

Travis County Commissioners Court Agenda Request



Meeting Date: April 15, 2014

Prepared By/Phone Number: Cliff Blount

Elected/Appointed Official/Dept. Head: Samuel T. Biscoe, County Judge

Commissioners Court Sponsor: Samuel T. Biscoe, County Judge

AGENDA LANGUAGE:

1. (AT 1:30 p.m.) - Public Hearing concerning (a) the issuance of multifamily housing revenue bonds by Strategic Housing Finance Corporation of Travis County for the Lowden Lane Apartments project and (b) the filing of application for housing tax credits with Texas Department of Housing and Community Affairs by Lowden Housing, LP.
2. Take appropriate action to consider and approve (a) Resolution approving issuance of multifamily housing revenue bonds by Strategic Housing Finance Corporation of Travis County Multifamily Housing Revenue Bonds for the Lowden Lane Apartments project and (b) Resolution Concerning Housing Tax Credit Application by Lowden Housing, LP.

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.

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.

REQUIRED AUTHORIZATIONS: Andrea Shields, Travis County Housing Finance Corporation Manager/854-9116;

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 ^{PLC}
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 8, 2014

RE: Issuance of multifamily housing revenue bonds by Strategic Housing Finance Corporation of Travis County for The Lowden Lane Apartments Project

Agenda Date: April 15, 2014

The two items for this project are (1) to hold a public hearing for the above-referenced issuance of bonds by Strategic Housing Finance Corporation of Travis County (“Strategic”) and filing of a housing tax credit application with Texas Department of Housing and Community Affairs (“TDHCA”) and (2) for the County to approve the issuance of the bonds by Strategic and to adopt a resolution that it does not object to the filing of the application.

TEFRA Approval

Attached is the notice of hearing that was published in the Austin American-Statesman on March 31, 2014. The project will be a 192-unit multifamily housing residential project to be located at 12701 Lowden Lane, south of Manchaca and FM 1626. I understand that Craig Alter has either met with, is scheduled to meet with or has requested to meet with each of you to provide information on the project and structure of the transaction.

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. I have attached the published notice and proposed resolution. Strategic has received an allocation to issue the bonds from the Bond Review Board for the project. Additionally, the bond issuance must be approved by the Attorney General’s Office and Travis County will not have liability for the bonds.

TDHCA Application consent

A recent change to the law regarding tax credits for this type of project requires the County to adopt a resolution which states the County does not object to the filing of a tax credit application for the project after the holding of a public hearing and notice is provided to the Commissioners Court of the intent to file the application with TDHCA. The hearing for the TEFRA approval will also serve as the hearing for this new requirement. Also attached are a draft of the required resolution and the notice from Strategic.

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

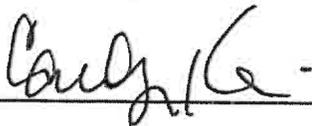
NOTICE OF PUBLIC HEARING

Notice is hereby given that the Commissioners Court of Travis County, Texas (the "County") will conduct a public hearing on behalf of Strategic Housing Finance Corporation of Travis County (the "Corporation"), at the Travis County Commissioner's Courtroom, 700 Lavaca, First Floor, Austin, Texas, 78701 on April 15, 2014, at 1:30 p.m. concerning the issuance of an aggregate principal amount not to exceed \$21,000,000 in tax-exempt housing revenue bonds (the "Bonds"), the proceeds of which are to be used to finance a portion of the cost of the acquisition, development, construction, financing and ownership of a 192-unit multifamily residential rental development. The name of the project is Lowden Lane Apartments, and it is located at 12701 Lowden Lane, Austin, Texas 78652. The initial owner, operator or manager of the project will be Lowden Housing, LP, a Texas limited partnership (the "Company").

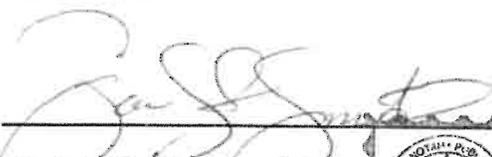
The Bonds, when issued, will be special, limited obligations of the Corporation payable solely out of the revenues derived from financing agreements with the Company. THE BONDS DO NOT CONSTITUTE A LIABILITY OF TRAVIS COUNTY, TEXAS OR OF ANY OTHER MUNICIPAL CORPORATION OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS WHATSOEVER. PAYMENT ON THE BONDS IS NOT TO BE MADE FROM TAXES OR ANY OTHER PUBLIC FUNDS.

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.

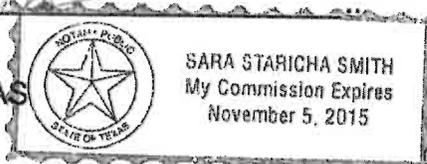
You may submit written comments to the Corporation which must be submitted by 5:00 p.m. on April 14, 2014, to the attention of Cliff Blount, Naman Howell Smith & Lee, PLLC, 8310-1 Capital of Texas Highway North, Suite 490, Austin, Texas, 78731. This notice is given pursuant of Section 147(f) of the Internal Revenue Code of 1986, as amended.



SWORN AND SUBSCRIBED TO BEFORE ME, on
03/31/2014



Notary Public in and for
TRAVIS COUNTY, TEXAS



**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, 226343_0331 - TERFA NOTICE 02673213-2, First date of Publication 03/31/2014, Last date of Publication 03/31/2014, Web and print times Published 2, Legal Notices, 1 X 57, and that the attached is a true copy of said advertisement.

