



Travis County Commissioners Court Agenda Request

Meeting Date: April 30, 2013

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

Elected/Appointed Official/Dept. Head: Leslie Browder, County Executive, Planning and Budget/854-9106

Commissioners Court Sponsor: Samuel T. Biscoe, County Judge

AGENDA LANGUAGE:

1. Public Hearing concerning the issuance of multifamily housing revenue bonds by Travis County Housing Finance Corporation for the acquisition, construction, and financing of Parmer Place Apartments, 1500 East Parmer Lane, Austin, Texas.

2. Public Hearing concerning the issuance of multifamily housing revenue bonds by Travis County Housing Finance Corporation for the acquisition, construction, and financing of William Cannon Place Apartments, 2112 East William Cannon, Austin, Texas.

3. Approve issuance of multifamily housing revenue bonds by Travis County Housing Finance Corporation for the Parmer Place Apartments.

4. Approve issuance of multifamily housing revenue bonds by Travis County Housing Finance Corporation for the William Cannon Place Apartments.

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

STAFF RECOMMENDATIONS: Staff recommends approval.

ISSUES AND OPPORTUNITIES: None.

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

FISCAL IMPACT AND SOURCE OF FUNDING: None.

REQUIRED AUTHORIZATIONS: Andrea Shields, Manager/854-9116;
Leslie Browder, County Executive, Planning and Budget/854-9106

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



**NAMAN HOWELL
SMITH & LEE^{PLLC}**
ATTORNEYS AT LAW

MEMORANDUM
from
William C. Blount

(512) 807-2454
Fax (512) 474-1901
E-mail: blount@namanhowell.com

TO: Travis County Judge and County Commissioners

DATE: April 23, 2013

RE: Issuance of multifamily housing revenue bonds by Travis County Housing Finance Corporation ("TCHFC") to finance the acquisition, construction and financing of William Cannon Place Apartments and Parmer Place Apartments by partnerships affiliated with Pedcor Investments.

Agenda Date: April 30, 2013

The two items for this development are (1) to hold a public hearing for the above-referenced issuance of bonds by TCHFC and (2) for the County to approve the issuance of the bonds by TCHFC.

Attached are the notices of hearing that were published in the Austin American-Statesman on April 15, 2013. William Cannon Place is a proposed 252-unit multifamily housing residential project to be located at 2112 East William Cannon. Parmer Place is a proposed 252-unit multifamily housing residential project to be located at 1500 East Parmer Lane. The structure and financing of these transactions is identical and the plan is to close the transactions simultaneously. The proposed structure is similar to the structure that was discussed regarding previous transactions where the financing will be coupled with a HUD loan. The bonds will only be outstanding for a relatively short period of time – probably between 2 and 3 years and they will be completely cash collateralized at all times.

The developers were present at the April 2 board meeting of TCHFC to make an initial presentation and TCHFC staff has reviewed the application materials and proposals submitted by the developer.

As you know, for the bonds to be tax-exempt, the issuance must be approved by the "Highest Applicable Elected Representative" after a public hearing. The Commissioner's Court

qualifies as the Highest Applicable Elected Representative for these purposes. The bond issuance must be approved by the Attorney General's Office and Travis County will not have liability for the bonds.

Please give me a call if you have any questions or require any additional information regarding this matter before Tuesday.

cc: Andrea Shields
Karen Thigpen
Ladd Pattillo

**Travis County Housing Finance Corporation
700 Lavaca, Suite 1560
Austin, Texas 78701
Telephone: (512) 854-9116
Fax: (512) 854-4210**

Memo

April 30, 2013

To: Board of Directors
From: Andrea Shields, Manager
Re: Two applications for multifamily bond issues from Pedcor Investments:
William Cannon Apartments and Parmer Place

Information on Pedcor Investments

Pedcor was founded in 1987 and is an accomplished and respected affordable housing developer with holdings in 12 states. Pedcor's portfolio includes more than 14,000 units, and more than 11,000 of those units are set-aside as affordable. The firm has familiarity with bonds and tax credits (both 9% and 4%), and utilizes both types of affordable financing across the portfolio. The company, which is headquartered in Indianapolis, IN, currently does not have any properties in the state of Texas; however, staff has familiarity with Pedcor projects and construction based on previous market analysis experience on properties in other states. We recognize that the Board typically prefers that staff visit current projects to report condition, construction type, management practices, etc. Since there are no properties in the immediate area, we requested a quote from an appraisal firm in Columbus, OH that would perform site inspections, interview management staff, take photos and provide a brief write up on the condition of the two Pedcor properties in Columbus. The fee for this service is \$500, which would be considerably more affordable than a staff visit. We have included the engagement letter for this service in the backup for your consideration.

