

CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: **City Attorney's Office**

AGENDA DATE: January 12, 2016

CONTACT PERSON/PHONE: Sylvia B. Firth, (915) 212-0033

DISTRICT(S) AFFECTED: All

STRATEGIC GOAL: 6: Set the Standard for Sound Governance and Fiscal Management

SUBJECT:

Resolution to allow the Mayor to be authorized to sign the Certificate of Approval of the Highest Elected Official in conjunction with the proposed issuance by Alamito Public Facilities Corporation (the "Issuer"), a public facility of the Housing Authority of the City of El Paso (the "Sponsor"), in one or more series, of multifamily housing revenue bonds to be issued by the Issuer as tax-exempt bonds in an aggregate principal amount not to exceed \$40,000,000. (All Districts) [Don W. Minton, (915) 212-0033]

BACKGROUND/DISCUSSION:

In December 2013, HUD approved HACEP's application to convert 6,100 public housing units through the Rental Assistance Demonstration Program ("RAD"), which permits a local housing authority to convert its public housing to Section 8 multifamily housing. 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 its conversion to RAD and, thereby, reduce the amount of debt required to accomplish the financing of its RAD Conversion Phase III Program. Under the LIHTC program, a portion of the financing must involve the use of tax-exempt debt. In addition to other pre-requisites required by state and federal law, HACEP is required under Section 147(f) of the Internal Revenue Code, to secure approval of the bonds by the highest elected official of the local governmental unit having jurisdiction where the facility is located. This approval can come only after a public hearing following notice to the public, which notice took place on December 5, 2015 and which hearing took place on December 21, 2015. HACEP 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.

PRIOR COUNCIL ACTION:

None.

AMOUNT AND SOURCE OF FUNDING:

No Funding Required by City of El Paso; Funding Provided by Alamito Public Facilities Corporation, a public facility of the Housing Authority of the City of El Paso.

BOARD/COMMISSION ACTION: N/A

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD:

Sylvia B. Firth, City Attorney

RESOLUTION

WHEREAS, the Alamito Public Facilities Corporation, a public facility 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 2016A, 2016B and 2016C, each in the respective amounts of \$16,000,000, \$12,000,000, and \$12,000,000 (collectively, the “Bonds”) for the HACEP RAD Conversion Program Phase III Project (the “Project”) for the costs of acquisition and rehabilitation of thirteen multifamily residential rental developments; and

WHEREAS, a Certificate of Approval 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 purpose of Section 147(f) of the Internal Revenue Code and the City of El Paso shall not be construed (i) as a representation or warranty by the City or the undersigned that the Bonds will be paid or that any obligations assumed by any of the parties will, in fact, be performed, (ii) as a pledge of the faith and credit of or by the City, (iii) as authority to make use as a sales device with respect to the Bonds the fact that the undersigned has approved the Bonds, or (iv) as a representation or warranty by the City concerning the validity of the Bonds.

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

That the Mayor be authorized to sign the Certificate of Approval of the Highest Elected Official attached hereto and made a part hereof.

APPROVED this ____ day of _____, 2016.

CITY OF EL PASO, TEXAS

Oscar Leaser
Mayor

ATTEST:

APPROVED AS TO FORM:

Richarda Duffy Momsen
City Clerk

Don W. Minton
Assistant City Attorney

**MINUTES OF PUBLIC HEARING
Alamito Public Facilities Corporation**

**Re: \$16,000,000 Alamito Public Facilities Corporation Multi-Family Housing Revenue Bonds (HACEP RAD Conversion Program Phase IIIA Project);
 \$12,000,000 Alamito Public Facilities Corporation Multi-Family Housing Revenue Bonds (HACEP RAD Conversion Program Phase IIIB Project); and
 \$12,000,000 Alamito Public Facilities Corporation Multi-Family Housing Revenue Bonds (HACEP RAD Conversion Program Phase IIIC 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 of bonds (the “Bonds”), called the Public Hearing of the Issuer to order at 10:00 a.m. on Monday, December 21, 2015 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, a public facility corporation of the Housing Authority of the City of El Paso, Texas and informed those in attendance that:

The Housing Authority is proposing the issuance, in one or more series, of multifamily housing revenue bonds to be issued by the Issuer as tax-exempt bonds in an aggregate principal amount not to exceed \$40,000,000. The purpose of the Bonds is to finance a portion of the costs of acquisition and rehabilitation of six multifamily residential rental developments, each which are included within Phase IIIA, Phase IIIB, and Phase IIIC of the sponsor’s RAD Conversion Program of the U.S. Department of Housing and Urban Development, collectively referred to below as the “Development” and that:

The proceeds of the Bonds not to exceed in aggregate principal amount \$16,000,000 will be loaned to EP Rio Grande Three, LP, a Texas limited partnership (or a related person or affiliate thereof), to finance a portion of the costs of acquisition and rehabilitation of the following multifamily residential rental developments, which will be initially owned by EP Rio Grande Three, LP (or a related person or affiliate thereof):

Rio Grande Apartments containing approximately 66 units and located at 212 Lisbon Street, El Paso, El Paso County, Texas 79905

