

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

DEPARTMENT: Housing Finance Corporation

AGENDA DATE: December 13, 2011

CONTACT PERSON NAME AND PHONE NUMBER: Susie Byrd x-4416

DISTRICT(S) AFFECTED: Citywide

SUBJECT:

APPROVE a resolution / ordinance / lease to do what? **OR AUTHORIZE** the City Manager to do what? Be descriptive of what we want Council to approve. Include \$ amount if applicable.

Approve a resolution authorizing the Mayor to Execute the Mayor's certificate and the General certificate of the City of El Paso in connection with the issuance by the El Paso Housing Finance Corporation's Series 2009A Single Family Mortgage Revenue bonds.

BACKGROUND / DISCUSSION:

Discussion of the what, why, where, when, and how to enable Council to have reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action? What are the citizen concerns?

This bond issue, authorized by the Board of Directors of the El Paso Housing Finance Corporation will create a pool for single family mortgages at attractive rates for purchases of single family homes by first time home buyers of low and moderate income. The program is being conducted in accordance with the United States' Treasury Department's initiative for state and local Housing Finance Agencies.

In addition to providing home mortgages at attractive rates, the program will provide 3 points of closing cost and/or down payment assistance as well. This program will assist persons of low and moderate income in the City to acquire and own decent, safe, sanitary and affordable housing. It is similar to programs the El Paso Housing Finance Corporation has done in the past.

PRIOR COUNCIL ACTION:

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

Council has previously approved the initial stage of this bond issue in 2009. The current bond issue is the completion of this particular program. The Council has approved numerous programs in the past.

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

No cost to the City.

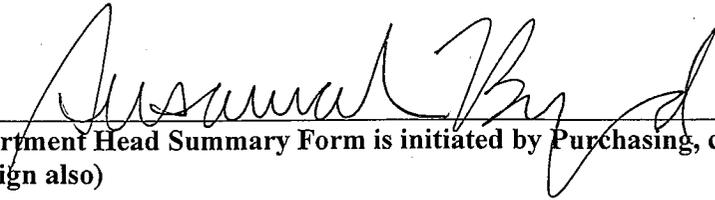
BOARD / COMMISSION ACTION:

Enter appropriate comments or N/A

This program was approved by the El Paso Housing Finance Corporation Board of Directors on November 30, 2011.

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD:



(If Department Head Summary Form is initiated by Purchasing, client department should sign also)

Information copy to appropriate Deputy City Manager

RESOLUTION

WHEREAS, the El Paso Housing Finance Corporation (the "*Issuer*") was duly created and organized pursuant to and in accordance with the provisions of the Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code, as amended, for the purpose of providing a means of financing the costs of residential ownership and development that will provide decent, safe, and sanitary housing for persons of low and moderate income at prices they can afford;

WHEREAS, the Issuer has determined to issue its Single Family Mortgage Revenue Bonds (Mortgage-Backed Securities Program), Series 2009A (the "*Bonds*") for the purpose of providing additional funding to certain qualified low and moderate income home buyers to afford the costs of acquiring and owning decent, safe, and sanitary housing to finance single family residences located within the City of El Paso, Texas, the purchase price of which does not exceed certain limits;

WHEREAS, the Issuer has conducted and held a public hearing regarding issuance of the Bonds on December 12, 2011, at 12:00 P.M. pursuant to the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended;

WHEREAS, the City of El Paso approves and encourages the Issuer in its efforts to accomplish the issuance of the Bonds and, as part of such transaction, is willing to provide its General Certificate, and for the Mayor of the City to provide his Certificate concerning the conduct of the Public Hearing on December 12, 2011, copies of which are both attached hereto as Exhibits to this Resolution and made a part hereof for all purposes; and

WHEREAS, the City Council of the City of El Paso hereby authorizes the Mayor to execute both the said General Certificate of the City of El Paso and the Mayor's Certificate, and deliver same to the Issuer.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

1. THAT the Preambles to this Resolution set forth above are incorporated herein and made part of this Resolution.
2. THAT the Mayor of the City of El Paso is hereby authorized to execute a General Certificate of the City of El Paso and the Mayor's Certificate in the form attached as Exhibits to this Resolution and deliver same to the Issuer to be used in connection with the issuance of its Bonds.

(Signature page to follow)

(Signature page)

SIGNED this _____ day of December, 2011.

