

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

**DEPARTMENT:** Community and Human Development

**AGENDA DATE:** August 26, 2008

**CONTACT PERSON/PHONE:** Bill Lilly/ 541-4643

**DISTRICT(S) AFFECTED:** District 5

**SUBJECT:**

A Resolution making a funding commitment to the Tropicana Building Corporation in the amount of \$155,000 for the Tres Palmas Apartment Complex, subject to the award of Low Income Housing Tax Credits (LIHTC) by the Texas Department of Housing and Community Affairs.

**BACKGROUND / DISCUSSION:**

Tropicana Building Corporation submitted an application to the Texas Department of Housing and Community Affairs for an allocation of LIHTC for a 172 unit affordable housing development located at Montana and Rich Beem.

The LIHTC program was created by the Tax Reform of 1986 as an alternative method to funding housing for low-moderate income households. LIHTC's must be used for new construction, rehabilitation, acquisition and rehabilitation. 20 percent or more of the residential units in the project are both rent restricted and occupied by individuals whose income is 50 or less of Area Median Income or 40 percent or more of the residential units in the project are both rent restricted and occupied by individuals is 60 percent or less of the Area Median Income. The minimum eligibility or affordability period is thirty years.

The proposed development consists of 43 two story quadra-plexes. The quadra-plexes will be stacked in a two story townhome plan. The unit mix is 20 one (1) bedroom, 68 two (2) bedroom, 72 three (3) bedroom and 12 four (4) bedrooms. Nine (9) units will be designated for families at or below 30% of the Area Median Income, fifty-eight (61) units will be designated for families at 50% of the Area Median Income and one hundred –two (102) units will be designated for families at 60% of the AMI.

The funding commitment proposed is \$155,000. The loan would be repaid in two (2) years and the interest rate at the Applicable Federal Rate (AFR) at time of closing. The City of El Paso's commitment is to utilize for soft costs.

**PRIOR COUNCIL ACTION:**

**Has the Council previously considered this item or a closely related one?**

While the City of El Paso has previously provided letters of support for LIHTC developments, the City has not provided funding commitments for LIHTC developments.

**AMOUNT AND SOURCE OF FUNDING:**

**\$155,000 (G710RLFCDAH7115003909903)**

**BOARD / COMMISSION ACTION:**

**Enter appropriate comments or N/A**

CITY CLERK DEPT.  
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\*\*\*\*\*REQUIRED AUTHORIZATION\*\*\*\*\*

LEGAL: (if required) \_\_\_\_\_ FINANCE: (if required) \_\_\_\_\_

DEPARTMENT HEAD: \_\_\_\_\_  
(Example: if RCA is initiated by Purchasing, client department should sign also)  
*Information copy to appropriate Deputy City Manager*

APPROVED FOR AGENDA:

CITY MANAGER: \_\_\_\_\_ DATE: \_\_\_\_\_

CITY CLERK DEPT.  
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**RESOLUTION**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:**

1. That City Council approve a funding commitment in the amount of \$155,000 for the following project under the City of El Paso's Housing Revolving Loan Fund:

Tropicana Building Corporation  
Montana Avenue and Rich Beem  
CDBG RLF: \$155,000  
Loan Term: 2 years  
Interest Rate: Applicable Federal Rate (AFR), at time of closing

2. That the funding commitment is subject to an award of Low Income Housing Tax Credits to Tropicana Building Corporation for the Tres Palmas Apartment Complex under the Texas Department of Housing and Community Affairs 2008 Qualified Allocation Plan.

Funds for this project are available in Account: (G710RLFCDAH7115003909903)

**ADOPTED this \_\_\_\_\_ day of August, 2008**

**THE CITY OF EL PASO**

\_\_\_\_\_  
John F. Cook,  
Mayor

**ATTEST:**

\_\_\_\_\_  
Richarda Duffy Momsen,  
City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Marie A. Taylor,  
Assistant City Attorney

**APPROVED AS TO CONTENT:**

\_\_\_\_\_  
William L. Lilly,  
Community and Human Development

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