and instrumentality of AHFC; approving its Certificate of Formation

and By-laws; appointing its Board of Directors and President; and authorizing AHFC Espero Non-Profit Corporation to act as General Partner (or Managing Member) of Espero Austin at Rutland, LP, or other ownership entity, which will own the Espero Austin at Rutland Apartments.

December 3, 2020 - The Board approved a resolution authorizing the negotiation and execution of a three-year agreement with Espero Austin at Rutland, LP, or an affiliated entity, to provide housing assistance payments for a multi-family rental development to be known as Espero Austin at Rutland Apartments, located at or near 1934 Rutland Drive, in an amount not to exceed \$1,950,000.

February 4, 2021 - The Board set a public hearing to receive public comment regarding the issuance of up to \$20,000,000 of Multi-family Housing Revenue Bonds to be issued by AHFC to finance the project of Espero Austin at Rutland by Espero Austin at Rutland, LP, or an affiliated entity, for a proposed housing development to be located at 1934 Rutland Drive, in the City of Austin.

March 4, 2021 - The Board set a public hearing to receive public comment regarding the issuance of up to \$20,000,000 of Multi-family Housing Revenue Bonds to be issued by AHFC to finance the project of Espero Austin at Rutland by Espero Austin at Rutland, LP, or an affiliated entity, for a proposed housing development to be located at 1934 Rutland Drive, in the City of Austin.

June 3, 2021 - The Board approved a resolution authorizing the issuance up to \$20,000,000 of Multi-family Housing Revenue Bonds to be issued by AHFC; approving related documents, in substantially the form attached to the resolution, to provide financing for the development of Espero Austin at Rutland, to be located at 1934 Rutland Drive, in the City of Austin, and authorizing specific named representatives of AHFC to execute the documents relating to issuance of the bonds and closing the transaction.

Additional Backup Information:

If approved, this action will authorize Rosie Truelove and Mandy DeMayo, on behalf of AHFC, to complete and execute an Affordable Housing Program Agreement and Affordable Housing Program documents and submit them to the Federal Home Loan Bank of Dallas. Once the Affordable Housing Program Agreement is executed and submitted, Frost Bank will provide AHFC a \$750,000 loan or grant. This loan or grant will be used as the source of funds from AHFC to make a loan to Espero Austin at Rutland, LP for development costs, including, construction costs and paying down deferred developer fee. By paying down the deferred developer fee, more money can be directed to resident services.

Proposed Project

Espero Austin at Rutland Apartments is an affordable, new construction multifamily development and will provide approximately 171 units. The development is being designed for persons experiencing homelessness. 101 of the 171 units will be reserved for persons experiencing homelessness through Austin's Continuum of Care.

The development consists of one elevator-served building with the following unit income mix: (i) 48 units will be reserved for individuals with incomes at or below 30% AMFI, (ii) 96 units will be reserved for individuals with incomes at or below 50% AMFI and (iii) 27 units will be reserved for individuals with incomes at or below 60% AMFI.

Financing for the development is sourced from 4% LIHTCs, private activity bonds issued by AHFC, a Direct Loan from the Texas Department of Housing and Community Affairs, a Rental Housing Development Assistance subordinate loan from AHFC, and Deferred Developer Fee. With the award of a \$750,000 loan or grant from the Federal Home Loan Bank of Dallas, AHFC will award this \$750,000 to Espero Austin at Rutland, LP.