

RESOLUTION

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WHEREAS, the Alamito Public Facilities Corporation, a public facility corporation of the Housing Authority of the City of El Paso, Texas (the "Authority"), is in the process of issuing its Alamito Public Facilities Corporation Multi-Family Housing Revenue Bonds, Series 2014 in the amount of \$125,000,000.00 (the "Bonds") for the HACEPT RAD Conversion Program Phase I Project (the "Project") for the costs of acquisition and rehabilitation of thirteen multifamily residential rental developments; and

WHEREAS, a Certificate of Highest Elected Official of the City of El Paso, Texas is required to approve the issuance of the Bonds and this Certificate is solely for the purposes of Section 147(f) of the Internal Revenue Code and the City of El Paso Texas shall have no liabilities for the payment of the obligations nor shall any of its assets be pledged to the payment of the obligations.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

THAT the Mayor of the City of El Paso, Texas be authorized to sign the Certificate of Approval of the Highest Elected Official attached hereto and made a part hereof.

SIGNED this _____ day of January 2015.

CITY OF EL PASO

Oscar Leoser
Mayor

ATTEST:

Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:

Sylvia Borunda Firth
City Attorney

CITY CLERK DEPT.
2014 DEC 16 PM 4:19

APPROVAL OF HIGHEST ELECTED OFFICIAL

WHEREAS, a public hearing was held by Alamito Public Facilities Corporation (the "Issuer") on December 10, 2014 (after publication of a Notice of Public Hearing (the "Notice of Public Hearing") in the El Paso Times at least one time with the first publication appearing 15 days prior the date of the Public Hearing) and [members of the public appeared at such public hearing, as shown in the Minutes of the Public Hearing attached hereto as Exhibit A (the "Minutes")]; and

WHEREAS, it is necessary for the undersigned, as the highest elected official of the City of El Paso, Texas, to approve the issuance by Alamito Public Facilities Corporation (the "Issuer"), a public facility corporation of the Housing Authority of the City of El Paso, Texas, of its \$125,000,000 Alamito Public Facilities Corporation Multi-Family Housing Revenue Bonds, Series 2014 (HACEP RAD Conversion Program Phase I Project), hereinafter referred to as the "Bonds", and the financing therewith of a portion of the costs of acquisition and rehabilitation of the certain thirteen multifamily residential rental developments described in the Notice of Public Hearing and in the Minutes (collectively, the "Development"), to satisfy the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code");

NOW, THEREFORE, the undersigned Mayor of the City of El Paso, Texas, hereby approves the issuance, sale, execution and delivery of the Bonds and the financing of the Development described therein in an amount not to exceed \$125,000,000, and such approval shall be solely for the purposes of Section 147(f) of the Code and the City of El Paso, Texas shall have no liabilities for the payment of the obligations thereunder nor shall any of its assets be pledged to the payment of the obligations thereunder.

In Witness Whereof, I have set my hand this _____.

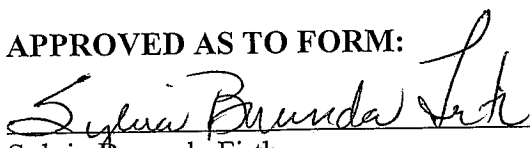
CITY OF EL PASO

Oscar Leeser
Mayor

ATTEST:

Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:



Sylvia Borunda Firth
City Attorney

EXHIBIT A

Minutes of Public Hearing

MINUTES OF PUBLIC HEARING
Alamito Public Facilities Corporation

Re: \$125,000,000 Alamito Public Facilities Corporation Multi-Family Housing Revenue Bonds, Series 2014 (HACEP RAD Conversion Program Phase I Project)

I, Art Provenghi, Hearing Officer of Alamito Public Facilities Corporation (the "Issuer"), a public facility corporation of The Housing Authority of the City of El Paso (the "Sponsor"), the issuer of the captioned series or bonds (the "Bonds"), called the Public Hearing of the Issuer to order at 10:00 a.m. on Wednesday, December 10, 2014 in the Board Room of the Administrative Offices of the Sponsor, 5300 E. Paisano, Drive, El Paso, Texas 79905.