An important consideration is that when Pedcor develops properties, they hold the asset in their portfolio and have an in-house management company to perform on-site management. Since the company does not divest themselves of the assets, they are motivated to keep the properties in good condition and to work efficiently to maintain positive cash flows while providing safe and affordable housing to individuals and families. For more detailed information on Pedcor or its holdings, please review the Company Resume and Previous Participation documentation included in the backup materials.

Staff's prior experience with Pedcor has been positive, with properties exhibiting good construction and condition, while providing needed safe and affordable housing in their respective communities.

Details on William Cannon Apartments

Location: 2112 E. William Cannon Drive, Austin, 78744 (maps are included in the back up for reference). The property is located in Precinct 4.

Bond Amt: \$20,000,000

Construction

Costs: Total construction costs are estimated at \$39,180,825 with the balance financed primarily through 4% tax credits. Please note, the applicant has applied for a 221(d)4 mortgage through HUD, which would close upon completion of construction and stabilization, likely in mid-2014, at which time the bonds would be paid off. The HFC plans to continue to monitor the property annually for compliance with affordability restrictions required in the bond documents through the compliance period (typically 15 years.)

Construction

Completion: Construction is expected to be complete by December 2014.

Site: 27.43 acres, appropriately zoned for multifamily development. Plan reviews are in process with the city, but the design has already been awarded a One Star Rating as a Austin Energy Green Building (AEGB) as part of the SMART program approval process.

Structures: The property will offer 252 one-, two- and three-bedroom family units in 3-story garden style apartment buildings constructed with stucco, stone and cement-board siding.

Units: The units at the property will be set at 50 and 60% of the Area Median Income. The following chart shows the number of each unit type, the unit size, the set aside and the proposed rent and rent per square foot.

PROPOSED RENTS

Unit Type	Sq. Ft.	# of Units	Set-aside*	Proposed Rent	Rent Per SF
1bed/1bath	723	4	50%	\$555	0.76763
1bed/1bath	723	68	60%	\$692	0.95712
2bed/2bath	995	132	60%	\$824	0.82814
3bed/3bath	1,231	48	60%	\$916	0.74411
Total/Avg	918	252		\$747	

According to the Market Study by Apartment MarketData, LLC dated October 26, 2012, the proposed rents compare favorably with the average market rents for this Subject's area, with rent differences between 17.7% and 34.0%, which is shown in the following table.

Unit Type	Sq. Ft.	# of Units	Set-aside*	Proposed Rent	Market Rent	% Difference
1bed/1bath	723	4	50%	\$555	\$880	34.0%
1bed/1bath	723	68	60%	\$692	\$880	17.7%
2bed/2bath	995	132	60%	\$824	\$1,100	21.6%
3bed/3bath	1,231	48	60%	\$916	\$1,260	24.0%
Total/Avg	918	252		\$747	\$1,030	

Amenities: *Units:* The units will include ranges, refrigerators, dishwashers, microwaves, 9' ceilings, central A/C, garbage disposals, carpet, blinds, washer and dryer connections and patios/balconies. All appliances will be Energy Star rated.

Property: The property will offer a clubhouse, fitness center, community room, central laundry facilities, education center, library, business center, pool with splash pad, covered pavilion area, barbeque grills, picnic area, two playgrounds, a dog park, and Wi-Fi in the community areas. All of the amenities are free to the residents. The property is located less than 0.3 miles from the closest bus stop.

Green Building Features:

William Cannon Apartments meets the requirements of the Austin Energy Green Building (AEGB) 1 Star Rating. To meet this requirement, the property has at least 14 features for energy efficiency. Some of these include energy efficient property design (windows, insulation, lighting, mechanical systems, plumbing, etc.) and unit features (air conditioning units, Energy Star appliances, etc.) For more detailed information on the property's energy efficient features, please see the "William Cannon Green

Building Characteristics” document provided by Pedcor, which is included in the backup.

Resident

Programs: The clubhouse includes a Learning/Education Center which will be operated in conjunction with YMCA. The center will offer after school programs. Curricula will include computers and English as a Second Language. For seniors and disabled residents, management will pick up rent checks and provide concierge trash services. Management will also offer a slate of resident activities and events. The YMCA programming for children of the property as well as resident activities and events provided by management are further detailed in the “William Cannon Tenant Service and Programming” document provided by Pedcor, which is included in the backup.

