

SOUTH RIVER CITY CITIZENS

A Registered Neighborhood Association — Greater South River City Combined Neighborhood Planning Area

GREATER SOUTH RIVER CITY COMBINED NEIGHBORHOOD PLAN CONTACT TEAM

City-Designated Steward of the Greater South River City Combined Neighborhood Plan

May 18, 2026

VIA EMAIL AND HAND DELIVERY

The Honorable Mayor
Members of the Austin City Council
City Hall
301 West 2nd Street
Austin, TX 78701

Re: Cases NPA-2026-0022.01.SH and C14-2026-0010.SH (Rowen Vale, 206 East Annie Street). Request that Council deny both Cases and rescind Resolution No. 20260205-036, or, in the alternative, postpone both Cases indefinitely and reconsider the Resolution.

Dear Mayor and Members of Council:

South River City Citizens ("SRCC") is the Registered Neighborhood Association for the Greater South River City Combined Neighborhood Planning Area, where the property at 206 East Annie Street is located. The Greater South River City Combined Neighborhood Plan Contact Team ("NPCT") is the City-designated steward of the neighborhood plan that Case NPA-2026-0022.01.SH proposes to amend. Both organizations have a long history of supporting affordable housing in this planning area, and we write in that spirit.

We write to bring to Council's attention a set of public-record facts that, taken together, raise serious questions about the action presently before you. The short version, on the face of the public record:

- The named applicant, Rowen Vale, LLC (the "Applicant"), has never been formed under Texas law.
- Three sworn certifications were submitted to the Texas Department of Housing and Community Affairs ("TDHCA") and to the City of Austin on the Applicant's behalf in late January 2026.
- The institutional commitments on which TDHCA Application No. 26169 (the "Application")¹ rests, from Citibank, Stewart Title, Hudson Housing Capital, and the City's own Austin Housing Finance Corporation, were each issued in the Applicant's name and included in the Application as evidence of project viability.
- On February 5, 2026, Council adopted Resolution No. 20260205-036 (the "Supporting Resolution") in support of that same named entity. As of TDHCA's May 15, 2026 Application Submission Log, the Supporting Resolution contributes 17 of the Application's 161 Total Score points, the lowest of the five applications in the Region 7/Urban subregion. The Application's only plausible path to a 2026 award is the High-Quality Pre-Kindergarten ("HQ Pre-K") priority allocation under 10 TAC § 11.6(3)(C)(iv), and the Application is the only Region 7/Urban applicant electing HQ Pre-K.

¹Available at <https://www.tdhca.state.tx.us/multifamily/docs/imaged/2026-9-challenges/26169.pdf>.

- The Neighborhood Traffic Analysis applies the wrong vehicle-per-day threshold under the Land Development Code, and the controlling queuing analysis for the on-site HQ Pre-K (the same component that puts the Application in line for an award at TDHCA) has been deferred to site plan in tension with the Transportation Criteria Manual. The traffic mitigation finding the Code requires Council to make at this vote cannot be made on this record.

We respectfully ask Council's help in curing these defects. Concretely, that means denying both Cases and rescinding the Supporting Resolution, or, at a minimum, postponing both Cases until the entity-formation, site-control, and NTA defects are cured. The detailed basis follows.

I. The Supporting Resolution presently certifies Council's support to the State of Texas in favor of an applicant that has not been formed.

On February 5, 2026, Council adopted the Supporting Resolution. It identifies the beneficiary as "Rowen Vale, LLC, or its successors, assigns, or affiliates" and authorizes the City Clerk to certify Council's support to TDHCA. That certification is presently the sole basis for seventeen scoring points under 10 TAC § 11.9(d)(1) (Local Government Support) on the Application, and is large enough to be outcome-determinative in the 2026 9% competitive Housing Tax Credit allocation cycle.