SLEGAL TERFA NOTICE 02673213-2
Ad ID: 458845
Ad Cost: 513.57

**RESOLUTION OF THE COMMISSIONERS COURT OF TRAVIS COUNTY,
TEXAS APPROVING A TAX CREDIT HOUSING APPLICATION OF LOWDEN
HOUSING, LP**

Whereas, Lowden Housing, LP (“Applicant”) has proposed a development for affordable rental housing of 192 units that will be located at 12701 Lowden Lane, Austin, Texas, 78652 in Travis County, Texas (the “Governing Body”); and

Whereas, Applicant has submitted an application to the Texas Department of Housing and Community Affairs for 2014 Housing Tax Credits for Lowden Lane Apartments;

It is hereby

RESOLVED, that in accordance with the requirements of Texas Government Code §2306.67071 and Texas Administrative Code §10.204(4), it is hereby found that:

1. Notice has been provided to the Governing Body in accordance with Texas Government Code, §2306.67071(a); and
2. The Governing Body has had sufficient opportunity to obtain a response from the Applicant regarding any questions or concerns about the proposed Development; and
3. The Governing Body held a hearing at which public comment may have been made on the proposed Development in accordance with Texas Government Code, §2306.67071(b); and
4. After due consideration of the information provided by the Applicant and public comment, the Governing Body does not object to the proposed Application.

FURTHER RESOLVED that for and on behalf of the Governing Body, Samuel T. Biscoe, County Judge and Dana DeBeauvoir, or their appropriate deputies, are hereby authorized, empowered, and directed to certify these resolutions to the Texas Department of Housing and Community Affairs.

FURTHER RESOLVED, The County Judge, the County Clerk and the 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.

This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED on April __, 2014.

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 (the “Bonds”) in an aggregate principal amount not to exceed \$20,000,000 to finance the acquisition and rehabilitation of a 308-unit housing community known as The Hampton Apartments located at 1773 Wells Branch Parkway, Austin, Texas, 78728 (the “Property”) located within Travis County, Texas (the “County”) by MLVI HAMPTON APARTMENTS, LLC; 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 March 31, 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, in which the Property is located; and

WHEREAS, the Issuer 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 or refinanced; and

WHEREAS, a summary of the comments presented at the hearing has been provided to the Commissioners Court of Travis County by the Issuer; 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 and the County Clerk and the 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 15, 2014.

COMMISSIONERS COURT OF
TRAVIS COUNTY, TEXAS

County Judge

ATTEST:

County Clerk

LOWDEN HOUSING, LP
NOTICE TO COMMISSIONERS COURT OF TRAVIS COUNTY, TEXAS
OF INTENT TO FILE APPLICATION FOR HOUSING TAX CREDITS WITH
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Pursuant to Texas Government Code Section 2306.67071(a), Lowden Housing, LP (“Lowden”), hereby provides notice to Travis County, Texas (the “County”) that it intends to file an application (the “Application”) for 4% tax credits with the Texas Department of Housing and Community Affairs (“TDHCA”) with respect to a 192-unit multifamily housing development to be located at 12701 Lowden Lane, Austin, Texas 78652. The tax credits will be used, along with other sources of financing, to finance a portion of the cost of the acquisition, development, construction, financing and ownership of the development.

As part of the application process, Lowden is required to submit a resolution of Travis County (a form of which is attached hereto), which must be adopted after the County holds a public hearing at which the public may comment on the Application.

Lowden respectfully requests that the County hold a public hearing on April 15, 2014 in conjunction with the hearing already scheduled for the County to approve the financing of the development and to adopt the Resolution.

Dated: April 8, 2014.

LOWDEN HOUSING, LP, a Texas limited partnership

By: SHFC LOWDEN, LLC, a Texas limited liability company, General Partner

By: Strategic Housing Finance Corporation, a Texas housing finance corporation, its sole member

By: /s/ Craig Alter
Craig Alter, Executive Vice President

**RESOLUTION OF THE COMMISSIONERS COURT OF TRAVIS COUNTY, TEXAS
APPROVING A TAX CREDIT HOUSING APPLICATION OF LOWDEN HOUSING, LP**

Whereas, Lowden Housing, LP (“Applicant”) has proposed a development for affordable rental housing of 192 units that will be located at 12701 Lowden Lane, Austin, Texas, 78652 in Travis County, Texas (the “Governing Body”); and

Whereas, Applicant has submitted an application to the Texas Department of Housing and Community Affairs for 2014 Housing Tax Credits for Lowden Lane Apartments;

It is hereby

RESOLVED, that in accordance with the requirements of Texas Government Code §2306.67071 and Texas Administrative Code §10.204(4), it is hereby found that:

1. Notice has been provided to the Governing Body in accordance with Texas Government Code, §2306.67071(a); and
2. The Governing Body has had sufficient opportunity to obtain a response from the Applicant regarding any questions or concerns about the proposed Development; and
3. The Governing Body held a hearing at which public comment may have been made on the proposed Development in accordance with Texas Government Code, §2306.67071(b); and
4. After due consideration of the information provided by the Applicant and public comment, the Governing Body does not object to the proposed Application.

FURTHER RESOLVED that for and on behalf of the Governing Body, Samuel T. Biscoe, County Judge and Dana DeBeauvoir, or their appropriate deputies, are hereby authorized, empowered, and directed to certify these resolutions to the Texas Department of Housing and Community Affairs.

FURTHER RESOLVED, The County Judge, the County Clerk and the 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.

This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED on April __, 2014.

COMMISSIONERS COURT OF
TRAVIS COUNTY, TEXAS

County Judge

ATTEST:

County Clerk