



Recommendation for Action

File #: 19-1659, **Agenda Item #:** 1.

5/9/2019

Posting Language

Authorize negotiation and execution of new, additional and/or amended loan agreement documents with the Cesar Chavez Foundation, or an affiliated entity, in an amount not to exceed \$5,158,000 to assist with construction of Govalle Terrace, an affordable multi-family rental development located on Shady Lane within the thinkEAST Planned Unit Development.

Lead Department

Neighborhood Housing and Community Development.

Fiscal Note

A fiscal note is attached.

Prior Council Action:

February 9, 2017 - Council approved Resolution No. 20170209-050, approving an application to be submitted to the Texas Department of Housing and Community Affairs, indicating that Council does not object to the proposed development.

For More Information:

Rosie Truelove, Treasurer, Austin Housing Finance Corporation, 512-974-3064; Mandy DeMayo, Community Development Administrator, Neighborhood Housing and Community Development, 512-974-1091.

Council Committee, Boards and Commission Action:

November 3, 2016 - The Austin Housing Finance Corporation (AHFC) 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 \$11,000,000 in private activity volume cap multi-family non-recourse bonds.

December 1, 2016 - The AHFC Board conducted a public hearing to receive public comment regarding the issuance of up to \$11,000,000 of Multi-family Housing Revenue Bonds to be issued by the Austin Housing Finance Corporation for Govalle Terrace.

December 8, 2016 - The AHFC Board authorized negotiation and execution of a loan with Govalle Affordable Housing, L.P., an affiliate of the Cesar Chavez Foundation, or an affiliated entity, in an amount not to exceed \$2,808,000 for a mixed-income multi-family rental development to be known as the Govalle Terrace.

December 7, 2017 - The AHFC 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 \$13,000,000 in private activity volume cap multi-family non-recourse bonds.

Additional Backup Information:

If approved, the Austin Housing Finance Corporation (AHFC) would be authorized to enter into new, additional

and/or amended loan agreement documents, as appropriate, with the non-profit Cesar Chavez Foundation, or an affiliated entity, to develop the multi-family affordable housing community. The proposed activity will be located in Council District 3.

Project Proposal & Funding Request

Govalle Terrace is a proposed new construction, mixed-income rental housing development in the thinkEAST Planned Unit Development (PUD). The community will consist of 97 units: four units targeted as affordable housing for households earning less than 30% of the Austin Median Family Income (MFI), which will be Permanent Supportive Housing (PSH) units; 61 units targeted as affordable housing for households earning less than 50% MFI; and 32 units targeted as affordable housing for households earning less than 60% MFI.

The developer was previously awarded AHFC funding in the amount of \$2,808,000, of which \$1,600,000 was used to assist with acquisition of the property. The remaining \$1,208,000 that was previously awarded has not yet been funded (source of funding is 2013 General Obligation Bonds). The current requested funding amount is \$3,950,000, and the proposed source of funding is 2018 General Obligation Bonds. This amount combined with the previously awarded funding amount is \$5,158,000, the amount of the new loan to be executed with the developer. Total AHFC funding in the project including previous awards would be \$6,758,000.

For more information on the proposed project, as well as socioeconomic characteristics and amenities in the surrounding area, please see the project's Development Application here:

<https://austintexas.gov/page/current-applications>.