As of TDHCA's May 15, 2026 Application Submission Log, the Application has the lowest Total Score among the five applications in the Region 7/Urban subregion (161, against 170, 170, 170, and 173). Its only plausible path to a 2026 award is the QAP's HQ Pre-K priority allocation under 10 TAC § 11.6(3)(C)(iv), which directs the Board to allocate credits to the highest-scoring General-population Development electing HQ Pre-K. On the current Log, the Application is the only Region 7/Urban applicant electing HQ Pre-K. The priority allocation is therefore presently directed to this Application, contingent on its being otherwise eligible and the Applicant being a legally formed Texas entity.

In spite of these scoring requirements, the named Applicant has not been formed. Texas Secretary of State records contain no Certificate of Formation for an entity by that name. A search of an entity filings aggregator confirms no entity in the United States was filed under the name "Rowen Vale, LLC." Under Texas law, a limited liability company has no legal existence until its Certificate of Formation is accepted by the Secretary of State. The "successors, assigns, or affiliates" formulation in the Supporting Resolution presupposes a real predecessor capable of having successors, assigns, or affiliates. A nonexistent entity has none.

Council's support, adopted in good faith on a record that did not flag the entity question², is presently being represented to a state agency on behalf of an entity that, on the public record, does not exist; the fairness of a federally funded statewide allocation now turns, in part, on that good-faith Council action.

II. The certifications underlying the Application were sworn on behalf of an entity that has not been formed, and the Application has not been corrected.

In late January 2026, three sworn certifications were submitted on behalf of the Applicant. Each represented to TDHCA, or to the City of Austin, that the statements in the Application and accompanying submittals were true and correct. Each was signed by Megan Lasch in her capacity as "President" of "Rowen Vale, LLC."

A. Three certifications. The first, dated January 28, 2026, is the TDHCA Multifamily Uniform Application Certification (pg. 3), signed before a Texas notary. The second, also dated January 28, 2026, is the City of

²On April 28, 2026, Drew Zerdecki, Vice President of Zoning of the Zilker Neighborhood Association, sent written notice of the entity-formation defect to City Planning staff. The notice attached a contemporaneous OpenCorporates search confirming the nonexistence and requested under Planning Commission Rule of Procedure 2.200 that the materials be included in the Planning Commission backup as opposition correspondence. The materials were placed on the record. The Planning Commission proceeded with its action on Cases NPA-2026-0022.01.SH and C14-2026-0010.SH on May 12, 2026.

Austin Neighborhood Plan Amendment Submittal Verification. The third, dated January 29, 2026, is the TDHCA 2026 Readiness to Proceed Certification under 10 TAC § 11.9(e)(8) (pg. 100), in which the Applicant certified to the Department and to the State of Texas that the site would be acquired and that the Applicant would submit building construction permits on or before March 31, 2027.

B. An attempt to form the Applicant with Texas Secretary of State was rejected days later. On February 2, 2026, just four days after the Readiness to Proceed Certification was signed, Casa Cobe, LLC, a Texas limited liability company managed by Megan Lasch, filed to reserve the name "Rowen Vale" at the Texas Secretary of State. The Secretary of State rejected the filing. No Certificate of Formation has been filed for any entity by that name since.

C. The continuing duty to correct the record. Under 10 TAC § 11.1(b)(1), it remains "the sole responsibility of the Applicant to perform independently the necessary due diligence to research, confirm, and verify any data, opinions, interpretations, or other information upon which an Applicant bases an Application or includes in any submittal in connection with an Application." To SRCC's and NPCT's knowledge, the Application has not been amended to address the entity-formation question raised in this letter.

As of the date of this letter, there is no evidence that the Application is, as of yet, true and correct in the respects we have described. We ask Council's help in bringing the public record into alignment with what the Land Development Code and 10 TAC require.

III. The institutional commitments on which the Application rests were each issued in the name of the fictitious Applicant.

The entity-formation defect identified in Section I is not a foot fault. It is a structural problem that cascades through every institutional commitment on which the Application rests. The financing and underwriting stack was assembled in the same January-to-February window in reliance on the named Applicant, and each of the following commitments was issued in the name of "Rowen Vale, LLC":

- Citibank, N.A. (lender): Construction-and-Permanent Loan Term Sheet dated February 17, 2026.
- Stewart Title Guaranty Co. (title insurer): \$4.1 million Title Commitment effective January 18, 2026.
- Hudson Housing Capital, LLC (equity syndicator): letter dated February 22, 2026.
- Austin Housing Finance Corporation: Pre-Kindergarten Acknowledgment dated February 23, 2026.

