



**HOUSING AUTHORITY OF TRAVIS COUNTY**

**February 4, 2016**

**Housing Authority of Travis County  
Resolution No. HATC-2016-04**

**Resolution No. HATC-2016-04:** To Approve Rent Adjustment at Manor Town Apartments.

**WHEREAS**, Manor Town Apartments in Manor, Texas was placed in service in 2006; and

**WHEREAS**, Manor Town Apartments rental rate structure has not been increased on existing tenants since the inception of their leases; and

**WHEREAS**, There are numerous deferred maintenance and replacement items that are need to be addressed to maintain safe and decent housing for the residences; and

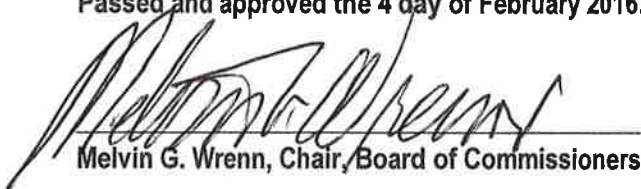
**WHEREAS**, There are no reserves in the operating budget to complete necessary repairs to the property; and

**WHEREAS**, At this time, it is necessary to apply a rental rate increase of 10% on all expiring leases and increase to maximum rent the designated 30% AMFI (approximately 6.6%).

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Commissioners of HATC hereby:

1. Approves Resolution No. HATC-2016-04,
2. Authorizes the Executive Director to execute all necessary documents and extensions.

**Passed and approved the 4 day of February 2016.**

  
Melvin G. Wrenn, Chair, Board of Commissioners

**Attested and approved as to form:**

  
Patrick B. Howard, Executive Director



**Resolution No. HATC-2016-04: To Approve Rent Adjustment at Manor Town Apartments**

**Background Information:**

Manor Town Apartments in Manor Texas was placed in service in 2006. However, since that time, no reserves have been set aside to address period and routine maintenance issues. This is primarily due to the fact that the current rent structure was not created on a graduated scale that would account for rising costs for operations and maintenance. As it result, it is necessary at the time to address these deferred maintenance issues.

**Requested Action:**

Consideration and appropriate action regarding Resolution No. HATC-2016-04: To Approve Rent Adjustment at Manor Town Apartments. What is a proposed is a rental rate increase of 10% on all expiring leases and increase to maximum rent the designated 30% AMFI (approximately 6.6%).

**Alternate Option:**

The Board of Commissioners could elect to not Approve the Rental Adjustment at Manor Town Apartments.

**Fiscal Impact:**

N/A

**Attachments:**

- A. Manor Town Write-Up
- B. Rent Increase Analysis

**Prepared and Approved by:**

A handwritten signature in blue ink that reads "Patrick B. Howard".

Patrick B. Howard, Executive Director

## Manor Town Apartments

### Manor, Texas

**Action Request:**

Staff is requesting a 10% rent increase on all units with expired leases (month to month) with the exception of rents increases which can't be increased more than max 30% program rents.

**Property Facts:**

The property consists of .64 acres of land together with improvements of thirty three (33) apartment units containing 19,668 net rentable square feet. Unit mix of the property consists of 19 one bedroom/one bath units and 14 two bedroom/two bath units.

**Financing and**

**Rent Restrictions:**

Financing	Debt	Debt Service	Outstanding Balance	Rent Restriction
Wells Fargo	\$1,229,000	\$77,088	\$939,927.93	None
Housing Trust Fund (TDHCA)	\$346,720	\$ 8,664	\$251,986.41	14 units at 30% 19 units at 80%
Federal Home Loan Bank	\$330,000	None	Grant	20 units at 50% 13 units at 60%
Totals	\$1,905,720	\$85,752	\$1,191,914.34	

**Operating Revenue:**

6/30/2015

Total Revenue: \$200,141.69

Expenses (net of Depreciation) \$104,188.40

Net Operating Income \$ 95,953.29

Debt Service on Notes \$ 85,752.00

Cash Flow available \$ 10,201.29

**Operating Reserves:**

The property has no operating reserves in which to draw upon to make necessary replacement of building components. A standard reserve for apartment complexes should be \$1000 per unit or \$33,000.

**Rent Roll & Increase:** See Rent Roll Analysis attached.

**Summary Attached:** (See rent analysis attached) If we increase rents by 10% except for those which can't be increase by more than 6.6% due to max. 30% rents, the Housing Authority can generate an additional \$17,000 per year and can establish an adequate reserve to take care of anticipated capital expenditures.

**Recommendation:** Staff request and recommends a rental increase of 10% on all (month to month) lease and 6.6% on other tenants with max rents at or near the 30% of AMFI rent restrictions.