



City of Austin

Recommendation for Action

File #: 24-4228, **Agenda Item #:** 42.

4/4/2024

Posting Language

Set a public hearing related to an application by Escuela Nueva, LLC, or an affiliated entity, for housing tax credits for a multi-family development to be financed through the private activity bond program, to be known as Escuela Nueva, located within the city 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

Housing Department.

Fiscal Note

This item has no fiscal impact.

For More Information:

Mandy DeMayo, Interim Director, Housing Department, 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, 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, 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 authorizes 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, to be located at 2013 Montopolis Drive, Austin, Texas 78741.

Additional Backup Information:

This action sets a public hearing to receive public comment on an application that will be (or has been) submitted to the Texas Department of Housing and Community Affairs. The applicant, Escuela Nueva, LLC, or an affiliated entity, seeks funding for the development through 4% Low Income Housing Tax Credits (LIHTCs) and private activity bonds. After the public hearing, Council will consider a resolution for the proposed development. The property is located within the City in Council District 3.

Proposed Development

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, a non-taxable entity, 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 <http://www.austintexas.gov/page/current-rhdaohda-applications>.