Each commitment was issued to a counterparty that the public record does not show to have been formed. Curing any of them, should formation later occur, under the same name or any other, requires the third party's affirmative re-underwriting, not a unilateral paperwork move by the City or developer.

IV. The site control on which the Application rests is defective on both sides of the transaction.

A successful Low Income Housing Tax Credit application requires "site control," a binding right to acquire the property, under 10 TAC § 11.204(9). The Application's site control consists of a September 12, 2025 Commercial Contract under which South Austin Christian Church (the "Seller") sold the property to O-SDA Industries, LLC, followed by a January 16, 2026 Assignment under which O-SDA assigned its rights to "Rowen Vale, LLC." Both sides of that chain are presently defective on the face of the public record.

A. The buyer side. The Assignment runs in favor of "Rowen Vale, LLC, a Texas limited liability company," a present-tense representation of legal existence. For the reasons set out in Sections I and II, no entity by that name has been formed in Texas or in any other jurisdiction. The Assignment is in favor of an entity that does not exist.

B. The seller side. Public records of the Texas Secretary of State and the Texas Comptroller indicate the following as to the Seller (SOS File No. 0008989701; Taxpayer No. 32102325449):

- The Seller was incorporated as a Texas nonprofit corporation on February 13, 1947.
- On February 22, 2013, the Texas Secretary of State issued a Certificate of Involuntary Termination following non-filing of periodic reports. An involuntarily terminated Texas nonprofit corporation ceases to legally exist except for the limited purpose of winding up its affairs.
- From February 22, 2013 through October 14, 2025 (over twelve years), the entity made no Secretary of State filings. During that period, on September 12, 2025, the Seller, signing as "SOUTH AUSTIN CHRISTIAN CHURCH, a Texas corporation domiciled in Travis County, Texas," executed the Commercial Contract that constitutes the site control on which the Application rests.
- A Nonprofit Periodic Report was filed thirty-two days later, on October 14, 2025, in an apparent late reinstatement attempt. Whether that filing effected reinstatement of the original 1947 entity, made more than nine years past the three-year reinstatement window provided by the Texas Business Organizations Code, is at minimum a contested legal question that this letter does not purport to resolve. SRCC has requested a Certificate of Status from the Texas Secretary of State and will supplement this letter upon receipt.
- As of the date of this letter, the Texas Comptroller continues to record the Seller's right to transact business in Texas as FORFEITED.
- The Stewart Title Commitment described in Section III reflects record title vested across three differently characterized "South Austin Christian Church" parties on three separate deeds; only one of those characterizations matches the contract signature block.

Council's support, certified to TDHCA in connection with the Application, presently rests on a transaction whose buyer the public record does not show to have been formed and whose seller the public record shows to have been in continuous forfeiture since February 2013. On the buyer side, the defect cannot be cured by the Applicant alone. On the seller side, it cannot be cured at all without affirmative legal action by parties not before Council.

V. The traffic mitigation finding required at this vote cannot be made on the record before Council.

Land Development Code § 25-6-141(A)(2) authorizes Council to deny a rezoning if projected traffic, combined with existing traffic, exceeds the desirable operating level set out in § 25-6-116 on a residential local or collector street in the Neighborhood Traffic Analysis ("NTA") study area. Section 25-6-141(B) authorizes Council to approve a rezoning only if the Applicant has satisfactorily mitigated adverse traffic effects. Both determinations are Council's to make at this vote (and not to be deferred to site plan). On the record before Council, neither determination can be made.

