



City of Austin

Recommendation for Action

File #: 24-4226, **Agenda Item #:** 2.

4/4/2024

Posting Language

Set a public hearing related to the issuance by the Austin Housing Public Facility Corporation of up to \$35,000,000 of multi-family housing revenue bonds to Escuela Nueva, LLC, or an affiliated entity, to finance the construction of a multi-family housing development to be known as Escuela Nueva and to be located within the city of Austin at or near 2013 Montopolis Drive, Austin, Texas 78741. (Suggested date and location: Thursday, April 18, 2024, Austin City Hall, 301 W. 2nd Street, Austin, Texas 78701.)

Lead Department

Austin Housing Public Facility Corporation.

Fiscal Note

This item has no fiscal impact.

For More Information:

Mandy DeMayo, Treasurer, Austin Housing Public Facility Corporation, 512-974-1091; Angela Means, Interim Deputy Director, Housing Department, 512-974-1534.

Council Committee, Boards and Commission Action:

February 29, 2024 - Austin Housing Finance Corporation (AHFC) authorized negotiation and execution of a loan agreement and related documents with Escuela Nueva, LLC, or an affiliated entity, in an amount not to exceed \$9,690,000, for the development of rental housing to be known as Escuela Nueva and to be located at or near 2013 Montopolis Drive, Austin, Texas 78741.

September 21, 2023 - Austin Housing Public Facility Corporation (AHPFC) approved an inducement resolution related to an application for private activity bond financing that authorized an allocation of up to \$35,000,000 in private activity volume cap multi-family non-recourse bonds to Escuela Nueva, LLC, or an affiliated entity, for a proposed affordable multi-family development to be known as Escuela Nueva and to be located at or near 2013 Montopolis Drive, Austin, Texas 78741.

March 23, 2023 - AHPFC approved an inducement resolution related to an application for private activity bond financing that authorized an allocation of up to \$30,000,000 in private activity volume cap multi-family non-recourse bonds to Escuela Nueva, LLC, or an affiliated entity, for a proposed affordable multi-family development to be known as Escuela Nueva and to be located at 2013 Montopolis Drive, Austin, Texas 78741.

Additional Backup Information:

This public hearing will meet the Tax Equity Financial Responsibility Act hearing requirements and allows AHPFC to receive public input for the issuance of up to \$35,000,000 in housing non-recourse bonds to provide construction and permanent financing for the affordable housing development. The property is located in Council District 3.

Project Proposal

Escuela Nueva, LLC, which is an affiliate of the Guadalupe Neighborhood Development Corporation (GNDC) and Escuela Montessori de Montopolis, plans to develop a 114-unit multi-family development to be located at 2013 Montopolis Drive, Austin, Texas 78741. The development will be affordable to households earning at or below 30 percent, 50 percent, and 60 percent of the Austin Median Family Income (MFI). 20 units will be available for rent to households earning at or below 30 percent MFI, 66 units will be available for rent to households earning at or below 50 percent MFI, and 28 units will be available for rent to households earning at or below 60 percent MFI. The general population is the intended target population of the development.

Financing for the development is proposed to come in part from 4% LIHTCs and private activity bonds issued by AHPFC.

The general partner of the development's partnership will be an affiliate of GNDC. The development's partnership will own the site improvements. Because of the affiliation with GNDC, the development partnership will qualify for a partial exemption from paying property tax on the improvements. Escuela Montessori de Montopolis will own the land. Because of the affiliation with Escuela Montessori de Montopolis, the land will qualify for a full property tax exemption.

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/WEB%20VERSION_AHPFC%20Bond%20App_Escuela%20Nueva.pdf.