



# Austin Housing Finance Corporation

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## Austin Housing Public Facility Corporation

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### **Application for Financing Qualified Multifamily Residential Rental Project**

**Applicant Name:** Libertad Austin at Gardner, L<sub>+</sub>

**Project Name:** Libertad Austin

**Project Address:** 900 Gardner Rd., Austin, TX<sub>+</sub>

**Applicant Contact:** Donnell McGhee

#### **Requested Issuer:**

- Austin Housing Financing Corporation
- Austin Housing Public Facility Corporation

*Please read the instructions and guidelines before completing and submitting this application. Do not complete by hand and scan.*

*Please submit this completed application with all required attachments electronically.*

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# Section A: Application Summary

## Applicant Information

Company/  
Developer Name: Vecino Bond Group, LLC

Address: 305 W. Commercial Street

Springfield MO 65803

Phone: 417-216-0028 Email: rick@vecinogroup.com

Website: www.vecinogroup.com

## Point of Contact for Applicant

Full Name: Donnell McGhee

Address: 305 W. Commercial Street

Springfield MO 65803

Phone: 708-227-7006 Email: DMcGhee@vecinogroup.com

## Guarantor for Applicant

Full Name: Vecino Bond Group, LLC

Address: 305 W. Commercial Street

Springfield MO 65803

Phone: 417-216-0028 Email: rick@vecinogroup.com

## Financing Request

1) Amount of bond issuance requested: \$30,000,000

2) What type of bond financing is being requested for this development? (Check all that apply.)

Private Activity Bonds      501 (c)      Tax Exempt      Taxable

                

3) If Private Activity Bonds, which Priority Election?

1a      1b      1c      2      3

## Proposed Development Narrative

Please explain the general aspects of the proposed development, including the location, the style of development, the unit mix and affordability levels, the target population, the sources and uses, the target timeline, the development team and ownership structure. Please also mention any support services you intend to provide onsite to residents.

The Austin Housing Finance Corporation and The Vecino Group—a real estate company dedicated to development for the greater good—has partnered with anchor Austin-grown nonprofits Guadalupe Neighborhood Development Corporation and Caritas of Austin to create a housing vision for 900 Gardner Road that will attract and retain families to this vibrant urban neighborhood, ensure economic integration and prevent long-term displacement. The Vecino Group was chosen as the lead developer for Libertad Austin through a public RFP process.

Libertad Austin is envisioned as a neighborhood that elevates its residents' lives, strengthens their relationships and also encourages the potential they have within themselves. This vacant, City-owned tract of land will transform into a solid community of affordable housing complimented by neighborhood-centered amenities as well as family- and education-focused services.

Three buildings—one 4-story and two, mixed-height 2 & 3-story—will be developed by the Vecino Group and provide 1, 2 and 3 bedroom apartments for rent. Each unit will feature a spacious living and dining area, kitchen area, private bathrooms and bedrooms. Plus, each will have Energy Star appliances (washer/dryer, dishwasher, refrigerator). A mixed income property – the units are set to be deeply affordable with a staircase of affordability that can lead to homeownership. The 4-story building will integrate with a two-story community building, where common areas, classrooms and property management and supportive services staff offices will be located. The community building will feature a lounge area with communal kitchen, as well as a fitness room and classrooms. Libertad's outdoor amenities include a playground centered between the residential buildings, a sports court and a community pavilion—all connected by a walking path that weaves amongst the ample greenspace of the development.

Libertad Austin will have 198 total units consisting of a mix 1-, 2- and 3- bedroom units. 50 of the units at Libertad Austin will be reserved for families who have experienced homelessness. An affordable home is the foundation to long-term stability and reintegration into the community.

The site is in the process of being re-platted into two lots— one that contains the multifamily development of Libertad Austin and 13 Rowhouse-style Duplexes developed by the Guadalupe Neighborhood Development Corporation (info only included as context, but not part of application.) The site is currently zoned P-NP (Public-Neighborhood Plan) and both a re-zoning and neighborhood plan amendment application have been filed and are underway.

The neighborhood that will welcome Libertad Austin is experiencing an exponential increase in private real estate development and investment along with public investment in infrastructure to support the increased households and traffic. The neighborhood offers access to fresh food at grocery store, retail, recreation, medical and transit. The Libertad Austin project is a significant re-development of a public-owned site that is dedicated to affordable housing and, most importantly, affordable housing options for the existing neighborhood that is being priced out due to investment pressure and speculation.

The real magic of Libertad Austin is the intangible. With 50+ years of experience in providing housing, food and employment solutions, Caritas of Austin will oversee a team of local non-profits providing a host of supportive services for Libertad resident families. A key area of focus will be child/youth health and education through social and emotional learning (SEL). Other services to be provided include: relationship-based case management, mental and behavioral health services, employment services, life skills, financial literacy, health and well-being classes, workforce training and food assistance.

### Project Status:

- Bond Application to the Texas Bond Review Board in October for the 2023 lottery with Austin PFC as issuer. If selected for a reservation in January 2023, the project would be slated to close financing and start construction in July 2023.
- Market Study, Site Feasibility Report, Phase I ESA, and conceptual drawings all completed.
- City of Austin funding application submitted and approved and waiting on Council approval.