Fees: Pedcor has paid the application fee for this project. The issuer fee on this project if the bonds are issued is anticipated to be approximately \$100,000.

Backup: These items are included in the backup for your review and consideration.

- *The HFC Application Questionnaire
- *Agreement to Issue Bonds
- *Application for Financial Participation
- *Resume for Pedcor Investments and Portfolio Information
- *Sources and Uses
- *15 Year Cash Flow
- *Site Plan
- *Location Maps
- *William Cannon Green Building Characteristics
- *William Cannon Tenant Service and Programming

Details on Parmer Place Apartments

Location: 1500 E. Parmer Lane, Austin, 78754 (maps are included in the back up for reference). The property is located in Precinct 1.

Bond Amt: \$20,000,000

Construction

Costs: Total construction costs are estimated at \$37,771,873 with the balance financed primarily through 4% tax credits. Please note, the applicant has applied for a 221(d)4 mortgage through HUD, which would close upon completion of construction and stabilization, likely in mid-2014, at which time the bonds would be paid off. The HFC plans to continue to monitor the property annually for compliance with affordability restrictions

required in the bond documents through the compliance period (typically 15 years.)

Construction

Completion: Construction is expected to be complete by December 2014.

Site: 15.50 acres, appropriately zoned for multifamily development. Plan reviews are in process with the city, but the design has already been awarded a One Star Rating as a Austin Energy Green Building (AEGB) as part of the SMART program approval process.

Structures: The property will offer 252 one-, two- and three-bedroom family units in 3-story garden style apartment buildings constructed with stone and cement-board siding.

Units: The units at the property will be set at 60% of the Area Median Income. The following chart shows the number of each unit type, the unit size, the set aside and the proposed rent and rent per square foot.

PROPOSED RENTS					
Unit Type	Sq. Ft.	# of Units	Set-aside*	Proposed Rent	Rent Per SF
1bed/1bath	723	72	60%	\$692	0.95712
2bed/2bath	995	132	60%	\$824	0.82814
3bed/3bath	1,231	48	60%	\$916	0.74411
Total/Avg	983	252		\$811	

According to the Market Study by Apartment MarketData, LLC dated October 26, 2012, the proposed rents compare favorably with the average market rents for this Subject's area, with rent differences between 12.0% and 21.5%, which is shown in the following table.

Unit Type	Sq. Ft.	# of Units	Set-aside*	Proposed Rent	Market Rent	% Difference
1bed/1bath	723	72	60%	\$692	\$850	14.8%
2bed/2bath	995	132	60%	\$824	\$980	12.0%
3bed/3bath	1,231	48	60%	\$916	\$1,220	21.5%
Total/Avg	983	252		\$811	\$1,017	

Amenities: *Units:* The units will include ranges, refrigerators, dishwashers, microwaves, 9' ceilings, central A/C, garbage disposals, carpet, blinds, washer and dryer connections and patios/balconies. All appliances will be Energy Star rated.

Property: The property will offer a clubhouse, fitness center, community room, central laundry facilities, education center, library, business center, pool with splash pad, covered pavilion area, barbeque grills, picnic area, two playgrounds, a dog park, and Wi-Fi in the community areas. All of the amenities are free to the residents. The property is located adjacent to the closest bus stop.

**Green
Building
Features:**

Parmer Place Apartments meets the requirements of the Austin Energy Green Building (AEGB) 1 Star Rating. To meet this requirement, the property has at least 14 features for energy efficiency. Some of these include energy efficient property design (windows, insulation, lighting, mechanical systems, plumbing, etc.) and unit features (air conditioning units, Energy Star appliances, etc.) For more detailed information on the property's energy efficient features, please see the "Parmer Place Green Building Characteristics" document provided by Pedcor, which is included in the backup.

**Resident
Programs:**

The clubhouse includes a Learning/Education Center which will be operated in conjunction with YMCA. The center will offer after school programs. Curricula will include computers and English as a Second Language. For seniors and disabled residents, management will pick up rent checks and provide concierge trash services. Management will also offer a slate of resident activities and events. The YMCA programming for children of the property as well as resident activities and events provided by management are further detailed in the "Parmer Place Tenant Service and Programming" document provided by Pedcor, which is included in the backup.