Chase Graham Apartments containing approximately 63 units and located at 8720 Independence Drive, El Paso, El Paso County, Texas 79907

Hudson Williams Apartments containing approximately 24 units and located at 314 Resler Drive, El Paso, El Paso County, Texas 79912

The proceeds of the Bonds not to exceed in aggregate principal amount \$12,000,000 will be loaned to EP Father Pinto, LP, a Texas limited partnership (or a related person or affiliate thereof) to finance a portion of the costs of acquisition and rehabilitation of:

Father Carlos Pinto Memorial Apartments containing approximately 113 units and located at 1001 South Ochoa Street, El Paso, El Paso County, Texas 79901 and which will be initially owned by EP Father Pinto, LP (or a related person or affiliate thereof)

The proceeds of the Bonds in an aggregate principal amount not to exceed \$12,000,000 will be loaned to El Paso RAD IB, Ltd., a Texas limited partnership (or a related person or affiliate thereof), to finance a portion of the costs of acquisition and rehabilitation of the following multifamily residential rental developments, which will be initially owned by the El Paso RAD IB, Ltd. (or a related person or affiliate thereof):

George W. Baines Apartments containing approximately 58 units and located at 10661 Vista Del Sol Drive, El Paso, El Paso County, Texas 79935.

Charles R. Morehead Apartments containing collectively approximately 62 units with administrative offices located at 1001 South Ochoa Street, El Paso, El Paso County, Texas 79901 and comprised of five scattered site developments containing the number of units and located at the following addresses:

Site 1: containing two (2) adjacent tracts of land located at 620 Kansas Street (8 units), 615 Campbell Street (5 units);

Site 2: containing two (2) adjacent tracts of land located at 801 S. Hills Street (8 units);

Site 3: containing two (2) adjacent tracts of land located at 1007 S. St. Vrain Street (9 units), 1009 S. St. Vrain Street (5 units);

Site 4: containing four (4) adjacent tracts of land located at 1206 E. Father Rahm (2 units), 701 Park (5 units), 707 Park (5 units), and 709 and 711 Park (5 units); and

Site 5: containing two (2) adjacent tracts of land located at 721 Park (5 units), 801 Park (5 units).


After informing those in attendance of the above, 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 issuance of the Bonds by the Issuer and the locations and nature of the Development to be financed, refinanced or acquired with the Bonds.

I declared that the required notice of the Public Hearing for the Project was published at least once on December 5, 2015 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 21, 2015.



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

EXHIBIT A

Affidavit of Publication


HOUSING AUTHORITY
5300 E. PAISANO DR.
EL PASO, TEXAS 79905

PUBLISHERS AFFIDAVIT


STATE OF TEXAS
COUNTY OF EL PASO

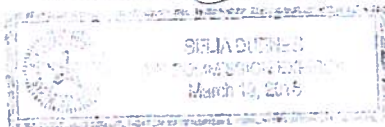
Before me, a Notary in and for El Paso County, State of Texas, on this day personally, appeared CECILIA UEBEL who states upon oath that she is the SENIOR VP OF SALES & MARKETING of the EL PASO TIMES, a daily newspaper published in the City and County El Paso, State of Texas, which is a newspaper of general circulation and which has been continuously and regularly published for the period of not less than one year in the said County of El Paso, and that he was upon the dates herein mentioned in the EL PASO TIMES.

That the LEGAL copy was published in the EL PASO TIMES for the date(s) of such follows 14 DAY(s) to wit DECEMBER 5 thru 18, 2015.

Signed 

Subscribed and sworn to before me,
This 18TH day of DECEMBER, 2015.





**NOTICE OF PUBLIC HEARING
ALAMITO PUBLIC FACILITIES CORPORATION
MULTIFAMILY HOUSING REVENUE BONDS
(HACEP RAD CONVERSION PROGRAM PHASE IIIA, IIIB & IIIC)**

Notice is hereby given of a public hearing to be held by Alamito Public Facilities Corporation (the "Issuer"), a non-profit public facility corporation created by the Housing Authority of the City of El Paso, Texas (the "Authority"), on Monday, December 21, 2015, at 10:00 a.m., in the Board Room of the Administrative Offices of the Housing Authority of the City of El Paso, Texas, 5300 E. Paisano Drive, El Paso, Texas 79905, with respect to the issuance of multifamily housing revenue bonds (the "Bonds") to be issued by the Issuer in one or more series of tax-exempt bonds in an aggregate principal amount not to exceed \$40,000,000, to finance a portion of the costs of acquisition and rehabilitation of six multifamily residential rental developments (collectively, the "Development"), each which are included within Phase IIIA, Phase IIIB, and Phase IIIC of the Authority's RAD Conversion Program of the U.S. Department of Housing and Urban Development.

