



Travis County Commissioners Court Agenda Request

Meeting Date: February 18, 2014

Prepared By/Phone Number: Andrea Shields, Manager/854-9116

Elected/Appointed Official/Dept. Head: Leslie Browder, County Executive, Planning and Budget/854-9106

Commissioners Court Sponsor: Samuel T. Biscoe, President

AGENDA LANGUAGE:

1. Approve Resolution of Support for the Art at Bratton's Edge Development
2. Approve Resolution concerning Art at Bratton's Edge Development related to low income tax credits, location and construction of development.

BACKGROUND/SUMMARY OF REQUEST AND ATTACHMENTS: (see attached).

STAFF RECOMMENDATIONS: Staff recommends approval.

ISSUES AND OPPORTUNITIES: None.

FISCAL IMPACT AND SOURCE OF FUNDING: None.

REQUIRED AUTHORIZATIONS: Andrea Shields, Manager/854-9116; Leslie Browder, County Executive, Planning and Budget/854-9106

AGENDA REQUEST DEADLINE: All agenda requests and supporting materials must be submitted as a pdf to the County Judge's office, agenda@co.travis.tx.us by **Tuesdays at 5:00 p.m.** for the next week's meeting.

RESOLUTION OF THE COMMISSIONERS COURT OF TRAVIS COUNTY, TEXAS IN
SUPPORT OF PROPOSED TAX CREDIT DEVELOPMENT

WHEREAS, Wolfpack Group, LLC has proposed a development for affordable rental housing to be located at the southeast corner of Long Vista and Bratton Lane, Austin, Texas named Art at Bratton's Edge (the "Development") in the City of Austin ETJ, Wells Branch Census Designated Place, Travis County, Texas; and

WHEREAS, there is a need for affordable housing for Travis County citizens of low and moderate income; and

WHEREAS, Wolfpack Group, LLC intends to submit an application (the "Application") to the Texas Department of Housing and Community Affairs ("TDHCA") for 2014 Low Income Housing Tax Credit Program funds for the Development; and

WHEREAS, the 2014 Qualified Allocation Plan issued by TDHCA awards additional points to an applicant for the funding of tax credits that secures a match of local funds in the form of a loan or in kind contribution; and

WHEREAS, Travis County is not a related party to the Applicant.

NOW, THEREFORE, BE IT RESOLVED THAT Travis County, Texas supports the Development.

PASSED AND ADOPTED on February 18, 2014.

COMMISSIONERS COURT OF
TRAVIS COUNTY, TEXAS

County Judge

ATTEST:

County Clerk

**RESOLUTION OF THE COMMISSIONERS COURT OF TRAVIS COUNTY, TEXAS
APPROVING LOCATION OF LOW INCOME TAX CREDIT DEVELOPMENT AND
SUPPORTING SUCH DEVELOPMENT**

WHEREAS, Wolfpack Group, LLC has proposed a development for affordable rental housing to be located at the southeast corner of Long Vista and Bratton Lane, Austin, Texas named Art at Bratton's Edge (the "Development") in the City of Austin ETJ, Wells Branch Census Designated Place, Travis County, Texas; and

WHEREAS, there is a need for affordable housing for Travis County citizens of low and moderate income; and

WHEREAS, Wolfpack Group, LLC intends to submit an application (the "Application") to the Texas Department of Housing and Community Affairs ("TDHCA") for 2014 Low Income Housing Tax Credit Program funds for the Development; and

WHEREAS, the 2014 Qualified Allocation Plan issued by TDHCA awards additional points to an applicant for the funding of tax credits that secures a match of local funds in the form of a loan or in kind contribution; and

WHEREAS, Travis County is not a related party to the Applicant.

NOW THEREFORE BE IT:

RESOLVED, that as provided in 10 Texas Administrative Code §11.3(c), Travis County, Texas hereby acknowledges that the proposed Development is located one linear mile or less from a development that serves the same type of household as the proposed Development and has received an allocation of Housing Tax Credits (or private activity bonds) for new construction since January 2, 2011; and

FURTHER RESOLVED, that Travis County, Texas hereby supports the proposed Development and confirms that its governing body has voted specifically to allow the construction of the Development (only upon receipt of all necessary building and development permits) and to authorize the Texas Department of Housing and Community Affairs to allocate Housing Tax Credits for the Development, and

FURTHER RESOLVED that for and on behalf of the Travis County Commissioners Court, Samuel T. Biscoe, Travis County Judge, is hereby authorized, empowered, and directed to certify this resolution to the Texas Department of Housing and Community Affairs.

PASSED AND ADOPTED on February 18, 2014.

COMMISSIONERS COURT OF
TRAVIS COUNTY, TEXAS

County Judge

ATTEST:

County Clerk



NAMAN HOWELL
SMITH & LEE ^{PLLC}
ATTORNEYS AT LAW

MEMORANDUM
from
William C. Blount

8310 N. Capital of Texas
Highway, Suite 490
Austin, Texas 78731
(512) 479-0300
Fax (512) 474-1901

Offices in:

· Austin
· Fort Worth
· San Antonio
· Waco

www.namanhowell.com

TO: Travis County Judge and County Commissioners
Board of Directors of
Travis County Housing Finance Corporation

DATE: February 7, 2014

RE: Consideration of request to provide loans for developers of multifamily residential tax credit properties in the 2014 9% tax credit round

Agenda Date: February 11, 2014

As occurred last year, the housing finance corporation staff has been approached regarding the possibility of providing loans to developers of affordable tax credit properties in order to assist the developers with obtaining additional points in the very competitive tax credit application process administered by TDHCA.

Brief Summary of 9% Tax Credit System

The 9% tax credit program is a Federal government program available to developers of affordable housing in their efforts to provide housing to low income residents. Essentially, a developer is awarded tax credits which it can then sell (or syndicate) in exchange for equity contributions which provide a portion of the funds to acquire and construct a project. In Texas, TDHCA administers the program and publishes a Qualified Allocation Plan (“QAP”) each year to set forth the rules on which it will base its awarding of 9% tax credits in Texas. As you may recall from last year, the process is quite competitive. TDHCA’s plan sets out the standards which it will apply to award applicants points for various aspects of proposed projects. The full QAP is online at <http://www.tdhca.state.tx.us/multifamily/docs/14-GovApprvdQAP.pdf>.

A revised criteria for obtaining points last year was the provision of development funding by a unit of general local government. Essentially, an applicant gains a relatively large number of points by obtaining local support in the form of a development loan from the local government.

For a proposed project in the county but outside of any city limits, that support can come from an entity such as TCHFC. For a project inside of a city, that support can come from the city or the county government.

New 15-year Loan Provision

This year, an additional point was added for applicants that obtain permanent loan financing from a local government entity that has a minimum term of 15 years, amortization of 30 years and an interest rate of 3% or less. Further, the applicant must certify that it intends maintain the funding for the 15-year term, barring unanticipated events.

Tax Credit applications from the developers are due to TDHCA on March 1. The developers at this point would only need a letter stating that the developer has applied for funding. However, the staff does not want to provide the confirmation letter if the loan program is something that neither the Commissioners Court nor the Board of TCHFC desire to establish. The actual loan transaction would occur in August or later if that developer receives an allocation in July.

cc: Karen Thigpen
Andrea Shields

TRAVIS COUNTY HOUSING FINANCE CORPORATION

DATE: January 22, 2014

TO: Board of Directors

FROM: Andrea Shields, Manager

SUBJECT: Changes to the State's 2014 Qualified Allocation Plan for 9% Tax Credit Allocations

January begins the State's 9% tax credit application cycle, and staff wanted to remind the Board of the requirements of the State's program and Qualified Allocation Plan ("QAP"), and inform you of changes to the QAP for 2014. The State issued a log of pre-applications for tax credit funding this week. A pre-application notifies TDHCA of the intent to submit a full application for tax credits on a particular project. The developer of one of the projects in Travis County, Art at Bratton's Edge located in Precinct 2, has contacted the Corporations already.