I announced that I, Art Provenghi, was the Hearing Officer of Alamito Public Facilities Corporation (hereafter called the "Issuer"), a public facility corporation of The Housing Authority of the City of El Paso, Texas, the issuer of \$125,000,000 Alamito Public Facilities Corporation Multi-Family Housing Revenue Bonds, Series 2014 (HACEP RAD Conversion Program Phase I Project) (hereafter called the "Bonds") for El Paso RAD I, LTD. (or a related person or affiliate thereof) (hereafter called the "Borrower", whose sole general and managing partner is Paisano El Paso RAD I, Inc.), which Bonds are proposed to be issued to finance a portion of the costs of acquisition and rehabilitation of the following thirteen multifamily residential rental developments, commonly known as, containing the characteristic, and located as follows (collectively, the "Development"):

- Dwight D. Eisenhower Apartments – containing approximately 194 units and located at 5628 Eisenhower Avenue, El Paso, El Paso County, Texas 79924
- Woodrow Bean Apartments – containing approximately 31 units and located at 1313 North Saint Vrain, El Paso, El Paso County, Texas 79902
- Juan Hart Memorial Apartments – containing approximately 48 units and located at 4861 Atlas Avenue, El Paso, El Paso County, Texas 79901
- Lt. Palmer Baird Memorial Apartments – containing approximately 55 units and located at 4747 Atlas Avenue, El Paso, El Paso County, Texas 79904
- Lyndon B. Johnson Apartments – containing approximately 126 units and located at 9000 Roanoke Drive, El Paso, El Paso County, Texas 79904
- Rafael Marmolejo, Jr., Apartments – containing approximately 292 units and located at 600 North Carolina Drive, El Paso, El Paso County, Texas 79915
- Everett Alvarez Apartments – containing approximately 96 units and located at 8247 North Loop Drive, El Paso, El Paso County, Texas 79907
- Harry S. Truman Apartments – containing approximately 90 units and located at 7619 Meraz Avenue, El Paso, El Paso County, Texas 79907

- J.E. Anderson Apartments – containing approximately 58 units and located at 741 Lafayette Drive, El Paso, El Paso County, Texas 79907
- Kennedy Brothers Communities – containing approximately 364 units and located at 447 South Schutz Road, El Paso, El Paso County, Texas 79907
- George Webber Memorial Apartments – containing approximately 99 units and located at 110 Whittier Drive, El Paso, El Paso County, Texas 79907
- Raymond Telles Manor Apartments – containing approximately 68 units and located at Padres Drive and Buena Park Drive, El Paso, El Paso County, Texas 79907
- Aloysius A. Ochoa, S.J. Apartments – containing approximately 70 units and located at 8820 Old Country Road, El Paso, El Paso County, Texas 79907

which Development will be initially owned by the Borrower, the total cost of which Development will not exceed \$250,000,000 and the total amount of the Development to be financed through the issuance of tax-exempt bonds will not exceed \$125,000,000.

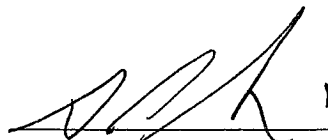
I declared that a Public Hearing, required under Section 147(f) of the Internal Revenue Code of 1986, was open for purposes of discussing the Bonds and the project to be financed, refinanced or acquired with the Bonds (the “Project”) by El Paso RAD I, LTD. (or a related person or affiliate thereof) (hereafter called the “Borrower”, whose sole general and managing partner is Paisano El Paso RAD I, Inc.).

I declared that the required notice of the Public Hearing for the Project was published at least once on November 25, 2014 in the *El Paso Times*, being a newspaper of general circulation in El Paso, Texas, as evidenced by an Affidavit of Publication attached hereto as Exhibit A.

