



Recommendation for Action

File #: 23-1726, **Agenda Item #:** 2.

5/4/2023

Posting Language

Approve a resolution authorizing a Second Amendment to the Funding Loan Agreement related to the issuance of Austin Housing Finance Corporation multi-family housing revenue bonds to Govalle Terrace Partners, LP, in substantially the form attached to the resolution, 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, and authorizing specific named representatives of the Austin Housing Finance Corporation to execute the documents relating to issuance of the bonds and closing the transaction. Related to Item No. 1.

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 (TDHCA) 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 near Shady Lane and Jain Lane within the thinkEAST Planned Unit Development.

December 1, 2016 - Council approved Resolution No. 20161201-022 supporting an application to be submitted to the TDHCA 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 Department, 512-974-1091.

Council Committee, Boards and Commission Action:

April 20, 2023 - The Board of the Austin Housing Finance Corporation (AHFC) set a public hearing for May 4, 2023, regarding a Second Amendment to the Funding Loan Agreement related to the issuance of multi-family housing revenue bonds to Govalle Terrace Partners, LP 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.

August 22, 2019 - 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 and 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 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 near Shady Lane and Jain 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 near Shady Lane and Jain Lane within the thinkEAST Planned Unit Development.

February 9, 2017 - AHFC approved the 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 near Shady Lane and Jain 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:

If approved, this action will authorize AHFC to execute the Second Amendment to the Funding Loan Agreement related to the issuance of multi-family housing non-recourse bonds to provide interim and permanent financing for the development of Los Portales de Lena Guerrero, formerly known as Govalle Terrace. 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 project, 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 a Second Amendment to the Funding Loan Agreement for the ongoing ownership and operation of this affordable housing development. The Second 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 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.