



Travis County Commissioners Court Agenda Request  
**TRAVIS COUNTY HOUSING FINANCE CORPORATION**

**Meeting Date:** January 28, 2014

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

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

**Commissioners Court Sponsor:** Samuel T. Biscoe, President

**AGENDA LANGUAGE:**

1. Public Hearing concerning the issuance of multifamily housing revenue bonds by Travis County Housing Finance Corporation for the acquisition, rehabilitation and ownership of the Timbers Apartments, 1034 Clayton Lane, Austin, Texas.

2. Approve issuance of multifamily housing revenue bonds by Travis County Housing Finance Corporation for the Timbers Apartments.

**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; 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](mailto:agenda@co.travis.tx.us) by **Tuesdays at 5:00 p.m.** for the next week's meeting.



NAMAN HOWELL  
SMITH & LEE<sup>PLLC</sup>  
ATTORNEYS AT LAW

MEMORANDUM  
from  
**William C. Blount**

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

**TO:** Travis County Judge and County Commissioners

**DATE:** January 21, 2014

**RE:** Issuance of multifamily housing revenue bonds by Travis County Housing Finance Corporation (“TCHFC”) to finance the acquisition, rehabilitation and ownership of the Timbers Apartments

**Agenda Date:** January 28, 2014

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.

A notice of hearing was published in the [Austin American-Statesman](#) on January 13, 2014. The Timbers is a 104-unit multifamily housing residential project located at 1034 Clayton Lane. This acquisition and rehabilitation is a project of entities affiliated with the Cesar Chavez Foundation.

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

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

**Memo**

November 26, 2013

To: Board of Directors

From: Andrea Shields, Manager

Re: Application for multifamily bond issue from Cesar Chavez Foundation:  
The Timbers Apartments

The Cesar Chavez Foundation (CCF) has applied to the Housing Finance Corporation for a bond issue to finance the rehabilitation of one existing affordable housing property within Travis County. The agenda item for December 3, 2013, is for initial inducement to issue bonds on this property, which is in no way a commitment to do so. You all have several weeks to review the application materials and receive answers to any questions you may have. This memo and the appended backup materials are intended to provide you with the most relevant information on this item for your consideration. Should you want any other information, please do not hesitate to request it, and we will be happy to provide it. Please note that the Corporation's counsel and FA are also reviewing the applications currently.

**Information on Cesar Chavez Foundation**

The Cesar Chavez Foundation (CCF) was founded in 1966 by Cesar Chavez and Dolores Huerta with the involvement of Senator Robert F. Kennedy and Walther Reuther. CCF was initially conceived to serve the social service and health needs of farm workers across the United States. CCF has grown to serve millions of people each year and it has made historic impact in program areas including affordable housing. CCF's Housing and Economic Development Division addresses the need for affordable housing amount low and moderate income households by providing for housing opportunities by building or renovating multifamily apartment properties to make safe, amenity-rich affordable housing available to families across California, Arizona, New Mexico and Texas. CCF currently manages a portfolio of 33 properties and has developed over 4,300 multifamily rental units. CCF's households typically earn 30%-60% of Area Median Income. CCF's services have been recognized by both HUD and the Federal Home Loan Bank as a Best Practice in quality affordable housing

development. CCF also has 303 units under construction and an additional 209 units in the pipeline. The Foundation has familiarity with bonds and tax credits (both 9% and 4%), and utilizes both types of affordable financing across the portfolio. Staff has toured one of CCF's properties in San Antonio, as well as the existing property in Austin that is the site for the requested bond issue, and is satisfied with the current condition, construction type and management practices of both properties.

An important consideration is that when CCF 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 CCF, please review the Management Resumes documentation included in the backup materials.

It should be noted that staff was approached previously by CCF a year ago on a different potential bond issue to be located in the Riverside area. At the time, CCF and the TCHFC decided not to move forward on the deal for two reasons: over saturation of the market in the Riverside area and CCF's compliance issues with TDHCA on one property in their portfolio. Staff has received notice from TDHCA (included in the backup materials) that CCF has taken corrective action on all of the compliance items and is currently in good standing with the Department. Staff believes that this compliance issue was an isolated event and feels comfortable moving forward with the bond issuance, should the Board approve.

