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Dealmakers and Rising Stars



Rising Stars Have Different Origin Stories and Different Motivations, but Shared Passion

Page 7

DOD Winners Illustrate Diversity in Property Types, Locations for Affordable Housing

Page 28

2025 QLICI of the Year Winners Show Broad Impact of NMTC Incentive

Page 63

Historic Rehabilitation Award Winners Show Value of Persistence, Creativity in HTC Developments

Page 68



Federal, State LIHTCs Finance Permanent Supportive Housing in Austin, Texas

MARK O'MEARA, SENIOR COPY EDITOR, NOVOGRADAC

SGI Ventures Inc. and Austin Affordable Housing Corporation partnered with tax credit syndicator Hunt Capital Partners to develop Cady Lofts, a permanent supportive housing (PSH) development in Austin, Texas, which celebrated its grand opening April 23.

Cady Lofts offers housing stability to individuals who are experiencing chronic homelessness or have a disability that makes it difficult to find stable, affordable housing.

“Cady Lofts will create opportunities for residents to start fresh in a community with wrap-around support services and food security resources,” said Sally Gaskin, president of SGI Ventures.

“If you are going to help people experiencing chronic homelessness achieve stability, you must get them into permanent supportive housing,” said David Gray, director, Homeless Strategy Office at the City of Austin. “What’s exciting about Cady Lofts is that it is close to grocery

stores, health care centers and downtown Austin. Its centralized location is also perfect for jobs and transit.”

The scale of Austin’s homelessness crisis underscores the importance of developments such as Cady Lofts. The need for PSH in Austin is evident. A 2023 Austin Point-in-Time Count, which captures the number of individuals experiencing homelessness on a given night, revealed that 2,374 individuals in Austin were unhoused.

Development Details

Cady Lofts, which has 100 studio apartments, is a four-story community built on a three-quarter-acre lot. The roughly 450-square-foot apartments all come fully furnished. All 100 apartments are supported by project-based rental assistance vouchers provided by the Housing Authority of the City of Austin (HACA) or the city of Austin.

Image: Courtesy of SGI Ventures Inc.
Cady Lofts is a permanent supportive housing development in Austin, Texas, which celebrated its grand opening April 23.

Like all PSH developments, the housing provided is just the beginning. To support residents' safety, the front desk is staffed 24 hours a day and all guests must check in and out of the property. In addition to property management space, there is additional office space for seven case managers from Endeavors, who support the residents directly.

Cady Lofts has 6,000-plus square feet of community space, including a computer center, community kitchen and gathering area, library and recreational space. Gaskin hopes eventually to add a food pantry in partnership with the local food bank at Cady Lofts to support residents facing food insecurity. The property also has a job training classroom, a wellness and fitness center with stationary bikes, treadmills, and a television for yoga and exercise classes, as well as space for visiting medical professionals.

The development is in Austin's Hancock neighborhood, an opportunity-rich area near amenities and public transportation. Cady Lofts is two blocks from the Hancock Shopping Center, and within walking distance or a short bus ride of St. David's Medical Center and the University of Texas at Austin campus.

"This area is a public transit hub and also conveniently located within walking distance of many amenities like grocery stores, parks and medical services," said Gaskin.

On-site case managers provide support to help residents achieve stability and independence. Services include job training, goal setting, substance abuse counseling and financial literacy assistance. "Case managers work with residents to help them achieve their individual goals in a highly personalized way," said Gaskin. They also serve as liaisons to connect residents with additional community services.

"It's critical to provide housing, but it's also just as important to set tenants up for success, which requires additional funding," said Ara Garibyan, director of project management at Hunt Capital Partners, the federal and state low-income housing tax credit (LIHTC) syndicator for Cady Lofts. "As an investor, we look at PSH properties and ask, if it has an operating budget to appropriately support the required services along with the staffing necessary to do so. These are some of the hurdles when underwriting a PSH deal."

Cady Lofts aligns directly with the city's housing priorities. Between 2024 and 2027, the city has a goal to build 1,500 PSH units—a 600% increase from the city's 2024 baseline.

The city provides annual contracts to Cady Lofts to fund resident services. Gray described the arrangement as contract-based but operating "like a grant with performance criteria." "PSH tenants are truly our most vulnerable clients—those hardest hit by the intersecting crises of housing instability, health challenges and poverty," said Gray.

Construction of Cady Lofts began in October 2023 and was completed in March 2025, at which point leasing commenced at about 20 apartments per month. "Hunt is proud to play a role in providing housing for vulnerable communities in Austin and across the country," said Garibyan. "The consideration given into every aspect of the development and operation of Cady Lofts by our partners is so appealing to us as an investor partner."

The Importance of LIHTCs

Hunt Capital Partners provided \$13.8 million in federal 9% LIHTC equity and \$1 million in state LIHTC equity through its Hunt Capital Partners Tax Credit Fund 49. "The state LIHTC in Texas is a new program—2024 was the first year of awards," said Garibyan. "We are still working through the intricacies of the program because it's so new. The rules are a little different. For example, you need franchise or insurance premium tax liability to use this tax credit."

Cady Lofts checked multiple boxes for Hunt. "In Austin, Texas, we have some Community Reinvestment Act needs we are aiming to meet," said Garibyan. "Plus, the social impact of the deal is significant."

"HACA and its subsidiary Austin Affordable Housing Corporation (AAHC) are fully committed to efforts to end homelessness in Austin," said HACA president and CEO Michael Gerber in a press release. "Collaborative projects like Cady Lofts, coupled with our commitments of housing vouchers and our partnerships with city leaders, and services agencies and philanthropic partners, are essential to securing stable housing and offering social and medical services to our most vulnerable populations."

SGI Ventures Continues to Develop PSH in Austin

Cady Lofts isn't the only PSH property being developed by SGI Ventures in Austin. The company is also building The Roz, a PSH development in South Austin with the same PSH-specific floor plan as Cady Lofts. The Roz is under construction and will be completed in February 2026.

"Having two properties in Austin will be beneficial from an operations standpoint," said Gaskin. "The Roz will benefit from lessons learned with Cady Lofts and build upon our efforts to provide high quality PSH housing in all parts of central Austin." SGI is developing The Roz in partnership with Austin Housing Finance Corporation. ♦

CADY LOFTS

FINANCING

- ♦ \$13.8 million in federal 9% low-income housing tax credit (LIHTC) equity from Hunt Capital Partners
- ♦ \$8.5 million construction loan from Cadence Bank
- ♦ \$7.2 million soft loan from the City of Austin
- ♦ \$2 million construction loan from the Central Texas Housing Accelerator Fund
- ♦ \$2 million in Affordable Housing Program financing from the Austin Affordable Housing Corporation through the Federal Home Loan Bank of Dallas
- ♦ \$1.1 million forgivable loan from the Texas Department of Housing and Community Affairs' HOME American Rescue Plan
- ♦ \$1 million in state LIHTC equity from Hunt Capital Partners
- ♦ \$225,000 construction loan from the Texas State Affordable Housing Corporation
- ♦ \$75,000 grant from the Texas State Affordable Housing Corporation

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Contact

CORRESPONDENCE AND EDITORIAL SUBMISSIONS

Teresa Garcia

teresa.garcia@novoco.com

925.949.4232

ADVERTISING INQUIRIES

Christianna Cohen

christianna.cohen@novoco.com

925.949.4216

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