



## Texas Department of Housing and Community Affairs

### Governing Board

#### Board Action Request

File #: 1031

Agenda Date: 6/12/2025

Agenda #:

Presentation, discussion, and possible action regarding a Material Amendment to the Land Use Restriction Agreements for Villa Elaina (HTF #853338) and The Cornerstone (HTF #1000358)

#### **RECOMMENDED ACTION**

**WHEREAS**, Villa Elaina received a Housing Trust Fund (HTF) award in 2003 for the rehabilitation of 22 multifamily units, all of which are designated as low-income units, and The Cornerstone received a Housing Trust Fund award in 2004 for the construction of 30 multifamily units, of which eight units are designated as low-income units, in Austin, Travis County;

**WHEREAS**, Mary Lee Foundation, the prior owner for Villa Elaina and The Cornerstone (the Developments), executed a Land Use Restriction Agreement (LURA) for Villa Elaina on February 26, 2004, which was amended in 2012 to restrict 11 units for individuals and families earning no more than 30% of Area Median Income (AMI) and 11 units at no more than 60% of AMI for a term of 55 years;

**WHEREAS**, Mary Lee Foundation executed a LURA for The Cornerstone on February 24, 2005, to restrict four units for individuals and families earning no more than 30% AMI and four units at no more than 60% AMI for a term of 30 years;

**WHEREAS**, CVE Housing Corporation (Development Owner), an affiliate of Foundation Communities, Inc., acquired the Developments in 2024 for the purpose of redeveloping and reconstructing both properties on an adjacent site that was acquired by another affiliate of Foundation Communities, Inc. in 2023;

**WHEREAS**, Foundation Communities, Inc. has submitted a 4% Housing Tax Credit (HTC) application for the construction of The Bloom at Lamar Square (HTC #25420), which will include 58 new HTC units of which 52 units will mirror the unit mix and income restrictions at Villa Elaina and The Cornerstone;

**WHEREAS**, the Development Owner requests approval to amend and transfer the LURAs for Villa Elaina and The Cornerstone to The Bloom at Lamar Square (the New Development);

**WHEREAS**, the tenants at the restricted units at Villa Elaina and The Cornerstone will relocate to the New Development after its construction, and all other tenants will have an option to relocate to the New Development if their incomes qualify or will receive relocation assistance; and

**WHEREAS**, the Development Owner has complied with the amendment requirements in 10 TAC

§10.405(b), including holding a public hearing;

**NOW, therefore, it is hereby.**

**RESOLVED**, that the requested material LURA amendments for Villa Elaina and The Cornerstone is approved as presented at this meeting, and the Executive Director and his designees are each authorized, directed, and empowered to take all necessary action to effectuate the foregoing; and

**FURTHER RESOLVED**, the amendments to the LURAs will be done once construction of the New Development has been completed.

### **BACKGROUND**

Villa Elaina received a Housing Trust Fund (HTF) award in 2003 to assist with the construction of 22 multifamily units, and The Cornerstone received a Housing Trust Fund award in 2004 to assist with the construction of 30 multifamily units in Austin, Travis County. Villa Elaina has 11 units restricted for individuals and families earning no more than 30% of Area Median Income (AMI) and 11 units at no more than 60% of AMI for a term of 55 years. The Cornerstone has four units restricted for individuals and families earning no more than 30% AMI and four units at no more than 60% AMI for a term of 30 years.

The current Development Owner, CVE Housing Corporation, which is a subsidiary of Foundation Communities, Inc., purchased the Developments from the Mary Lee Foundation in 2024. Foundation Communities, Inc. is working alongside fellow nonprofit, Mary Lee Foundation, to redevelop an eight-acre campus on South Lamar in South Austin. Foundation Communities, Inc. has submitted a 4% Housing Tax Credit (HTC) application for the construction of The Bloom at Lamar Square (HTC #25420). In a letter dated April 1, 2025, Walter Moreau, representative for the Development Owner, requested approval to transfer the LURAs for Villa Elaina and The Cornerstone from their current locations at 1322 and 1318 Lamar Square to the adjacent location of 1326 and 1328 Lamar Square, which is where the proposed New Development, The Bloom at Lamar Square, will be located. Because the existing Developments are in poor condition and past their useful life, Foundation Communities, Inc. is proposing to construct 58 units at the New Development, which is on the adjacent 0.58-acre site. Fifty two of the 58 units at the New Development will mirror the unit mix and income restrictions at Villa Elaina and The Cornerstone. The tenants at the restricted units at The Cornerstone and Villa Elaina are anticipated to be relocated to the New Development after its construction. All other tenants will have an option to relocate to the New Development if their incomes qualify or will receive relocation assistance. The demolition and reconstruction of The Cornerstone and Villa Elaina at the current development sites is not part of the proposed work for the New Development, and this will take place as part of a separate, future phase of redevelopment.

The Development Owner held a public hearing on May 13, 2025, to discuss the changes being made to the HTF LURAs to facilitate the development of the New Development. Ten residents

attended the hearing, and representative of the Development Owner received feedback and answered questions regarding the moving process, income certification at the new development, and features of the new development.

Staff recommends approval of the requested material amendments to the LURAs for the Developments. The amendments to the LURAs will be done once construction of the New Development has been completed.



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April 1, 2025

**RE: LURA transfer request**

To whom it may concern,

Please accept this letter as a request to transfer the LURA requirements for TDHCA funded Cornerstone Apartments and Villa Elaina Apartments from their current locations at 1322 and 1318 Lamar Square to the adjacent location of 1326 and 1328 Lamar Square, Austin TX 78704 . Cornerstone includes 30 units, 8 of which are restricted by a TDHCA LURA. Villa Elaina includes 22 units, all of which are restricted by a TDHCA LURA. Because these 2 communities are in poor condition and past their useful life, Foundation Communities is working to reconstruct these units at the adjacent site and relocate current tenants.

Foundation Communities has submitted a 2025 4% tax credit application (#25420) to TDHCA to develop 'The Bloom at Lamar Square', which will include 58 new HTC units at 1326 and 1328 Lamar Square. 52 of these 58 units will mirror 52 unit mix at Cornerstone and Villa Elaina. The tenants at Cornerstone and Villa Elaina within the TDHCA restricted units will relocate to The Bloom after its construction. All other tenants will have an option to relocate to The Bloom if income qualified or receive relocation assistance. The demolition and reconstruction of Cornerstone and Villa Elaina are NOT part of the proposed Project for The Bloom; this will take place as part of a separate, future phase of redevelopment.

We respectfully request that TDHCA transfer the LURA to the location of the new development, The Bloom, so that we can provide better quality housing for current tenants.

Sincerely,

Walter Moreau  
Executive Director  
Foundation Communities



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