### **Details on The Timbers Apartments**

**Location:** 1034 Clayton Lane, Austin, 78723 (maps are included in the back up for reference). The property is located in Precinct 1.

**Bond Amt:** \$7,771,000.00

#### **Rehabilitation**

**Costs:** It should be noted that the property is an existing 104-unit affordable multifamily property built in 1998. Direct construction costs are estimated at \$1,868,351.00 (\$17,965 per unit). Total development costs are estimated to be \$12,470,336 with the balance financed primarily through 4% tax credits. Please note the applicant has applied for a mortgage through the FHA Tax Credit Pilot Program. This FHA loan program is designed to provide economical and cost effective financing for LIHTC transactions that are being re-syndicated and anticipates modest rehabilitation of the property. The financing anticipates utilizing cash to enhance/support the tax exempt bonds until the property has been placed

in service for the LIHTC program. Upon being placed in service, the bonds will be redeemed and the property will be financed solely through the initial sale of the taxable GNMA certificate issued by the FHA Pilot loan program. 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.)

**Rehabilitation**

**Completion:** Rehabilitation is expected to be complete by July 2015.

**Site:** 5.7 acres appropriately zoned for multifamily development.

**Structures:** There are currently 104 two-, three- and four-bedroom family units in 10 two- and three-story garden style apartment buildings constructed with wood frame and cement-board siding with brick accents and trim.

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

**CURRENT RENTS**

Unit Type	Sq. Ft.	# of Units	Set-aside*	# Vacant	Current Rent	Rent Per SF
2br/2ba	976	13	50% AMI	1	\$732	0.75
2br/2ba	976	29	60% AMI		\$908	0.9303
2br/2ba	976	14	Market	1	\$935	0.9579
3br/2ba	1,215	7	50% AMI		\$815	0.6707
3br/2ba	1,215	17	60% AMI		\$1,018	0.8378
3br/2ba	1,215	8	Market		\$1,035	0.8518
4br/2.5ba	1,325	4	50% AMI		\$886	0.6686
4br/2.5ba	1,325	8	60% AMI	1	\$1,113	0.84
4br/2.5ba	1,325	4	Market	2	\$1,135	0.8566
<b>Total/Avg</b>	<b>1,172</b>	<b>104</b>		<b>5</b>	<b>\$953</b>	

The proposed rents at the property are set at 50 and 60% of 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**

<b>Unit Type</b>	<b>Sq. Ft.</b>	<b># of Units</b>	<b>Set-aside*</b>	<b>Proposed Rent</b>	<b>Rent Per SF</b>
2br/2ba	976	13	50% AMI	\$735	0.7530 7
2br/2ba	976	43	60% AMI	\$825	0.8452 9
2br/2ba	976	0	Market		0
3br/2ba	1,215	7	50% AMI	\$821	0.6757 2
3br/2ba	1,215	25	60% AMI	\$925	0.7613 2
3br/2ba	1,215	0	Market		0
4br/2.5ba	1,325	4	50% AMI	\$894	0.6747 2
4br/2.5ba	1,325	12	60% AMI	\$1,050	0.7924 5
4br/2.5ba	1,325	0	Market		0
<b>Total/Avg</b>	<b>1,172</b>	<b>104</b>		<b>\$875</b>	

Scope of

**Renovations:** Exterior renovations will consist of modifying the landscaping with more climate tolerant plant life, exterior clean up, site fencing and minor miscellaneous repairs. Interior renovations will include new cabinets in the kitchen and baths, new countertops, new plumbing and electrical fixtures, flooring and painting of the units. For a more detailed scope of renovations, please refer to the Timbers Scope included in the backup material.

**Amenities:** *Units:* The units will include ranges, refrigerators, dishwashers, microwaves, 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, community room, central laundry facilities, pool, covered pavilion area, barbeque grills, picnic area and playground. All of the amenities are free to the residents.

Green  
Building

Features: Energy efficient features will include light fixtures for the kitchen and baths and air conditioning units, as well as Energy Star rated appliances.