A. The NTA applied the wrong § 25-6-116 threshold. The Applicant's March 30, 2026 NTA describes Annie Street as "approximately 40 feet" in pavement width and applies the 4,000-vehicle-per-day threshold that § 25-6-116 establishes for streets "40 feet or wider." Independent measurements of Annie Street pavement width, taken curb-to-curb at the four intersections within the NTA study area, are 34'4" at Brackenridge, 39'10" at East Mid-Annie, 39'8" at West Mid-Annie, and 39'11" at Nickerson. All four are less than forty feet. Under § 25-6-116, the applicable threshold for residential local or collector streets with pavement width of "30 feet to less than 40 feet" is 1,800 vehicles per day. The Applicant's own Table 3 in the NTA projects total Annie Street traffic of 3,986 vehicles per day. That is more than double the correct threshold, an exceedance of approximately 121 percent. (Even on the NTA's own forty-foot assumption, which the actual pavement width does not support, the project's 3,986 vehicles per day leaves a margin of only 14 vehicles per day against the 4,000 desirable threshold the NTA invoked, on traffic tables that do not reconcile internally.)

B. The NTA deferred the controlling queuing analysis to site plan. The component on which the Application's path to a 2026 award depends, the HQ Pre-K priority allocation, is an on-site facility. That

facility is what the NTA calls the day care center. It generates almost half of the project's net trip generation and is the source of the queuing concern NTA Recommendation #3 identifies.

Recommendation #3 acknowledges the queuing analysis needed but defers it to site plan. The result is that the analysis of whether queues will spill into the public right-of-way of Annie Street is missing from the very record on which Council must make its consequential mitigation finding at this vote.

C. The deferral conflicts with the Transportation Criteria Manual. Transportation Criteria Manual § 10.4.3.2 provides that an NTA "shall ... provide an access management plan and queuing analysis as required by the applicable department." NTA Recommendation #3 itself acknowledges that a queuing analysis is required for the day care component of this project. The TCM therefore directs that the queuing analysis be part of the NTA. Deferring it to site plan does not satisfy § 10.4.3.2; it removes from the record before Council the analysis the TCM directs the NTA to contain. The record cannot support the satisfactorily-mitigated finding § 25-6-141(B) requires.

VI. Requested action.

Having been placed on notice of the defects identified in this letter, Council must now act to cure them. The available paths to do so are as follows.

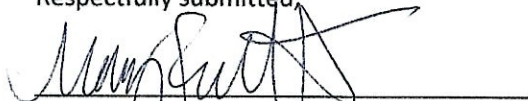
Primary relief: Deny both Cases on the threshold ground that the named Applicant does not exist on the public record and the site control chain on which the Application rests is defective at both ends, and rescind the Supporting Resolution as having been adopted in support of an entity that does not exist.

Alternative relief: If Council declines the primary relief, postpone both Cases indefinitely until (a) a single, legally formed Texas entity has been identified as the Applicant of record across the City's case files, the Application, and the contract chain; (b) the City's case files have been re-noticed accordingly; (c) the queuing analysis acknowledged in NTA Recommendation #3 has been completed; and (d) the actual pavement width of Annie Street has been verified by Transportation and Public Works staff and the correct § 25-6-116 threshold applied. Also reconsider the Supporting Resolution: either rescind it outright, or suspend its effect during any postponement so that it is not relied upon at TDHCA on behalf of an applicant that has not been formed.

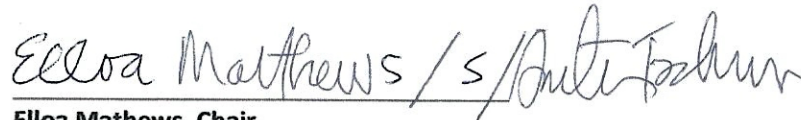
In either path: Direct the City Manager to advise the Texas Department of Housing and Community Affairs that the Supporting Resolution should not be relied upon for Local Government Support scoring of the Application until a legally formed entity has been identified as the Applicant.

SRCC and NPCT believe deeply in the importance of the State of Texas competitive Housing Tax Credit program and in its mission of directing limited public resources to the most qualified applicants for the benefit of the Texans who most need affordable housing. The action we are asking Council to take is in service of that mission. A Supporting Resolution that rests on an applicant the public record does not show to exist, and a traffic record that cannot support the finding the Land Development Code requires at this vote, are defects the City is now on notice of and has the means to cure. We thank the Mayor and Council for their consideration.

Respectfully submitted,



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