• The proceeds of the Bonds to be issued by the Issuer in one or more series in an aggregate principal amount not to exceed \$16,000,000 will be loaned to EP Rio Grande Three, LP (or a related person or affiliate thereof, the "Phase IIIA Borrower"), a Texas limited partnership, to finance a portion of the costs of acquisition and rehabilitation of the following multifamily residential rental developments, which will be initially owned by the Phase IIIA Borrower:

» Rio Grande Apartments containing approximately 66 units and located at 212 Lisbon Street, El Paso, El Paso County, Texas 79905

» Chase Graham Apartments containing approximately 63 units and located at 8720 Independence Drive, El Paso, El Paso County, Texas 79907

» Hudson Williams Apartments containing approximately 24 units and located at 314 Resler Drive, El Paso, El Paso County, Texas 79912

• The proceeds of the Bonds to be issued by the Issuer in one or more series in an aggregate principal amount not to exceed \$12,000,000 will be loaned to EP Father Pinto, LP (or a related person or affiliate thereof, the "Phase IIIB Borrower"), a Texas limited partnership, to finance a portion of the costs of acquisition and rehabilitation of the following multifamily residential rental developments, which will be initially owned by the Phase IIIB Borrower:

» Father Carlos Pinto Memorial Apartments containing approximately 113 units and located at 1001 South Ochoa Street,

El Paso, El Paso County, Texas 79901

• The proceeds of the Bonds to be issued by the Issuer in one or more series in an aggregate principal amount not to exceed \$12,000,000 will be loaned to El Paso RAD IB, Ltd. (or a related person or affiliate thereof, the "Phase IIIC Borrower"), a Texas limited partnership, to finance a portion of the costs of acquisition and rehabilitation of the following multifamily residential rental developments, which will be initially owned by the Phase IIIC Borrower:

» George W. Baines Apartments containing approximately 58 units and located at 10700 Vista Del Sol Drive, El Paso, El Paso County, Texas 79935

» Charles R. Morehead Apartments containing collectively approximately 62 units with administrative offices located at 6th and Park Street, El Paso, El Paso County, Texas 79901 and comprised of five scattered site developments containing the number of units and located at the following addresses:

- Site 1: containing two (2) adjacent tracts of land located at 620 Kansas Street (8 units), 615 Campbell Street (5 units);
- Site 2: containing two (2) adjacent tracts of land located at 801 S. Hills Street (8 units);
- Site 3: containing two (2) adjacent tracts of land located at 1007 S. St. Vrain Street (9 units), 1009 S. St. Vrain Street (5 units);
- Site 4: containing four (4) adjacent tracts of land located at 1206 E. Father Rahm (2 units), 701 Park (5 units), 707 Park (5 units), and 709 and 711 Park (5 units);
- Site 5: containing two (2) adjacent tracts of land located at 721 Park (5 units), 801 Park (5 units)

All interested persons are invited to attend such public hearing to express their views with respect to the Development and the issuance of the Bonds. Questions or requests for additional information may be directed to Mr. William T. Avila, Bracewell & Giuliani LLP, 300 Convent Street, Suite 1500, San Antonio, Texas 78205-3723 (210-299-3415).

Persons who intend to appear at the hearing and express their views are invited to contact Mr. Avila either in writing or by telephone in advance of the hearing. Any interested persons unable to attend the hearing may submit their views in writing to Mr. Avila prior to the date scheduled for the hearing.

This notice is published and the above-described hearing is to be held in satisfaction of the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended, regarding the public approval prerequisite to the exclusion from gross income for federal income tax purposes of the interest on the Bonds, other than any taxable bonds.

EXHIBIT B

Other than HACEP staff in attendance at the Public Hearing, no member of the public attended the Public Hearing to speak, and thus no comments were made or discussion had about the Development or the Bonds.

APPROVAL OF HIGHEST ELECTED OFFICIAL

WHEREAS, a public hearing was held by Alamito Public Facilities Corporation (the "Issuer") on December 21, 2015 after publication of a Notice of Public Hearing (the "Notice") in the *El Paso Times*, as described in the Affidavit of Publication attached hereto as Exhibit A, and members of the public were given the opportunity to appear at such public hearing, as shown in the Minutes of the Public Hearing attached hereto as Exhibit B (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 \$16,000,000 Alamito Public Facilities Corporation Multi-Family Housing Revenue Bonds (HACEP RAD Conversion Program Phase IIIA Project), \$12,000,000 Alamito Public Facilities Corporation Multi-Family Housing Revenue Bonds (HACEP RAD Conversion Program Phase IIIB Project), and \$12,000,000 Alamito Public Facilities Corporation Multi-Family Housing Revenue Bonds (HACEP RAD Conversion Program Phase IIIC Project), hereinafter referred to as the "Bonds", and the financing therewith of a portion of the costs of acquisition and rehabilitation of the certain 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, based upon the evidence presented to me, for the sole purpose of satisfying the requirements of Section 147(f) of the Code of 1986 and for no other purpose, I, 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 the aggregate principal amount not to exceed \$40,000,000.

This approval is not to be construed as (i) a representation or warranty by the City or the undersigned that the Bonds will be paid or that any obligations assumed by any of the parties will, in fact, be performed, (ii) as a pledge of the faith and credit of or by the City; further, the fact that the undersigned has approved the Bonds as required by the Code may not, in any event, be used as a sales device with respect to the Bonds, or (iii) this approval shall not be construed as a representation or warranty by the City concerning the validity of the Bonds.

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

City of El Paso, Texas

By: _____
Mayor