9% Tax Credit System

The 9% tax credit program is a Federal government program to assist developers of affordable housing in their efforts to provide housing to low income individuals and families. A developer is awarded tax credits which it exchanges for equity contributions which provide a portion of the funds to acquire and construct the project. In Texas, TDHCA administers the program and publishes a QAP to set forth the rules on which it will base its award of 9% tax credits in Texas. The process is quite competitive. TDHCA's plan sets out the standards which it applies to award applicants points for various aspects of a project, such as sponsor characteristics, low-income set asides, tenant services, proximity to schools, community support, etc. The full QAP is available online at <http://www.tdhca.state.tx.us/multifamily/docs/14-GovApprvdQAP.pdf>.

One criterion for obtaining points is the provision of development funding by a unit of general local government, similar to the 2013 cycle. An applicant may gain a relatively large number of points by obtaining local support in the form of a development loan from the local government. For a proposed project in the county but outside of any city limits, that support can come from an entity such as TCHFC. For a project inside city limits, support can come from the city or the county government. In the case of Travis County, the TCHFC is the only entity that is qualified per the QAP and willing to offer these loans to developers to construct affordable housing in non-incorporated Travis County or the ETJ. This means without TCHFC participation in this program, projects outside the city limits but in the county or ETJ

would not be able to receive points for development funding by a unit of general local government, which would render their application automatically uncompetitive.

TCHFC's 9% Tax Credit Loan Program

In 2013, TCHFC committed loan funding to a developer and the project, Windy Ridge Apartments, was awarded tax credits. The loan will close in the 1st quarter of this year and is for \$1.8 million. Due to the size of the commitment, TCHFC is coordinating with Transpecos Bank to provide the funds, with a loan structure approved by both TDHCA and the Board of Directors. The loan is for a stated term of 5 years; however, these loans are generally repaid within 30 to 180 days of the developer closing on its funding. It is not anticipated that the loan will be outstanding for longer than 180 days. It is anticipated that the developer will pay an application fee, pay for all costs (legal, etc.) of documenting the loan and pay an origination fee in order to obtain the loan. These terms are consistent with the 2014 QAP requirements as well.

Changes to the 2014 QAP

Long-Term Local Government Loans

A new feature in the 2014 QAP is an additional criterion for points under local government funding: the developer may receive an additional point if the unit of local government commits to provide a long-term loan with a term of 15 years, an amortization of 30 years, and an interest rate of no more than 3 percent. Again, it is anticipated that the developer would pay an application fee, pay for all costs (legal, etc.) of documenting the loan and pay an origination fee in order to obtain the loan. The TCHFC staff would consider these loans on a case by case basis if the Board is willing to permit it. We will bring this to the Board as an action item on the agenda in February.

Resolutions of Support from Local Government

Another change to the 2014 QAP is the requirement of resolutions of support from local governmental bodies, and this is also a major scoring criterion with a similar value to the unit of local government loans. All applications for projects located within Travis County or an ETJ, but outside the limits of a city will be required to include a resolution from the Commissioner's Court that either supports the project (this allows the maximum points) or a resolution from the Commissioner's Court stating there is no objection to the project (lesser points). Developers will likely be approaching your offices about these resolutions over the next couple of months. You all are welcome to refer the developers to staff, and we can assist them in getting the resolution request onto the Court's agenda. Staff will ensure that a brief on each project is included in the backup or presented to the Board/Court prior to the agenda item.

Timeline

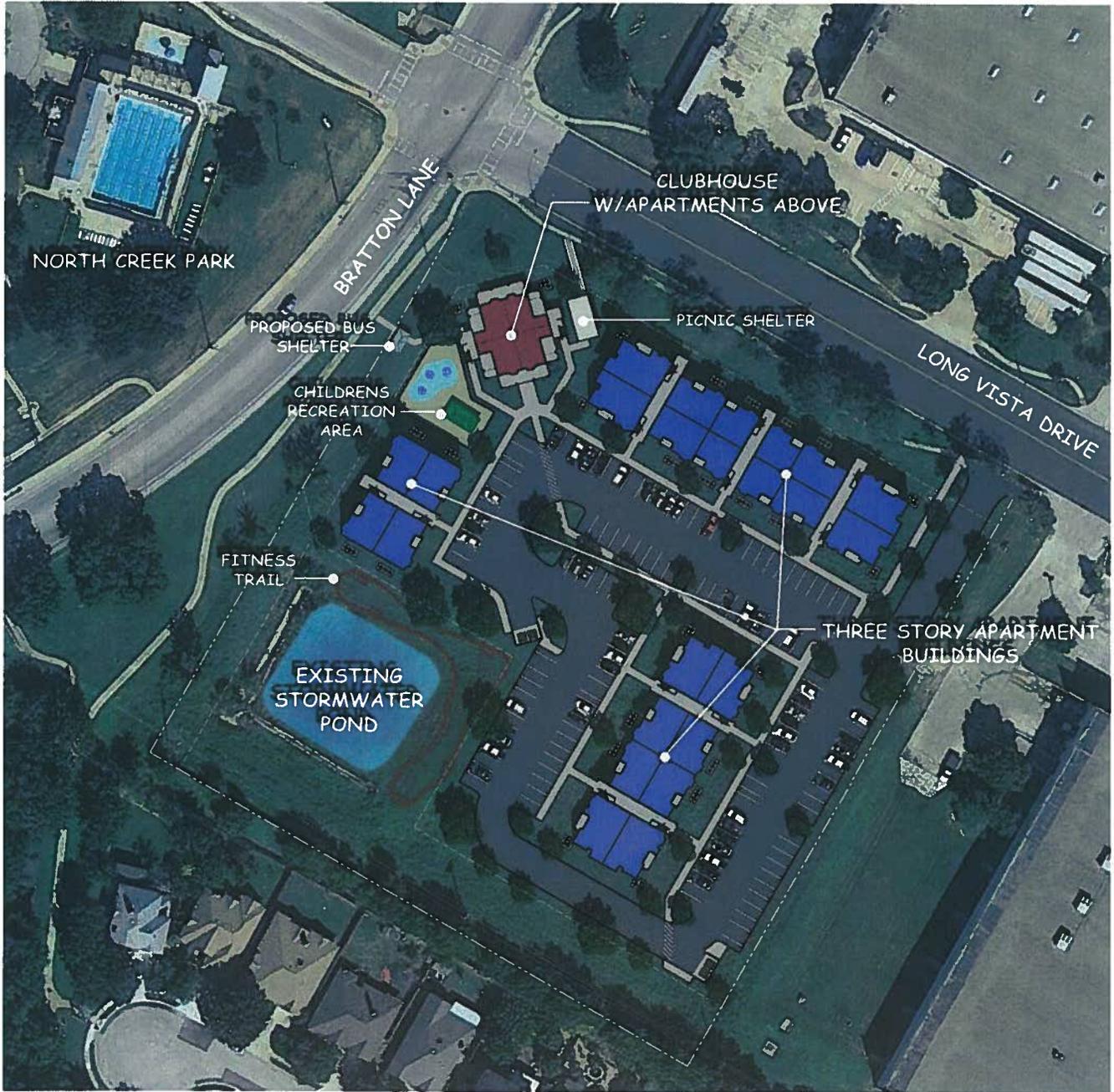
Long-Term Local Government Loans

Tax Credit applications from the developers are due to TDHCA on March 1. Developers seeking funding will require a letter stating that the developer has applied for funding by the end of February. However, TCHFC staff requests direction from the Board on the long term loans. We do not want to provide the confirmation letter if the long term loans are something that neither the Commissioners Court nor the Board desire to establish. We will bring this to the Board as an action item on the agenda in February. Again, the loans would only be made to developers who received an allocation of tax credits from TDHCA.