Resident  
Programs:

Proposed resident programs include:

1. Weekday character building program (shall include at least on a monthly basis a curriculum- based character building presentation on relevant topics, i.e. teen dating violence, drug prevention, team building, internet dangers, stranger danger, etc.)
2. Quarterly health and nutritional courses
3. Scholastic tutoring to include weekday homework help and other focus on academics
4. Weekly exercise classes

Fees: CCF has paid the application fee for this project. The issuer fee on this project if the bonds are issued is anticipated to be approximately \$35,000.

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
- \*Previous Participation
- \*Management Resumes
- \*Organizational Chart and Property Data including Site Plan and Location Maps
- \*Sources and Uses
- \*15 Year Cash Flow
- \*Relocation Plan
- \*Scope of Renovations

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 \$7,771,000 (the "Bonds") to finance the acquisition, rehabilitation and ownership of a 104-unit residential housing development known as the Timbers Apartments located at 1034 Clayton Drive, Austin, Texas, 78723 (the "Property") located within Travis County, Texas (the "County") by Timbers Clayton 104 Apartments, L.P., or its successors or assigns; 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 January 13, 2014, 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 \$7,771,000. 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 January 28, 2014.

COMMISSIONERS COURT OF  
TRAVIS COUNTY, TEXAS

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County Judge

ATTEST:

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County Clerk

**NOTICE OF PUBLIC HEARING**

Notice is hereby given that the Commissioners Court of Travis County, Texas will conduct a public hearing on behalf of Travis County Housing Finance Corporation (the "Corporation") at the Travis County Commissioner's Courtroom, 700 Lavaca, First Floor, Austin, Texas 78701 on January 28, 2014, at 1:30 p.m. concerning the issuance of an aggregate principal amount of not to exceed \$7,771,000 in tax-exempt housing revenue bonds (the "Bonds"). The Bonds will be used by the Corporation to make a loan to Timbers Clayton 104 Apartments, L.P., a limited partnership which is controlled by the Rufino Contreas Affordable Housing Corporation, an entity related to the Cesar Chavez Foundation, or its successors or assigns (the "Borrower"), to finance a portion of the cost of the acquisition, rehabilitation and ownership of a 104-unit affordable rental housing development known as Timbers Apartments (the "Project"), located at 1034 Clayton Drive, Austin, Texas, 78723. The initial owner, operator or manager of the Project is expected to be the Borrower.

The Bonds, when issued, will be special, limited obligations of the Corporation payable solely out of the revenues derived from financing agreements with the Borrower. THE BONDS SHALL NOT REPRESENT OR CONSTITUTE A LIABILITY OR PLEDGE OF THE FAITH AND CREDIT OF TRAVIS COUNTY, TEXAS OR OF ANY OTHER MUNICIPAL CORPORATION OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS WHATSOEVER.

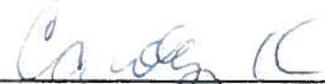
Interested persons are invited to attend this public hearing and will be given the opportunity to express their views concerning the approval of the issuance of the Bonds for the purposes of financing the Project.

Anyone desiring to make written comments may submit them to the Corporation by 5:00 p.m. on January 27, 2014, to the attention of Cliff Blount of Naman Howell Smith & Lee, PLLC, 8310-1 Capital of Texas Highway North, Suite 490, Austin, Texas 78731. This notice is given pursuant of Section 147(f) of the Internal Revenue Code of 1986, as amended.

**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 Carolyn Kline, 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, Nueces, San Saba, Travis, Washington and Williamson Counties, who being duly sworn by me, states that the attached advertisement was published at the lowest rate for Classified advertising in said newspaper on the following date(s), to wit: NAMAN HOWELL SMITH & LEE PLLC, TEFRA NOTICE 02673134, First date of Publication 01/13/2014, Last date of Publication 01/13/2014, Web and print times Published 2, Legal Notices, 1 X 55, and that the attached is a true copy of said advertisement.

SLEGAL TEFRA NOTICE 02673134  
Ad ID: 381833  
Ad Cost: 495.55

  
SWORN AND SUBSCRIBED TO BEFORE ME, on  
01/14/2014

  
Notary Public in and for  
TRAVIS COUNTY, TEXAS

