

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 3

SUBJECT:

A Resolution making a funding commitment to Investment Builders, Inc. in the amount of \$100,000 for the Desert Villas Apartment Complex, subject to the award of Low Income Housing Tax Credits (LIHTC) by the Texas Department of Housing and Community Affairs.

BACKGROUND / DISCUSSION:

Investment Builders, Inc. submitted an application to the Texas Department of Housing and Community Affairs for an allocation of LIHTC for a 94 unit affordable housing development located at .5 miles southwest of Alameda Avenue and Coronado Road.

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 94 units. The unit mix is 14 one (1) bedroom, 40 two (2) bedroom, 36 three (3) bedroom and 4 four (4) bedrooms. Five (5) units will be designated for families at or below 30% of the Area Median Income, thirty-three (33) units will be designated for families at 50% of the Area Median Income and fifty-six (56) units will be designated for families at 60% of the AMI.

The funding commitment proposed is \$100,000. 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 funding 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:

\$100,000 (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: _____

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08 AUG 20 PM 12:51

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 \$100,000 for the following project under the City of El Paso's Housing Revolving Loan Fund:

Investment Builders
.5 miles sw. of Alameda Avenue and Coronado Road
CDBG RLF: \$100,000
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 Investment Builders for the Desert Villas 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, Director
Community and Human Development

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08 AUG 20 PM 12:54