Resolutions of Support from Local Government

The resolutions of support from local governmental bodies must be dated prior to April 1, 2014, so we would anticipate most inquiries in February and March of this year. Again, you are welcome to refer the developers to Corporation's staff, and we can assist them in getting the resolution request onto the Court's agenda to alleviate any burden on your staff members.

cc: Cliff Blount, Naman Howell
Leslie Browder, County Executive, Planning and Budget



NORTH CREEK PARK

BRATTON LANE

CLUBHOUSE
W/APARTMENTS ABOVE

PICNIC SHELTER

PROPOSED BUS
SHELTER

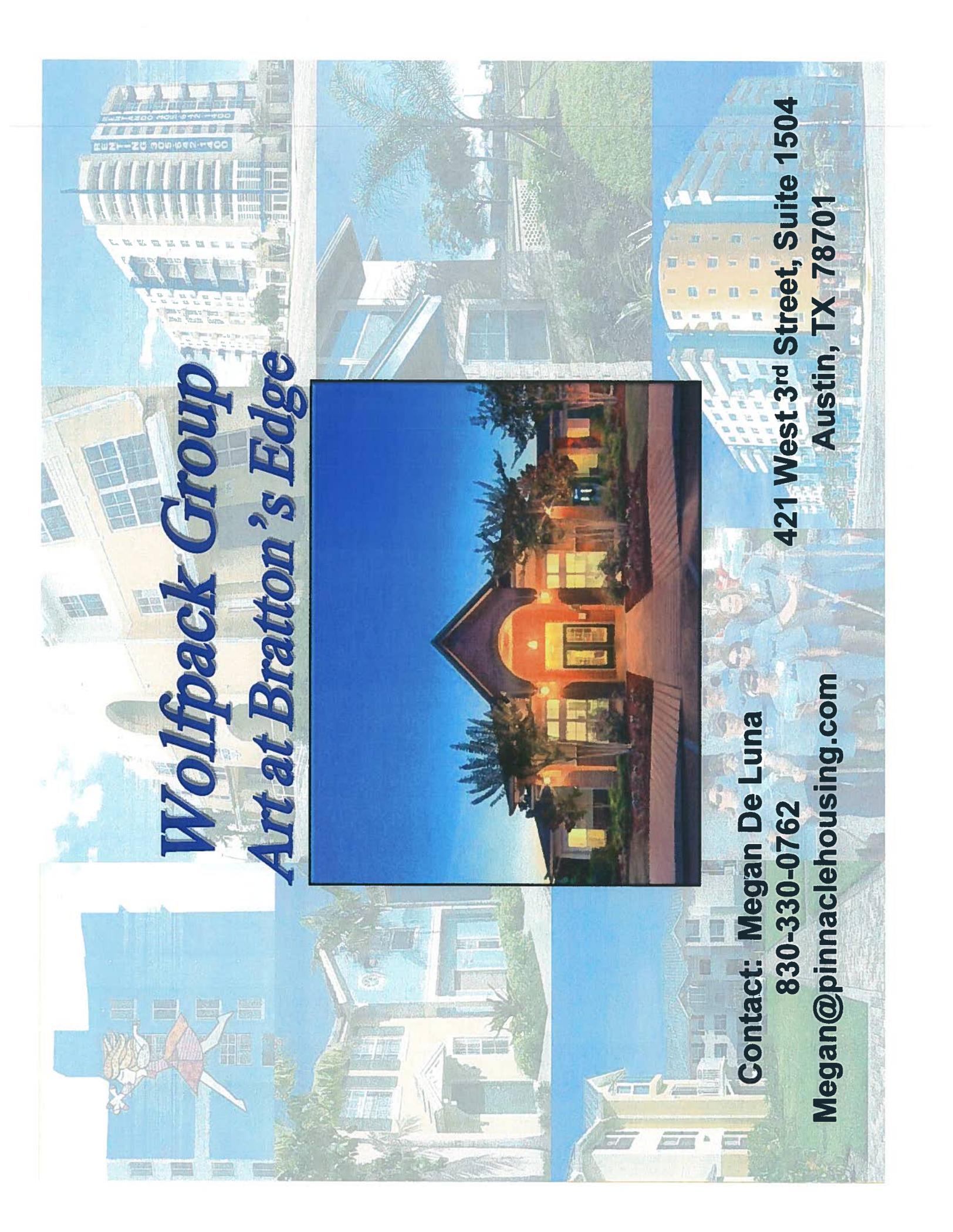
CHILDRENS
RECREATION
AREA

LONG VISTA DRIVE

FITNESS
TRAIL

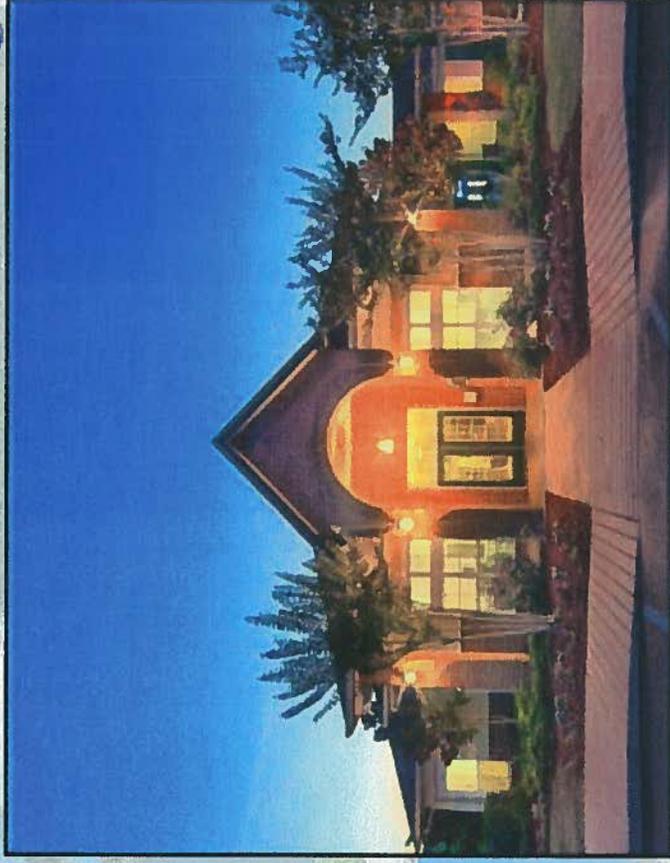
EXISTING
STORMWATER
POND

THREE STORY APARTMENT
BUILDINGS



Wolfpack Group

Art at Bratton's Edge



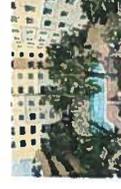
Contact: Megan De Luna
830-330-0762
Megan@pinnaclehousing.com

421 West 3rd Street, Suite 1504
Austin, TX 78701



Development Team

- Owned by a Partner in Pinnacle Housing Group, 15+ years experience in affordable housing, portfolio of 6,000+ units
- Ranked seventh (7th) among Affordable Housing Finance Magazine's "Top 50" affordable developers nationally in 2011
- Innovative, **financially sound** with proven track record of operating quality communities
- 50 communities currently 96%+ occupied & cash flowing
- Expansion into Texas – 8 awards from TDHCA in last 4 years.