Fees: Pedcor has paid the application fee for this project. The issuer fee on this project if the bonds are issued is anticipated to be approximately \$100,000.

Backup: These items are included in the backup for your review and consideration.

- *The HFC Application Questionnaire
- *Agreement to Issue Bonds
- *Application for Financial Participation
- *Sources and Uses
- *15 Year Cash Flow
- *Site Plan
- *Location Maps
- *Parmer Place Green Building Characteristics
- *Parmer Place Tenant Service and Programming

**cc: Leslie Browder, County Executive, Planning and Budget
Cliff Blount, Naman Howell
Ladd Pattillo, FA**

**RESOLUTION OF THE COMMISSIONERS COURT OF TRAVIS COUNTY,
TEXAS APPROVING A TAX EXEMPT BOND FINANCING TO BE
UNDERTAKEN BY TRAVIS COUNTY HOUSING FINANCE CORPORATION**

WHEREAS, Travis County Housing Finance Corporation (the "Issuer") is proposing to issue its multifamily housing revenue bonds in an aggregate principal amount not to exceed \$20,000,000 (the "Bonds") to finance the acquisition, construction and equipping of a proposed 252-unit residential housing development to be known as Parmer Place Apartments to be located at 1500 East Parmer Lane, Austin, Travis County, Texas, 78753 (the "Property") located within Travis County, Texas (the "County") by Pedcor Investments-2012-CXXX, LP; and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the "Code"), the issuance of the Bonds requires approval, following a public hearing, by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Property is located; and

WHEREAS, on April 15, 2013, a notice of a public hearing with respect to the proposed issuance of the Bonds was published in a newspaper of general circulation in Travis County, Texas; and

WHEREAS, this Commissioner's Court conducted the public hearing, at which time an opportunity was provided to present arguments both for and against the issuance of the Bonds and the nature and location of the Property to be financed; and

WHEREAS, the Commissioners Court of Travis County now desires to approve the financing and the issuance of the Bonds;

NOW, THEREFORE, BE IT RESOLVED by the Commissioners Court of Travis County, as follows:

Section 1. The Commissioners Court of Travis County hereby approves the financing described above and the issuance of the Bonds in an amount not to exceed \$20,000,000. It is the purpose and intent of the Commissioners Court of Travis County that this resolution constitute approval of the financing and the issuance of the Bonds for the purposes of Section 147(f) of the Code by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Property is located, in accordance with said Section 147(f) of the Code.

Section 2. The County Judge, County Clerk and County Commissioners are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the financing transaction approved hereby.

Section 3. Nothing in this resolution shall be construed to create any obligation of the County with respect to the repayment of the Bonds. The Bonds shall

never constitute an indebtedness or pledge of the County within the meaning of any constitutional or statutory provision, and the owners of the Bonds shall never be paid in whole or in part out of any funds raised or to be raised by taxation or any other revenues of the County.

Section 4. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED on April 30, 2013.

COMMISSIONERS COURT OF
TRAVIS COUNTY, TEXAS

County Judge

ATTEST:

County Clerk

**RESOLUTION OF THE COMMISSIONERS COURT OF TRAVIS COUNTY,
TEXAS APPROVING A TAX EXEMPT BOND FINANCING TO BE
UNDERTAKEN BY TRAVIS COUNTY HOUSING FINANCE CORPORATION**

WHEREAS, Travis County Housing Finance Corporation (the "Issuer") is proposing to issue its multifamily housing revenue bonds in an aggregate principal amount not to exceed \$20,000,000 (the "Bonds") to finance the acquisition, construction and equipping of a proposed 252-unit residential housing development to be known as William Cannon Place Apartments to be located at 2112 East William Cannon, Austin, Travis County, Texas, 78753 (the "Property") located within Travis County, Texas (the "County") by Pedcor Investments-2012-CXXXI, LP; and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the "Code"), the issuance of the Bonds requires approval, following a public hearing, by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Property is located; and

WHEREAS, on April 15, 2013, a notice of a public hearing with respect to the proposed issuance of the Bonds was published in a newspaper of general circulation in Travis County, Texas; and

WHEREAS, this Commissioner's Court conducted the public hearing, at which time an opportunity was provided to present arguments both for and against the issuance of the Bonds and the nature and location of the Property to be financed; and

WHEREAS, the Commissioners Court of Travis County now desires to approve the financing and the issuance of the Bonds;

NOW, THEREFORE, BE IT RESOLVED by the Commissioners Court of Travis County, as follows:

Section 1. The Commissioners Court of Travis County hereby approves the financing described above and the issuance of the Bonds in an amount not to exceed \$20,000,000. It is the purpose and intent of the Commissioners Court of Travis County that this resolution constitute approval of the financing and the issuance of the Bonds for the purposes of Section 147(f) of the Code by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Property is located, in accordance with said Section 147(f) of the Code.