I proceeded to hold the Public Hearing. Comments and discussions with respect to the Bonds and the Project are summarized in Exhibit B, attached hereto.

After sufficient time was given for all present to make their comments with respect to the Bonds and the Project, I declared the Public Hearing closed.

Dated: December 10, 2014.



Art Provenghi, Hearing Officer

Alamito Public Facilities Corporation, a public facility corporation of The Housing Authority of the City of El Paso, Texas

MEMORANDUM

TO: Mr. Art Provenghi, General Counsel
Housing Authority of the City of El Paso

FROM: Bill Avila, Partner
Bracewell & Giuliani LLP

DATE: December 11, 2014

RE: SUMMARY STATEMENT REGARDING
REQUEST FOR "APPROVAL OF HIGHEST
ELECTED OFFICIAL"

Question Presented

Please describe the legal requirement and procedures related to the "Approval of the Highest Elected Official" in connection with the Housing Authority of the City of El Paso ("HACEP") HACEP's financing of its RAD Conversion Program Phase I Project.

Answer

The U.S. Department of Housing and Urban Development ("HUD") has established its Rental Assistance Demonstration Program (the "RAD Program"), which provides an opportunity to local housing authorities in the U.S. to convert their public housing stock from public housing to Section 8 multifamily housing in an attempt to address the \$26 Billion backlog of capital improvements across the U.S. In December 2013, HUD approved HACEP's application to convert 6,100 public housing units through the RAD Program.

HACEP is utilizing the 4% "low income housing tax credit ("LIHTC") program" administered by the Texas Department of Housing and Community Affairs ("TDHCA") to generate equity for the financing of the conversion to RAD and, thereby, reduce the amount of debt required to accomplish the financing of RAD conversion program.

The LIHTC program is available, however, if a portion of the financing involves the use of tax-exempt debt. The RAD Conversion Program financing qualifies for tax-exempt financing if certain federal and state law procedural requirements are met. In furtherance of the state law requirements, HACEP filed an application for, and received a "Private Activity Bond Cap Allocation Reservation" from the Texas Bond Review Board ("BRB") for a private activity tax-exempt bond allocation in the amount of \$125,000,000 for thirteen of its existing public housing complexes covering 1581 units, which will enable a subsidiary of HACEP, in this instance

Memorandum to Art Provenghi

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Alamito Public Facility Corporation, to issue up to \$125,000,000 in tax exempt bonds to finance a portion of the costs of the RAD conversion for those thirteen multifamily housing complexes.

Section 147(f) of the U.S. Internal Revenue Code ("the "Code") provides that obligations of a unit of local government can be treated as "tax-exempt" if issued for a qualified purpose, to finance a qualified facility, and if certain local approval procedures are complied with prior to the issuance of such obligations. The issuance of bonds to finance affordable housing is a qualified purpose. Multifamily housing rental units which are available by persons who are at or below 60% of the area median income are qualified facilities. Section 147(f), however, requires that before the bonds are issued the issuance of such tax exempt bonds must be approved by the highest elected official of the local governmental unit having jurisdiction over the area in which such facility is located after a public hearing following reasonable notice to the public of the public hearing. Section 147(f) provides further that notice is presumed to be reasonable if it is published at least one time in a newspaper of general circulation in the City no less than 14 days before the date of the public hearing.

HACEP published a Notice of Public Hearing in the El Paso Times every day for two consecutive weeks with the first publication appearing on Tuesday, November 25, 2014, and continuing on and including December 8, 2014. HACEP held its public hearing yesterday, which was 15 days after the first publication of the Notice, to comply with the requirements of Section 147(f). It now requests that the Mayor sign the form of a certificate evidencing his consent to the issuance of the Bonds described in the Notice of the Public Hearing.

WTA/scb