Commitment to Excellence

Amenity-Rich Communities



What sets us apart

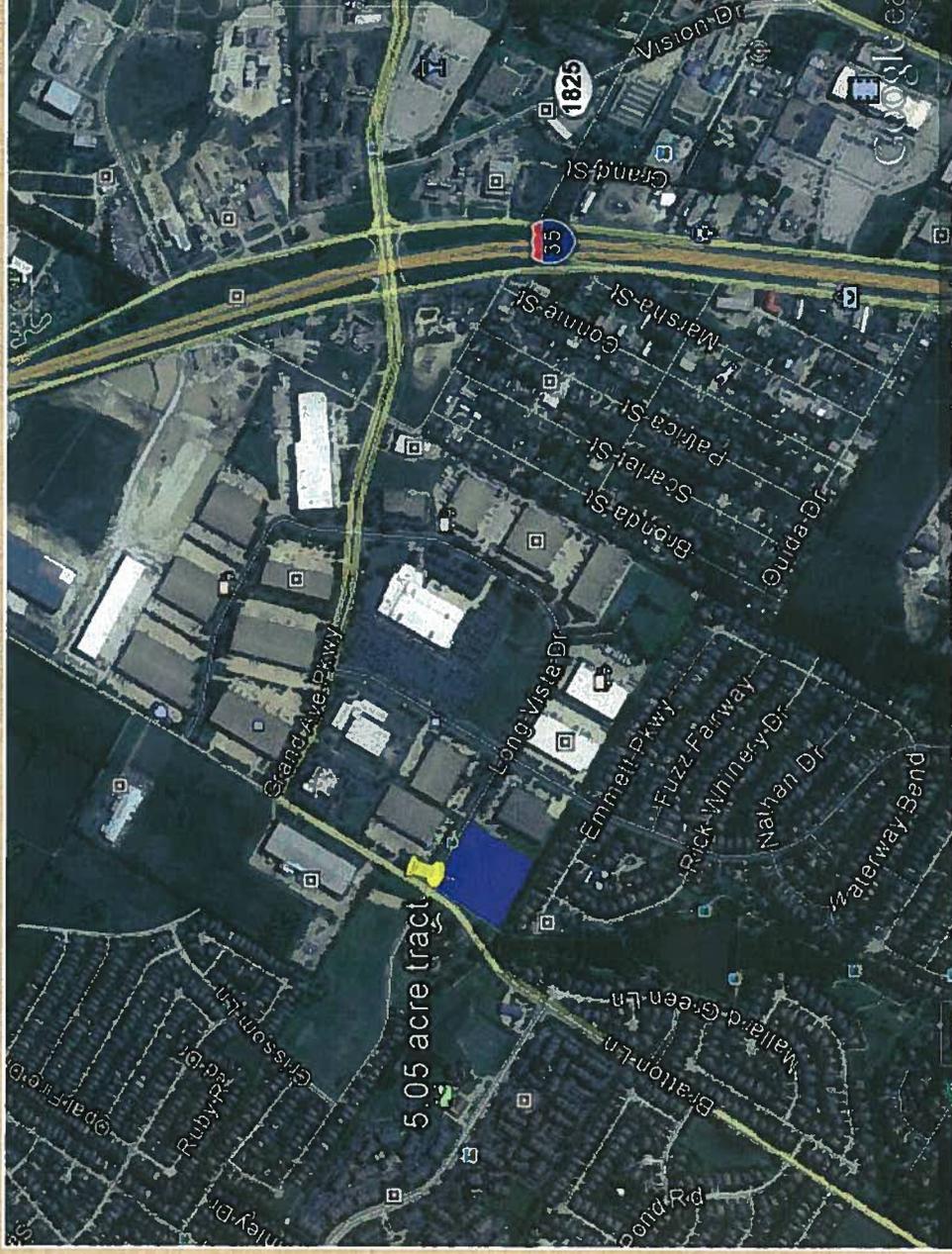
- **Green Development Practices**
 - Energy efficient, promote water conservation, reduce resident burden
- **Art in Public Places**
 - Use of local artisans, fosters community pride
- **Management Practices**
 - Instill pride in community through careful resident selection, programming, and customer service
- **Resident programs, career counseling & job training**
- **Health screening & nutritional education**



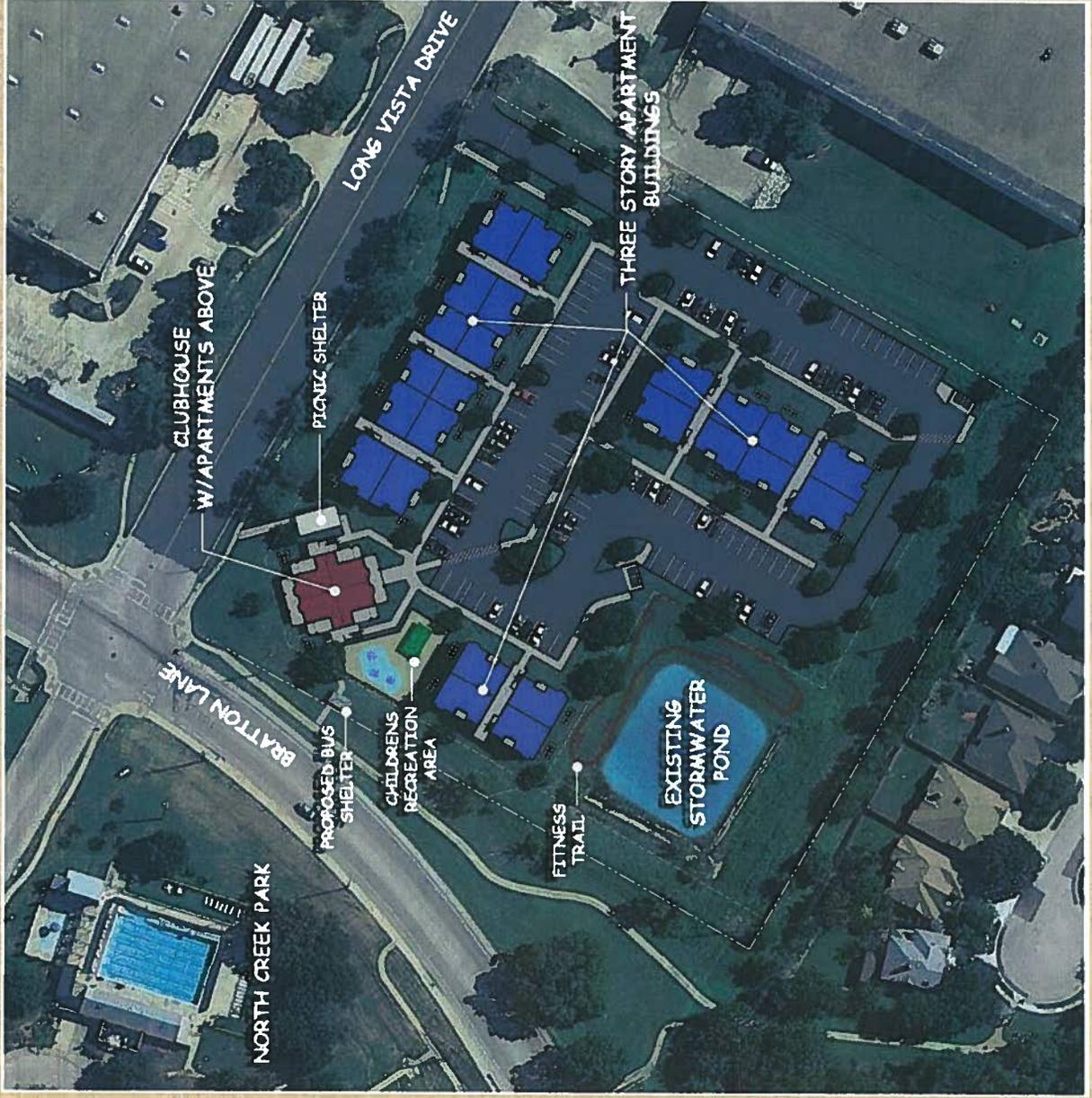
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Art at Bratton's Edge Location