The total development costs are \$53,966,798 with approximately 44% of this cost coming in as tax credit equity at a price of \$0.91, approximately 44% of cost as a permanent loan with a 17 year term, 35 year amo and 5.50% rate, \$4,500,000 in AHFC RHDA funding and \$4,000,000 in gap funding from TDHCA. Approximately 23% of the developer fee is planned to be deferred at this time in the budget.

There will be a Ground Lease between AHFC Libertad Nonprofit Corporation ("AHFC") and the owner of the Libertad Austin (Libertad Austin at Gardner, LP) (the "Project Owner"). Under the Ground Lease, AHFC will lease the land on which the Libertad Austin project is located to the Project Owner. The term of the Ground Lease will be for a period of approximately 55 years, commencing on the tax credit closing date, and in all events will extend for a term at least 10 years beyond the end of the TDHCA LURA. The rent will be \$7,500 per year with years one and two paid at closing. The rent is paid as an "above-the-line" operating expense. After the 15-year compliance period, the rent may be adjusted in AHFC's sole and reasonable discretion.

## Section B: Applicant Information

### Applicant Legal Form

1) What is the legal form of the applicant? (Please check one)

- |   |  |
|---|--|
| <input type="radio"/> Sole Proprietorship   | <input type="radio"/> General Partnership            |
| <input type="radio"/> Business Corporation  | <input checked="" type="radio"/> Limited Partnership |
| <input type="radio"/> 501(c)(3) Corporation | <input type="radio"/> Limited Liability Company      |

2) Is the applicant a “to be formed” entity?

- Yes  No

3) If the Applicant is a Corporation or LLC, is it incorporated or authorized to transact business in Texas?

- Yes  No  N/A

4) If the Applicant is a Limited Partnership, does it have a current certificate on file with the Texas Secretary of State?

- Yes  No  N/A

### Participants in the Application

5) Has the Applicant, any of its officers or directors, or any person who owns a 10% or greater interest in the Applicant ever been found in violation of any rules or regulations of HUD or of any other federal or state agency or been the subject of an investigation by HUD or of any other federal or state agency? *IF YES, please attach a full explanation in Attachment B – Professional Development Team Members.*

- Yes  No

6) Does the Applicant or the Project currently have any tax liens with the City of Austin, Travis County, or any other taxing authority?

- Yes  No

*IF YES, please specify:*

n/a

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- 7) Identify who will act as Guarantor(s) for the proposed development and explain how she/he/they provide sufficient net worth to meet the expected guarantor requirements of both the lender and equity investor. Please identify recent transactions for which the individual(s) has served as guarantor(s).

Vecino Bond Group, LLC made up of Richard Manzardo and J. Matthew Miller (even 50/50 split) will act as Guarantor for Libertad Austin. Vecino Bond Group, LLC is the Guarantor on Espero Austin at Rutland (an AHFC partnership development under construction.) Please see Attachment C for a list of developments that have been guaranteed by Vecino Bond Group, LLC. The Guarantor has sufficient net worth and liquidity to provide guarantees. Financial statements will be provided under separate cover.



- 4) If the applicant does NOT own the project site, but holds an option to contract or purchase the project site, please:
- Provide the expiration date of the Option or Purchase and Sale Agreement, including all allowable extensions, and the Purchase Price below:

June 1, 2023 - The term of the Ground Lease shall be for a minimum of 55 years from the Initial Lease Date. The rent payable by Grantee as tenant under the Ground Lease shall be \$7,500 per year, with a 3% annual inflation adjustment, subject to adjustment by Grantor after the 15-year credit period as set forth in the Memorandum of Understanding. The Ground Lease shall be in the standard form of ground lease generally used by Grantor with such modifications as required by Grantor in its sole discretion.

- Include a copy of the Agreement with Attachment E.

Unit Mix, Facilities and Set-Asides

- 5) Please indicate the total number of units in the development and the number of units that will be rent and income restricted.

Total Units: 198

Total Income-Restricted Units: 198

- 6) Please specify the development's income restrictions:

Income Level	Efficiency	One Bedroom	Two Bedroom	Three Bedroom Unit	Four (+) Bedroom	Total
Up to 20% MFI						
Up to 30% MFI		10	10	10		30
Up to 40% MFI		5	7	3		15
Up to 50% MFI		10	21	10		41
Up to 60% MFI		34	57	21		112
Up to 70% MFI						
Up to 80% MFI						
Up to 120% MFI						
No Restrictions						
<b>Total Units</b>		<b>59</b>	<b>95</b>	<b>44</b>		<b>198</b>



7) Please describe the unit features and amenities for the proposed development.

All units are designed with an open floor plan providing free circulation between the living room, kitchen and dining areas. A full kitchen with ample storage cabinets and work areas is also provided, with electric range/ovens, and energy star refrigerators. Washer/Dryer connections are installed in the units for tenants who wish to provide these appliances, additionally each building includes a public laundry facility for the tenants use. Each unit is provided with its own independent high efficiency HVAC system and water heater. LVT (Luxury Vinyl Tile) flooring is installed throughout the units which provides an attractive and durable finish surface. One and Two Bedroom units provide a full bathroom. Three Bedroom units provide two full bathrooms. All bathrooms are sized appropriately to meet any potential future accessibility requirements. High-efficiency Low-E windows are installed in all bedrooms and living spaces.

