



NEWS

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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State housing agency providing lift to East Austin's affordable rental market

(AUSTIN) — The Texas Department of Housing and Community Affairs (TDHCA) has announced a funding award to help finance the redevelopment of an existing affordable rental property in East Austin that will allow the apartment complex to continue to provide low income tenants with decent, affordable housing while providing a shot in the arm to the local economy.

TDHCA awarded \$296,913 in housing tax credits to private developers acquiring and rehabilitating the 130-unit Elm Ridge Apartments, located at 1161 Harvey Street just off East 12th Street. Because the credits provide a dollar value for a 10-year period, the final credit award amount will equal nearly \$2.9 million in financing.

The development team, which includes the nonprofit Neighborhood Housing Development Corporation, will utilize the credits in conjunction with \$5.2 million in mortgage revenue bond proceeds from the Austin Housing Finance Corporation to make the intensive repairs, producing a high quality rental property offering eligible tenants a reduced rent.

Elm Ridge Apartments will serve households whose annual income does not exceed 60 percent of the area median family income, which for Austin and Travis County equals an annual income of \$43,980 for a family of four.

“Portions of East Austin have experienced explosive growth over the past few years, but the vast majority of new housing developments in the area have priced many residents out of the market and out of the community,” said TDHCA Executive Director Michael Gerber. “There is a great need for affordable rental housing in this part of the city, and Elm Ridge will be a tremendous asset to Austin. The added bonus of this award will be the additional construction jobs and the significant infusion of payroll funds and other revenue it will bring into the local economy.”

Gerber cited a recent study by the National Association of Home Builders which shows that the one-year impact of a typical 100-unit property developed through housing tax credits includes 56 full-time construction jobs, \$5.4 million in total wages and salaries, and \$862,800 in taxes and other revenue to state and local governments.

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In addition to a lowered rent, properties funded through the Mortgage Revenue Bond and Housing Tax Credit programs also provide supportive services designed to foster self-sufficiency among young families or promote a healthy environment for older tenants. Examples typically include credit counseling, financial and computer literacy classes, and General Educational Development (GED) courses for younger adults; and transportation services, health screening, and nutrition programs for seniors.

The Housing Tax Credit Program is the state's primary means of directing private capital towards the creation of affordable rental housing. The tax credits provide private investors with a benefit that is used to offset a portion of their federal tax liability in exchange for the production of affordable rental housing. The value associated with the tax credits allows units to be leased to qualified families at below market rate rents.

About The Texas Department of Housing and Community Affairs

The Texas Department of Housing and Community Affairs is the state agency responsible for affordable housing, community services, energy assistance, colonia housing programs, and disaster recovery housing programs. It currently administers \$2 billion through for-profit, nonprofit, and local government partnerships to deliver local housing and community-based opportunities and assistance to Texans in need.