Art at Bratton's Edge Location

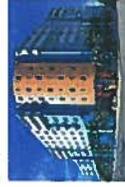
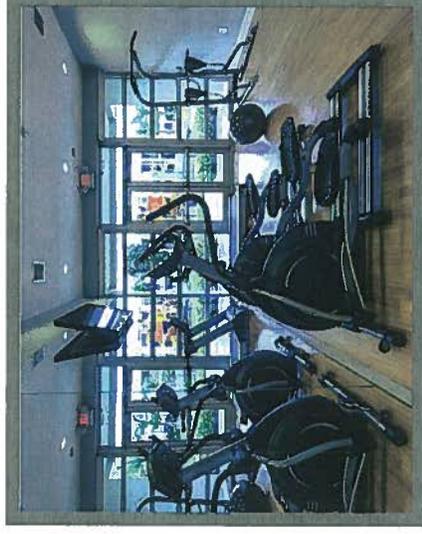




Key Points of the Development

Mixed income development

- 76 total units
- Mixed Income Development
- 30%, 50%, 60% AMI and Market Rate
- Site is located in the City of Austin ETJ and the Wells Branch CDP
- Site layout provides a buffer between surrounding uses
- Proposed bus shelter



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Proposed Unit Details and Features

Unit Mix

16- 1bedroom

44- 2 bedroom

16- 3 bedroom

Sizes

1 BR= 750 sq ft

2 BR= 975 sq ft

3 BR= 1175 sq ft

Unit amenities may include:

dishwasher, microwave, solid surface countertops and vanities, high efficiency appliances and lighting, hard surface flooring, walk-in closets and tile tub surrounds

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Clubhouse Amenities

- Business Center
- Children's Playground
- 24 hr Fitness Center
- Multi-purpose room with kitchen
- Art in Public Places program



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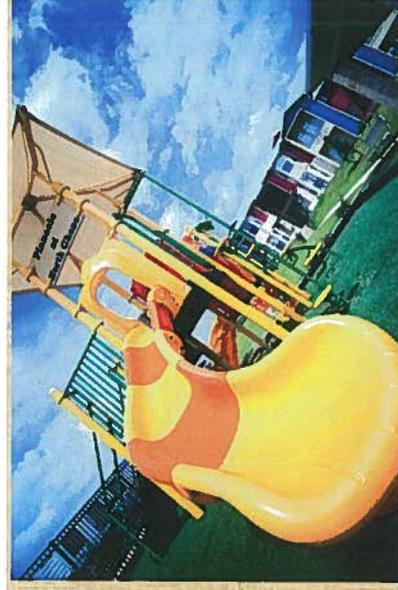
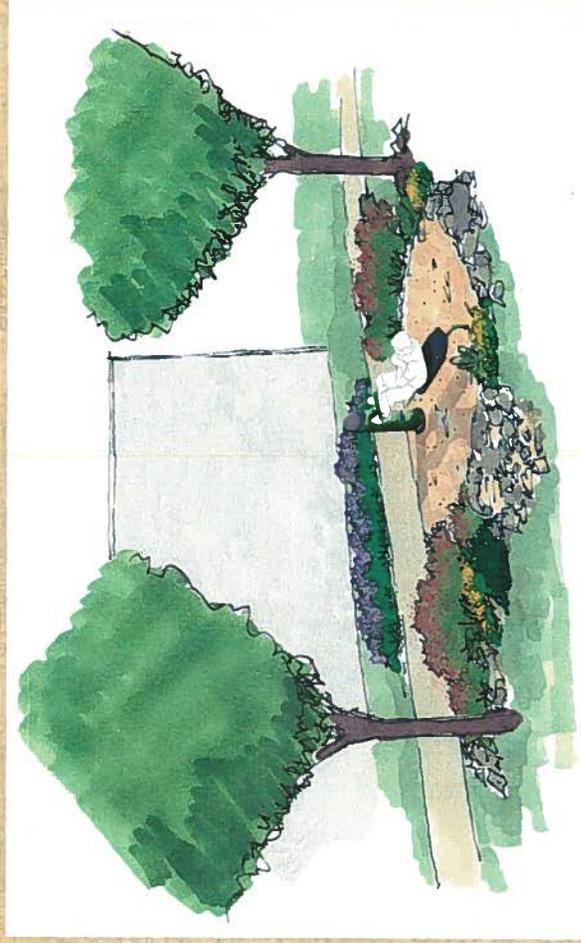
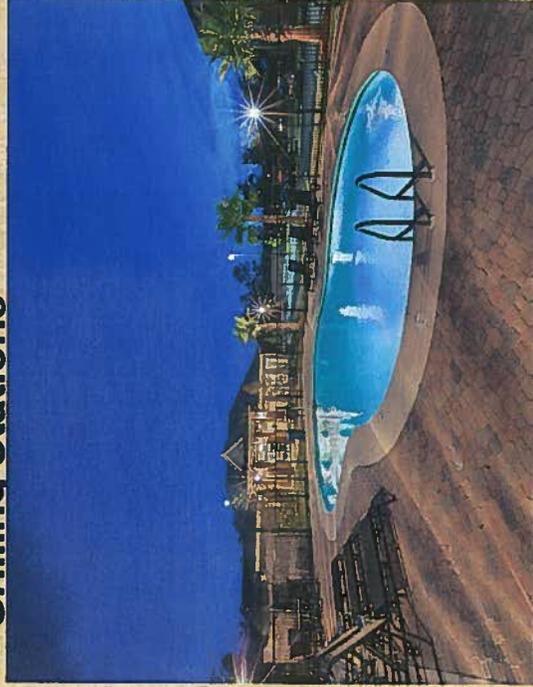


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Site Amenities

- Playground, Picnic Areas
- Active Recreation Areas
- 24- hr Fitness Center
- Grilling Stations



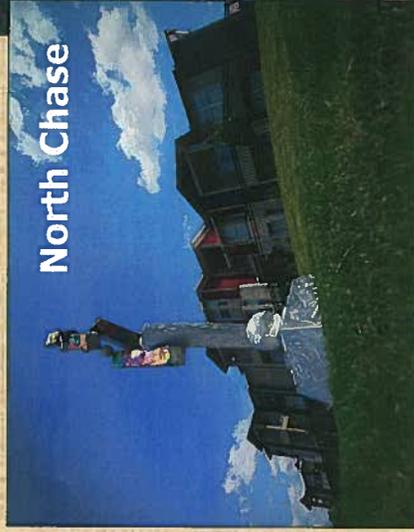
- Outdoor Fitness Stations
- Pool or Splash Pad
- Business Center