8) Please check which of the following utilities development tenants will be required to pay for on an individual basis:

- Electricity       Water and wastewater       Gas  
 Garbage pickup       Other (describe): \_\_\_\_\_

9) Please describe any common area amenities to be included in the project. For example: covered parking, laundry, community space in clubhouse, swimming pool, playground, etc.

Common area spaces include community room, fitness center, leasing office, and supportive service staff offices. Outdoor amenities include a playground centered between residential buildings, a sports court and a community pavilion - all connected by a walking path that weaves amongst the ample greenspace of the development.

10) Please describe the intended target population, and any partnerships with local community groups or service providers to better serve that target population:

Other than HTC and PAB restrictions, there will be 50 units set-aside for the local Continuum of Care which prioritizes persons experiencing homelessness. These 50 units will receive project-based rental assistance through vouchers awarded by the Housing Authority of the City of Austin. Caritas of Austin will oversee the referral process for these 50 units and will coordinating the wrap-around menu of supportive services to best serve the needs of the population.

The remaining balance of units will be family-focused, affordable housing.

11) Please select each of the following the Applicant intends to pursue:

- Set aside 5% of the units for occupancy by the elderly
- At closing, pay the Texas Dept. of Aging a one-time fee equal to 0.10% of the total principal amount of the bond issue

Rehabilitation Proposal (if applicable)

12) Briefly describe the proposed additions and improvements. For more detailed requirements, see Attachment H.

n/a

13) Please provide the following information:

Age of Units:   n/a   Current Vacancy Rate:   n/a  

14) Will any tenants require relocation due to the expected rehabilitation? *IF YES, please briefly describe relocation plan and budget.*

- Yes                       No

n/a

Construction timeline and costs

15) Please indicate whether construction or rehabilitation on the project has begun:

Yes

Start date: \_\_\_\_\_

Estimated completion date: \_\_\_\_\_

No

Anticipated start date: July 15, 2023

Anticipated completion date: September 15, 2024

16) Please give the total project cost expended or incurred to date:

\$350,000

## Section D: Application for Bond Financing or Transfer

I, the undersigned duly authorized representative of **Libertad Austin at Gardner, L.L.C.** (the "Applicant") of the proposed residential development described in the attached Application for Financing Qualified Multifamily Residential Rental Project, do hereby make application to Austin Housing Public Facility Corporation (the "Austin HPFC") in accordance with the Austin's Rules and Regulations regarding the Financing of Multifamily Rental Residential Developments (the "Rules"), as amended. In connection therewith, I do hereby declare and represent as follows:

1. The applicant intends to own, construct or rehabilitate and operate a multifamily rental residential development (the "Development") to be located within the City of Austin, Texas, and desires that the Issuer issue obligations to provide financing for such residential developments in accordance with the Rules.
2. The Applicant has received a copy of the Rules, has reviewed the Rules and hereby agrees to comply with all terms and provisions of the Rules, except such provisions as may be expressly waived by the Board of Directors of the Austin HPFC. Furthermore, Applicant agrees to comply with all terms and provisions of any rules finally approved by the Board prior to approval of an inducement resolution.
3. The Applicant has submitted herewith two completed copies of the Application. To the best of the Applicant's knowledge, the information contained therein is true and correct. Additionally, the Applicant has submitted herewith:
  - If applying for a portion of the State Bond Cap, a \$5,000 check payable to the Texas Bond Review Board.
  - A \$5,000 check payable to the Austin HPFC to cover staff time for reviewing the application and to compensate Bond Counsel for preparing and filing the Texas Bond Review Board application.

If bonds are not issued, this application fee is non-refundable.

4. The Applicant will (a) pay all Development costs which are not or cannot be paid or reimbursed from the proceeds of the bonds issued to provide funds to finance the Development and (b) at all times, indemnify and hold harmless the Austin HPFC against

all losses, costs, damages, expenses, and liabilities of whatever nature (including, but not limited to, attorney's fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to this Application, the Development, or the issuance, offering, sale, or delivery of the bonds or other evidences of indebtedness issued to provide funds to finance the Development, or the design, construction, rehabilitation, installation, operation, use, occupancy, maintenance, or ownership of the Development.

Based on the foregoing, the Applicant requests that the Board of Directors of the Austin Housing Public Facility Corporation grant preliminary approval of this Application for financing in accordance with the Rules.

**Aug 19, 2022**

WITNESS MY HAND ON THIS DATE \_\_\_\_\_

**Libertad Austin at Gardner, LP**

\_\_\_\_\_  
PRINTED NAME OF APPLICANT

  
rick manzardo (Aug 19, 2022 13:56 CDT)

rick manzardo

\_\_\_\_\_  
By:

Authorized Signer

\_\_\_\_\_  
Title: