



Travis County Commissioners Court Agenda Request Travis County Housing Finance Corporation

Meeting Date: February 28, 2012

Prepared By/Phone Number: Andrea Shields, Manager/854-9116

Elected/Appointed Official/Dept. Head: Leroy Nellis, Acting County Executive, Planning and Budget/854-9066

Commissioners Court Sponsor: Samuel T. Biscoe, President

AGENDA LANGUAGE: Consider and take appropriate action to approve the following:

- A. Resolution Approving an Agreement to Issue Bonds, and
- B. Other matters in connection therewith related to Argosy at Crestview Apartments Project.

BACKGROUND/SUMMARY OF REQUEST AND ATTACHMENTS: See attached backup.

STAFF RECOMMENDATIONS: Staff recommends approval.

ISSUES AND OPPORTUNITIES: None.

FISCAL IMPACT AND SOURCE OF FUNDING: None.

REQUIRED AUTHORIZATIONS: Andrea Shields, Manager/854-9116; Leroy Nellis, Acting County Executive, Planning and Budget/854-9066

AGENDA REQUEST DEADLINE: All agenda requests and supporting materials must be submitted as a pdf to Cheryl Aker in the County Judge's office, Cheryl.Aker@co.travis.tx.us by **Tuesdays at 5:00 p.m.** for the next week's meeting.

RESOLUTION OF BOARD OF DIRECTORS PRESCRIBING THE FORM AND SUBSTANCE OF AN AGREEMENT TO ISSUE BONDS; AUTHORIZING THE EXECUTION OF SUCH AGREEMENT; SETTING A PUBLIC HEARING AND CONTAINING OTHER PROVISIONS RELATING TO \$17,500,000 HOUSING REVENUE BONDS (ARGOSY AT CRESTVIEW APARTMENTS PROJECT)

WHEREAS, Travis County Housing Finance Corporation (the "Corporation") is authorized by the Texas Housing Finance Corporations Act, Local Government Code, Chapter 394, Vernon's Annotated Texas Civil Statutes, as amended (the "Act"), to issue revenue bonds for the purpose of paying all or part of the cost of a Residential Development as defined in the Act, and to sell or lease the project to others or loan the proceeds of the bonds to others to finance all or part of the cost of the Residential Development; and

WHEREAS, the Act authorizes the Corporation: (a) to make loans to any person to provide financing for rental residential developments located within Travis County, Texas (the "County"), and intended to be occupied substantially (at least 90 percent) by persons of low and moderate income, as determined by the Corporation; (b) to issue its revenue bonds for the purpose of obtaining moneys to make such loans and provide such financing, to establish necessary reserve funds and to pay administrative costs and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues, receipts or resources of the Corporation, including the revenues and receipts to be received by the Corporation from or in connection with such loans, and to mortgage, pledge or grant security interests in such loans or other property of the Corporation in order to secure the payment of the principal or redemption price of and interest on such bonds; and

WHEREAS, the Corporation now desires to authorize, issue and sell its tax-exempt housing finance revenue bonds, to the extent authorized by law, to provide funds to defray all or part of the cost of acquiring, rehabilitating and/or constructing a certain Residential Development to be known as Argosy at Crestview Apartments by ML CASA V, LP, a Delaware limited partnership (the "User"); and

WHEREAS, the User and the Corporation desire that the Corporation adopt a resolution with respect to the bonds or take some other similar official action toward the issuance of such bonds prior to the commencement of construction or acquisition of such Residential Development; and

WHEREAS, Travis County, Texas (the "Unit"), has authorized and approved creation of the Corporation to act on its behalf to further certain public purposes of the Unit;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TRAVIS COUNTY HOUSING FINANCE CORPORATION, THAT:

Section 1: The Corporation hereby authorizes and agrees that it will issue and sell its housing finance revenue bonds (the "Bonds") from time to time in one or more series pursuant to the provisions of Texas law to pay all or part of the cost of acquiring and constructing the project

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described in Exhibit "A" to the Agreement to Issue Bonds attached hereto (the "Project"), together with all costs of authorization, sale and issuance of the Bonds. The Bonds will be issued and sold as more fully provided in the Agreement to Issue Bonds, and subject to the terms thereof, in a maximum aggregate principal amount expected to be issued for the Project in an amount not to exceed \$17,500,000.

Section 2: The proceeds of the Bonds will be used to finance the acquisition, rehabilitation and/or construction of the Project.

Section 3: The Corporation will enter into a financing agreement with the User providing for financing of all or part of the cost of the Project, as more fully described in the Agreement to Issue Bonds.

Section 4: The Board of Directors of the Corporation (the "Board of Directors") hereby finds, determines and declares that (i) the Project is required and suitable for the promotion of the construction of new, improved, or expanded residential development in the Unit, (ii) the User has the business experience, financial resources and responsibility to provide reasonable assurance that the Bonds and the interest thereon to be paid from, or by reason of, payments made by the User under the financing agreement will be paid as the same become due, and (iii) the Project is in furtherance of the public purposes set forth in the Act.

Section 5: The Agreement to Issue Bonds by and between the Corporation and the User in substance and in form substantially as shown in the attachment hereto is hereby approved and the President or Vice President and Secretary or Assistant Secretary of the Corporation are hereby authorized to execute and attest such Agreement to Issue Bonds for and on behalf of the Corporation.

Section 6: The Corporation hereby authorizes the filing of an Application For Allocation of Private Activity Bonds with the Texas Bond Review Board for the year 2012 for the amount of \$17,500,000 of qualified residential mortgage bonds, and the President of the Corporation, Samuel T. Biscoe, is designated as the authorized officer to execute and deliver such Application to the Texas Bond Review Board, and subject to any changes such officer deems necessary.

Section 7: That neither the User nor any other party is entitled to rely on this Resolution as a commitment to loan funds, and the Corporation reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Corporation shall not be subject to any liability or damages of any nature. Neither the User nor any one claiming by, through or under the User, nor any investment banking firm or potential purchaser of the Bonds shall have any claim against the Corporation whatsoever as a result of any decision by the Corporation not to issue the Bonds.

Section 8: This Resolution, together with the Agreement to Issue Bonds attached hereto, shall be deemed and construed as a resolution authorizing the issuance of the aforesaid Bonds or some other similar official action toward the issuance of the Bonds.

PASSED AND APPROVED this 28th day of February, 2012.

Samuel T. Biscoe, President

CERTIFICATION

The above resolution, adopted by the Board of Directors of the Travis County Housing Finance Corporation at a meeting held on the 28th day of February, 2012, is hereby certified to be a true and correct copy of an official copy thereof on file among the official records of such Corporation.

WITNESS my hand and seal of office this 28th day of February, 2012.

Margaret Gomez, Secretary