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Art in Public Places



North Chase



Crystal Lake



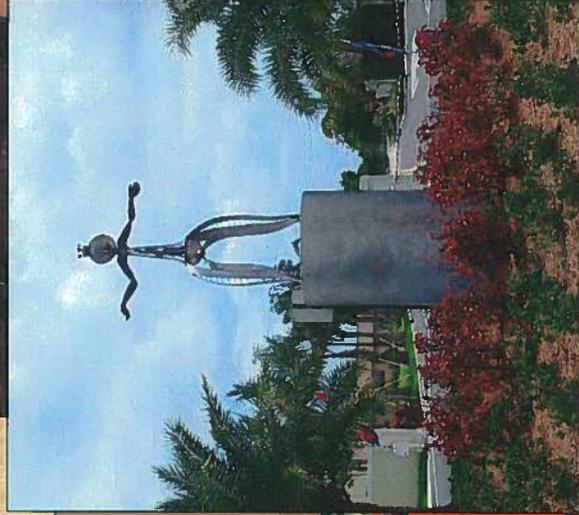
Goodbread Hills



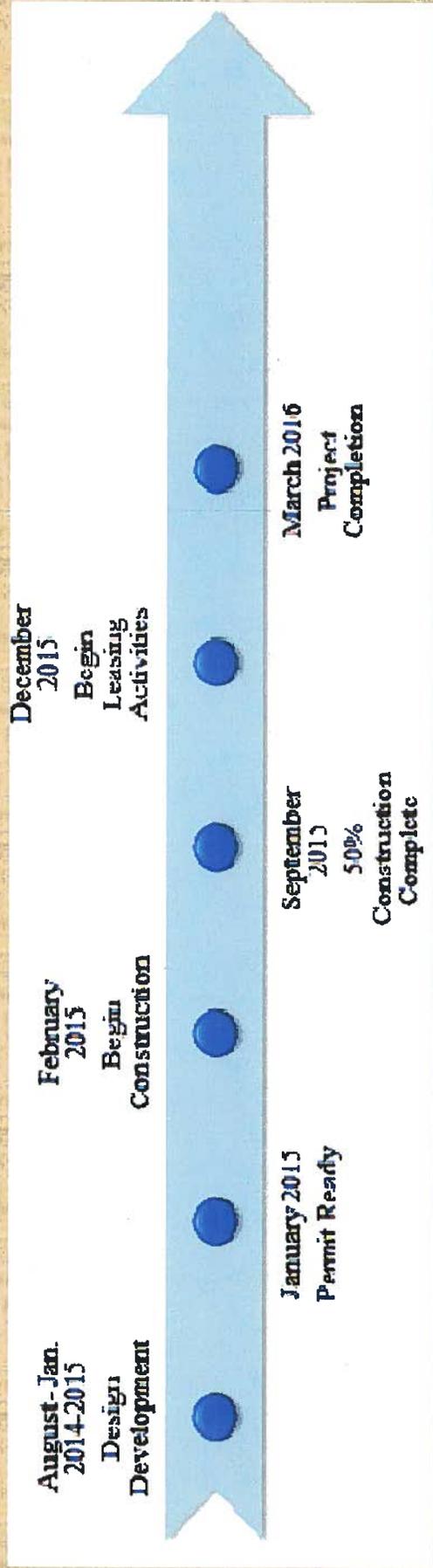
Pinnacle Village



Friendship Tower



Project Timeline

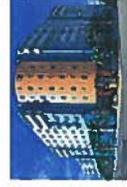


Commitment to Excellence *Amenity-Rich Communities*



Travis County Participation

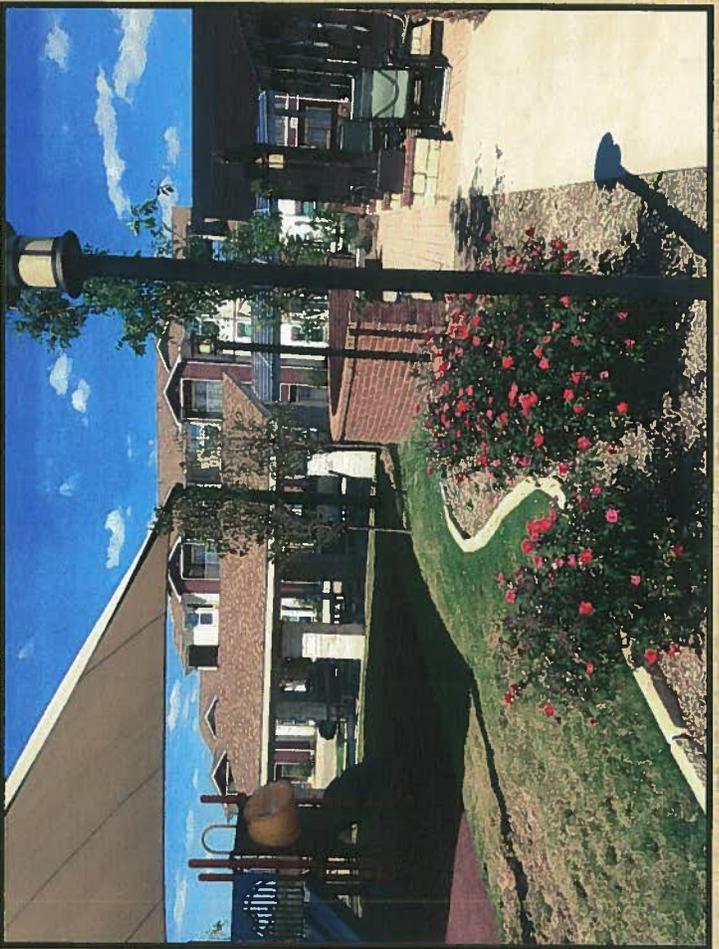
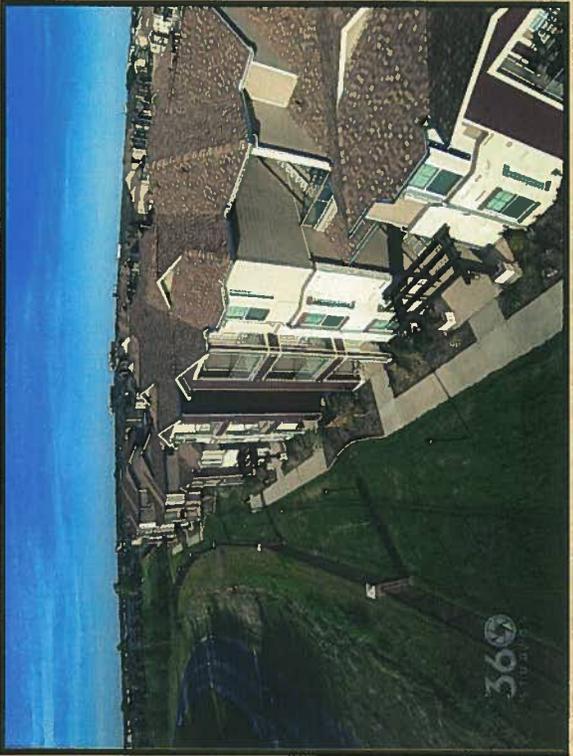
- Resolution of Support
- Local Government Commitment to Funding as required per the 2014 TDHCA Qualified Allocation Plan of \$1,800 per affordable unit
- Estimated at \$124,200
- Will increase the availability of high quality affordable housing stock in for Austin and the surrounding area

