



## Recommendation for Action

**File #:** 23-1615, **Agenda Item #:** 9.

4/20/2023

### **Posting Language**

Set a public hearing regarding a Second Amendment to the Funding Loan Agreement related to the issuance of multi-family housing revenue bonds to Govalle Terrace Partners, LP for revising the face amount of the bonds to the anticipated amount of \$9,600,000 and extending the maturity date to December 1, 2037 to finance the operating costs of a multi-family housing development known as Los Portales de Lena Guerrero, formerly known as Govalle Terrace, located at or near 5225 Jain Lane, Austin, Texas 78721. (Suggested date: May 4, 2023, Austin City Hall, 301 West 2nd Street, Austin, Texas 78701).

### **Lead Department**

Austin Housing Finance Corporation.

### **Fiscal Note**

This item has no fiscal impact.

### **Prior Council Action:**

February 9, 2017 - Council conducted a public hearing and approved Resolution No. 20170209-050 regarding an application to be submitted to the Texas Department of Housing and Community Affairs by Govalle Affordable Housing, L.P., or an affiliated entity, for low income housing tax credits in connection with the new construction of an affordable multi-family development to be located on Shady Lane within the thinkEAST Planned Unit Development.

December 1, 2016 - Council approved Resolution No. 20161201-022 supporting an application to be submitted to the Texas Department of Housing and Community Affairs by Govalle Affordable Housing, L.P., an affiliate of the Cesar Chavez Foundation, for the new construction of an affordable multi-family development to be located near Shady Lane and Jain Lane within the thinkEAST Planned Unit Development.

### **For More Information:**

Rosie Truelove, Treasurer, Austin Housing Finance Corporation, 512-974-3064; Mandy DeMayo, Deputy Director, Housing and Planning Department, 512-974-1091.

### **Council Committee, Boards and Commission Action:**

August 22, 2019 - The Board of the Austin Housing Finance Corporation (AHFC) approved Resolution No. 20190822-AHFC001 authorizing the issuance of AHFC multi-family housing revenue bonds, in an aggregate principal amount not to exceed \$13,000,000; approving related documents, in substantially the form attached to the resolution, to provide financing for the development of Govalle Terrace by Govalle Terrace Partners, LP, or an affiliated entity, for a proposed multi-family development to be located at 5225 Jain Lane, and authorizing specific named representatives of AHFC to execute the documents relating to issuance of the bonds and closing the transaction.

June 6, 2019 - AHFC conducted a public hearing and received public comment regarding the issuance of up to \$13,000,000 of multi-family housing revenue bonds to be issued by AHFC to finance the development of Govalle Terrace by the Cesar Chavez Foundation, or an affiliated entity, for a proposed housing development

located at or near 5225 Jain Lane.

May 9, 2019 - AHFC authorized 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.

December 7, 2017 - AHFC approved an inducement resolution (Resolution No. 20171207-AHFC002) 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, by Govalle Affordable Housing, L.P., or an affiliated entity, for a proposed affordable multi-family development located on Shady Lane within the thinkEAST Planned Unit Development.

February 9, 2017 - AHFC approved negotiation and execution of a loan agreement 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, located on Shady Lane within the thinkEAST Planned Unit Development.

December 1, 2016 - AHFC conducted a public hearing regarding the issuance of up to \$11,000,000 of multi-family housing revenue bonds to be issued by AHFC to finance the development by Govalle Affordable Housing, L.P., an affiliate of the Cesar Chavez Foundation, for a proposed affordable housing development to be located near Shady Lane and Jain Lane within the thinkEAST Planned Unit Development.

#### **Additional Backup Information:**

This public hearing will meet the Tax Equity and Financial Responsibility Act hearing requirements and allows AHFC to receive public input for the Second Amendment to the Funding Loan Agreement related to the issuance of multi-family housing revenue bonds to provide permanent financing for the affordable housing development. The property is located in Council District 3.

#### **Development Proposal**

Govalle Terrace Partners, LP, an affiliate of Rufino Contreras Affordable Housing Corporation, Inc. owns and operates Los Portales de Lena Guerrero, formerly known as Govalle Terrace, a 97-unit, multi-family development located at 5225 Jain Lane, Austin, Texas 78721. The community is affordable to households at 30 percent, 50 percent, and 60 percent of the Austin median family income.

The applicant has requested an Amendment to the Funding Loan Agreement for the ongoing ownership and operation of this affordable housing development. This amendment will revise the principal amount to an anticipated \$9,600,000 and the maturity date of the bonds to December 1, 2037 to allow for conversion to the development's Permanent Period. The proposed development's application to the City, as well as socioeconomic information and amenities in the surrounding area, may be found at [https://www.austintexas.gov/sites/default/files/files/Housing\\_%26\\_Planning/R-OHDA/2022%20AHFC\\_AHPFC%20Bond%20Application.pdf](https://www.austintexas.gov/sites/default/files/files/Housing_%26_Planning/R-OHDA/2022%20AHFC_AHPFC%20Bond%20Application.pdf).