



# City of Austin

## Recommendation for Action

**File #:** 24-4362, **Agenda Item #:** 1.

4/18/2024

### **Posting Language**

Conduct 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.

### **Lead Department**

Austin Housing Public Facility Corporation.

### **Fiscal Note**

This item has no fiscal impact.

### **Prior Council Action:**

April 4, 2024 - Council set a public hearing for April 18, 2024, 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 at or near 2013 Montopolis Drive, Austin, Texas 78741.

### **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:**

April 4, 2024 - The Austin Housing Public Facility Corporation (AHPFC) set a public hearing related to the issuance by the AHPFC of up to \$35,000,000 of multi-family housing revenue bonds to Escuela Nueva LLC, or an affiliated entity, for to finance the construction of a multi-family housing development to be known as Escuela Nueva located at or near 2013 Montopolis Drive, Austin, Texas 78741.

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 - AHPFC approved an inducement resolution related to an application for private activity bond financing that authorizes 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 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 LLC, or an affiliated entity, for a proposed affordable multi-family

development to be known as Escuela Nueva located at 2013 Montopolis Drive, Austin, Texas 78741.

**Additional Backup Information:**

This public hearing meets the Tax Equity and 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 interim and permanent financing for the affordable housing project. The property is located in Council District 3.

**Project Proposal**

Escuela Nueva LLC, which is a limited liability company comprised of affiliates 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-Round Rock Metropolitan Statistical Area 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 intended target population of the development is the general population.

Financing for the development is proposed to come in part from 4% Low Income Housing Tax Credits and private activity bonds issued by AHPFC.

The managing member of the development's limited liability company will be an affiliate of GNDC. The development's limited liability company will own the site improvements. Because of the affiliation with GNDC, the development's limited liability company will qualify for a partial exemption from paying property tax on the improvements. Escuela Montessori de Montopolis will serve as owner of 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 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](https://www.austintexas.gov/sites/default/files/files/Housing_%26_Planning/R-OHDA/WEB%20VERSION_AHPFC%20Bond%20App_Escuela%20Nueva.pdf).