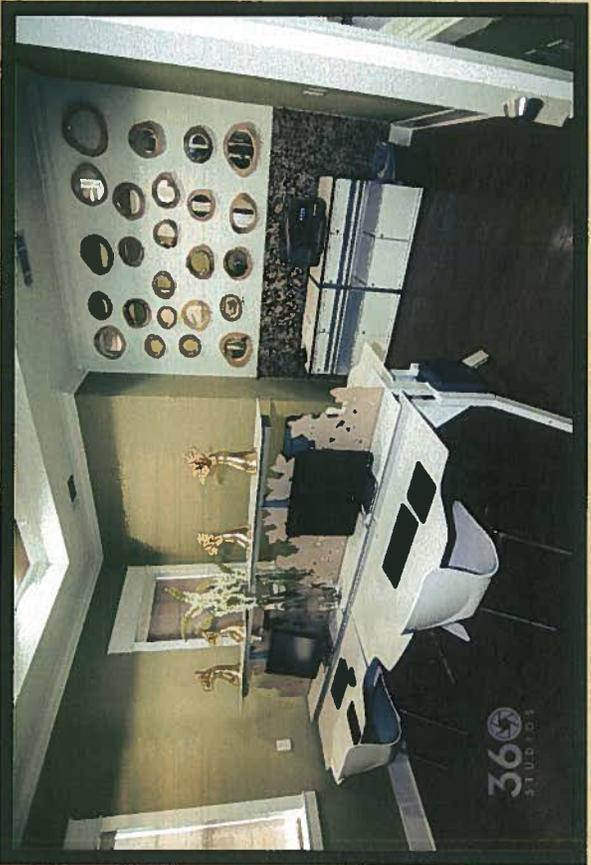


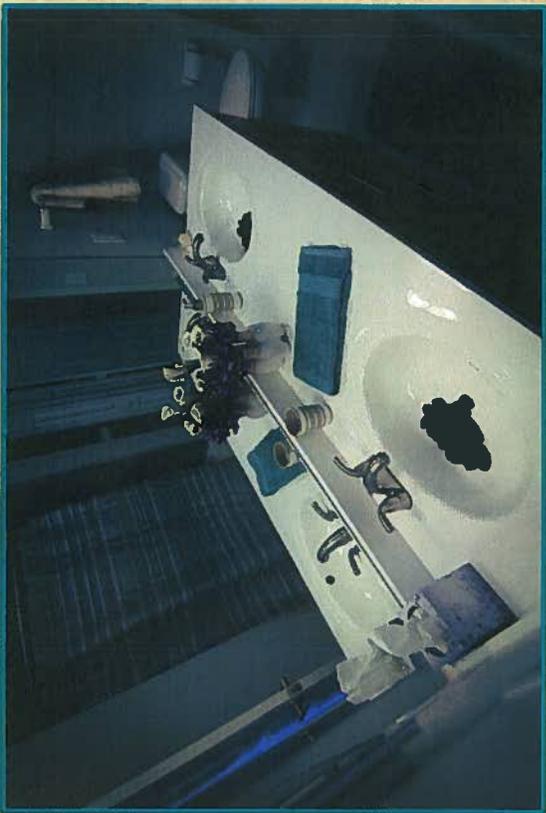
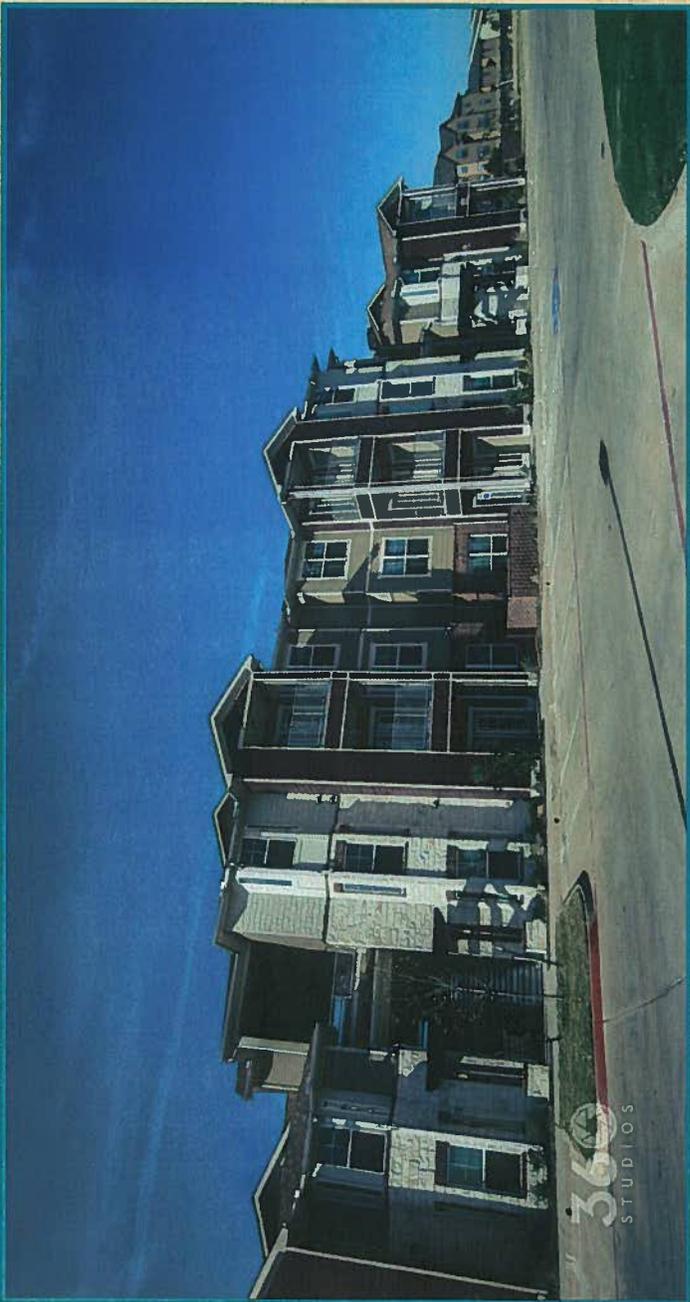
Commitment to Excellence Amenity-Rich Communities