Section 2. The County Judge, County Clerk and County Commissioners are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the financing transaction approved hereby.

Section 3. Nothing in this resolution shall be construed to create any obligation of the County with respect to the repayment of the Bonds. The Bonds shall

never constitute an indebtedness or pledge of the County within the meaning of any constitutional or statutory provision, and the owners of the Bonds shall never be paid in whole or in part out of any funds raised or to be raised by taxation or any other revenues of the County.

Section 4. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED on April 30, 2013.

COMMISSIONERS COURT OF
TRAVIS COUNTY, TEXAS

County Judge

ATTEST:

County Clerk

Austin American-Statesman

PO#: WmCannonApts

Ad ID#: 5638799

Acct#: 5124790300

Account Name: NAMAN, HOWELL SMITH &
LEE

NAMAN, HOWELL SMITH & LEE
8310 CAP OF TX HWY N
SUITE 490
AUSTIN, TX 78731

AFFIDAVIT OF PUBLICATION

THE STATE OF TEXAS
COUNTY OF TRAVIS

Before me, the undersigned authority, a Notary Public in and for the County of Travis,
State of Texas, on this day personally appeared:

Cheryl Klue

Advertising Agent of the Austin American-Statesman, a daily newspaper published in said
County and State that is generally circulated in Bastrop, Bell, Blanco, Brazos, Burleson,
Burnet, Caldwell, Colorado, Comal, Coryell, Fayette, Gillespie, Gonzales, Guadalupe, Hays,
Kerr, Lampasas, Lee, Llano, Milam, Nueces, San Saba, Travis, Washington, and Williamson
Counties, who being duly sworn by me, states that the attached advertisement was published
at the lowest published rate for Classified advertising in said newspaper on the following
date(s), to wit:

First Published: 4/15/2013

Last Published: 4/15/2013

Times Published: 1

Classification: Legal Notices (9980)

Lines: 50

Cost: \$450.50

and that the attached is a true copy of said advertisement.

SWORN AND SUBSCRIBED TO BEFORE ME, this the 15 day of April 2013



Shary Denise Fowler
Notary Public in and for
TRAVIS COUNTY, TEXAS

Austin American-Statesman
305 South Congress Ave., P.O. Box 670, Austin, Texas 78767-0670 512-445-3832

Monday, April 15, 2013 9:15 AM



George Thompson

George Thompson
1844
1844

Austin American-Statesman

PO#: ParmerPIApts

Ad ID#: 5638803

Acct#: 5124790300

Account Name: **NAMAN, HOWELL SMITH &
LEE**

**NAMAN, HOWELL SMITH & LEE
8310 CAP OF TX HWY N
SUITE 490
AUSTIN, TX 78731**

AFFIDAVIT OF PUBLICATION

**THE STATE OF TEXAS
COUNTY OF TRAVIS**

Before me, the undersigned authority, a Notary Public in and for the County of Travis,
State of Texas, on this day personally appeared:

Cecily Clark

Advertising Agent of the Austin American-Statesman, a daily newspaper published in said
County and State that is generally circulated in Bastrop, Bell, Blanco, Brazos, Burleson,
Burnet, Caldwell, Colorado, Comal, Coryell, Fayette, Gillespie, Gonzales, Guadalupe, Hays,
Kerr, Lampasas, Lee, Llano, Milam, Nueces, San Saba, Travis, Washington, and Williamson
Counties, who being duly sworn by me, states that the attached advertisement was published
at the lowest published rate for Classified advertising in said newspaper on the following
date(s), to wit:

First Published: 4/15/2013 Last Published: 4/15/2013
Times Published: 1 Classification: Legal Notices (9980)
Lines: 49 Cost: \$441.49

and that the attached is a true copy of said advertisement.

Shary Denise Fowler

SWORN AND SUBSCRIBED TO BEFORE ME, this 15 day of April 2013



Shary Denise Fowler

Notary Public in and for
TRAVIS COUNTY, TEXAS

Austin American-Statesman
305 South Congress Ave., P.O. Box 670, Austin, Texas 78767-0670 512-445-3832



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