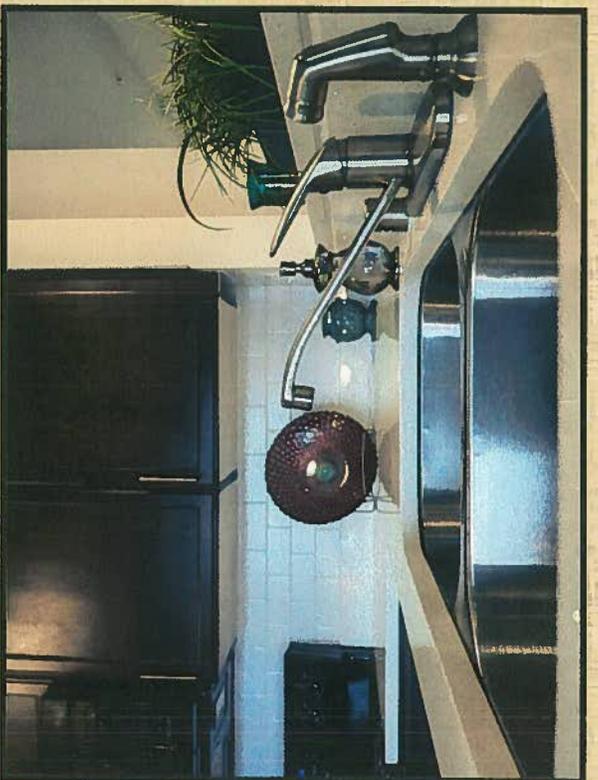
Development Examples

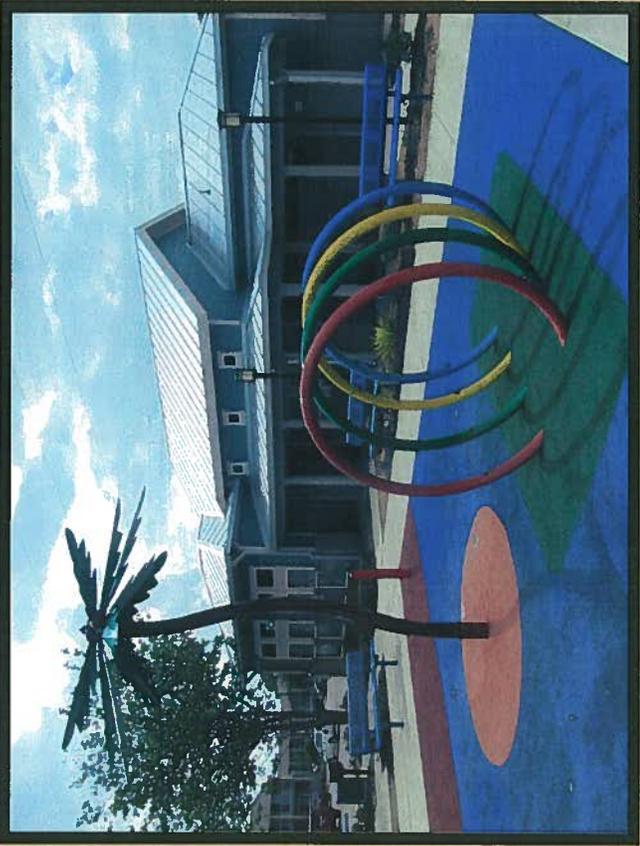


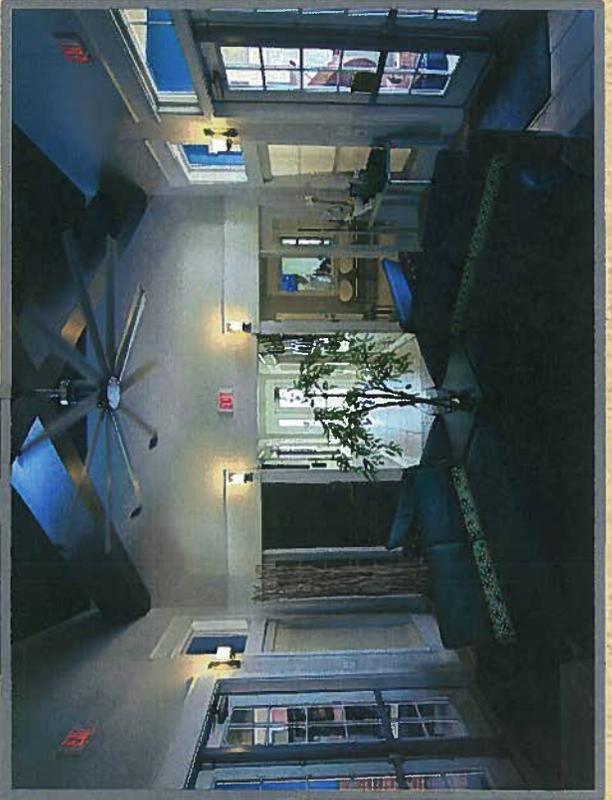




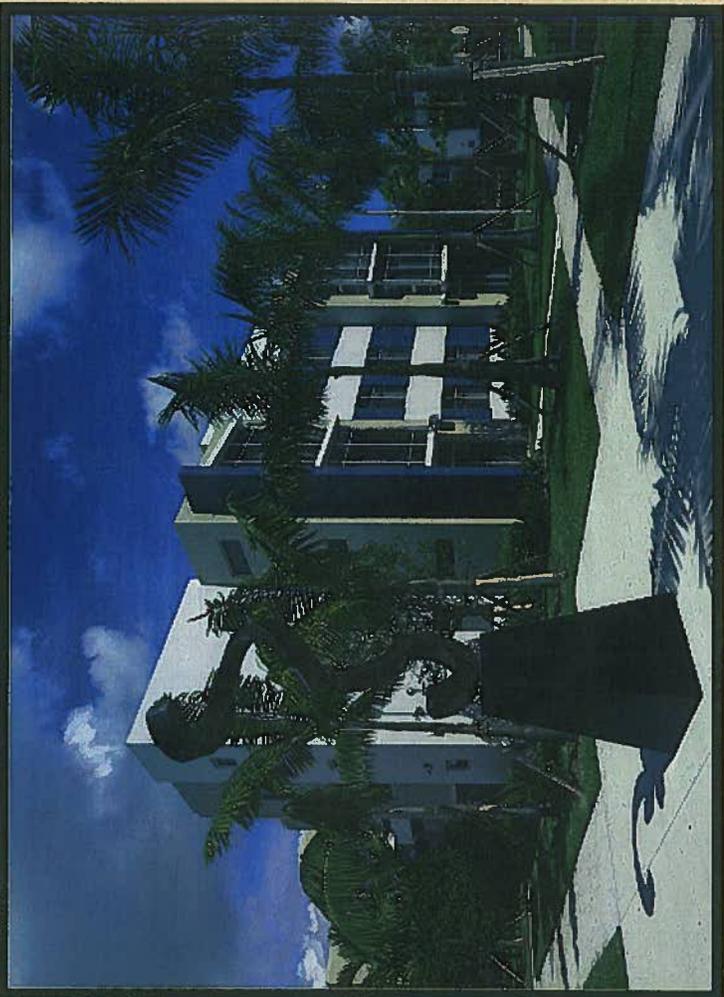
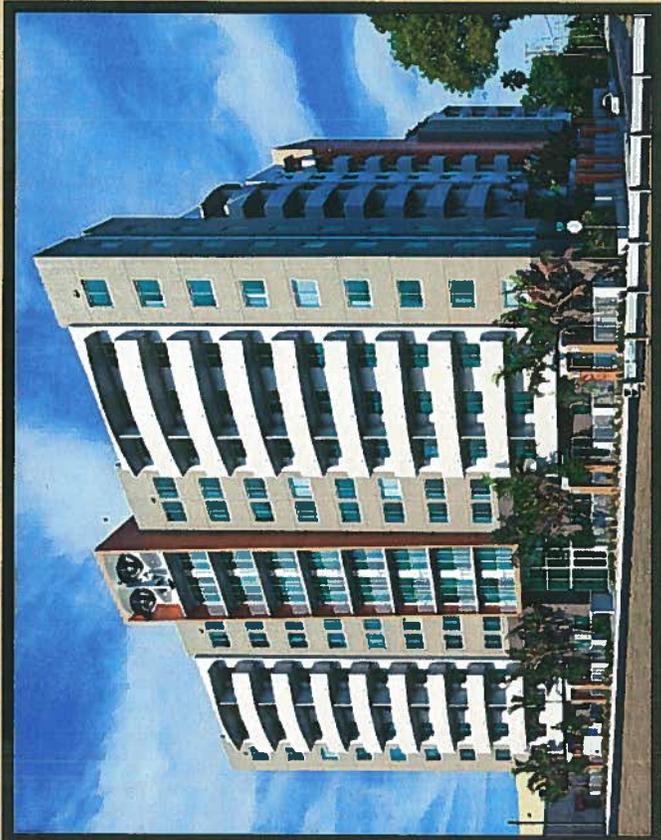




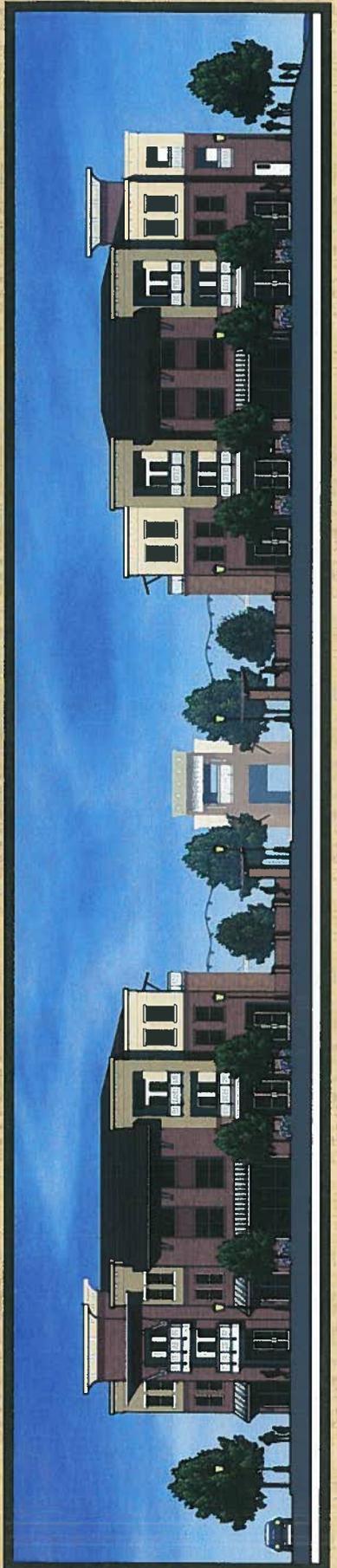




Florida Project Examples



Upcoming Projects





**For more information:
Please see our website
at**

www.pinnaclehousing.com

Commitment to Excellence Amenity-Rich Communities