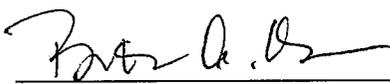
CITY OF EL PASO

John F. Cook
Mayor

ATTEST:

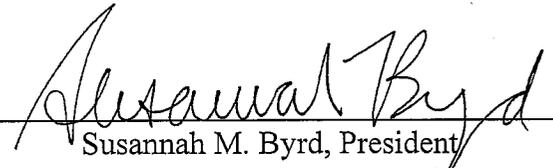
Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:



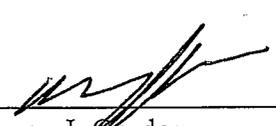
Bertha Ontiveros
Assistant City Attorney

APPROVED AS TO CONTENT:



Susannah M. Byrd, President
El Paso Housing Finance Corporation

APPROVED AS TO FORM:



Norman J. Gordon
Issuer's Counsel

MAYOR'S CERTIFICATE

El Paso Housing Finance Corporation
2 Civic Center Plaza
8th Floor
El Paso, Texas 79901

Re: EL PASO HOUSING FINANCE CORPORATION
SINGLE FAMILY MORTGAGE REVENUE BONDS, SERIES 2009A

Madam and Gentlemen:

Pursuant to Section 147(f) of the United States Internal Revenue Code of 1986, as amended, I hereby certify that I have been duly elected Mayor of the City of El Paso, Texas, and as such constitute the chief elected executive officer of such City. I have been informed by you that the El Paso Housing Finance Corporation (the "Issuer") has adopted a Resolution authorizing the issuance of the captioned bonds (the "bonds") under the provisions of the Texas Housing Finance Corporations Act for the purpose of financing the cost of residential ownership and providing decent, safe, and affordable housing for the residents of the City of El Paso, Texas.

I have been informed that a public hearing regarding the issuance of the Bonds was held by the Issuer on December 12, 2011 at 12:00 P.M.

I hereby approve the issuance of the Bonds for the purpose of Section 147(f) of the Code.

Very truly yours,

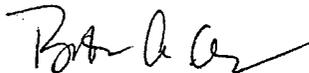
John F. Cook
Mayor

ATTEST:

Richarda Duffy Momsen
City Clerk

December 13, 2011

APPROVED AS TO FORM:



Bertha Ontiveros
Assistant City Attorney

APPROVED AS TO FORM:



Norman J. Gordon
Issuer's Counsel

GENERAL CERTIFICATE OF CITY OF EL PASO

We, the undersigned, Mayor and City Clerk of the City of El Paso, Texas (the "City"), make this certification for the benefit of all persons interested in the issuance by the El Paso Housing Finance Corporation (the "Issuer") of its SINGLE FAMILY MORTGAGE REVENUE BONDS, SERIES 2009A (the "Bonds"):

1. On December 13, and at all times since, the following persons, each of whom resides within the City, have been duly appointed by the Governing Body of the City as members of the Board of Directors of the Issuer:

Susannah M. Byrd
Michael Bray
Elizabeth Quinn
Jose Luis Carbonell.
Charles E. Vinson
Robert Warach
Jerry Romero

2. The Governing Body has not created a "joint housing finance corporation" within the meaning of the Texas Housing Finance Corporations Act, as amended (the "Act").
3. The Governing Body has approved the Issuer's Articles of Incorporation and any amendments thereto.
4. The Governing Body has not amended the Issuer's Articles of Incorporation to change the structure, organization, programs or activities of the Issuer, nor has the Governing Body terminated the Issuer as set forth in Section 394.016(c) of the Act or otherwise, nor has the Governing Body taken any action to limit the effectiveness of the resolution adopted by the Issuer authorizing the Bonds or to otherwise affect the Bond transaction.
5. The Attorney General of the State of Texas is hereby authorized to date this Certificate on and as of the date of his approval of the Bonds, and this Certificate and the matters herein certified shall be deemed for all purposes to be true, accurate and correct on and as of that date and on and as of the date of delivery of the Bonds, unless the City through an authorized officer shall notify the Attorney General and the Issuer in writing to the contrary prior to either of such dates.

(Signature Page Follows)

WITNESS OUR HANDS AND THE OFFICIAL SEAL OF THE CITY this _____ day
of December, 2011.

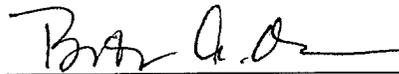
CITY OF EL PASO

John F. Cook
Mayor

ATTEST:

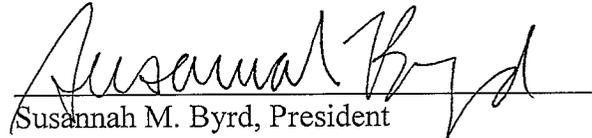
Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:



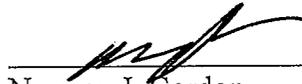
Bertha Ontiveros
Assistant City Attorney

APPROVED AS TO CONTENT:



Susannah M. Byrd, President
Housing Finance Corporation

APPROVED AS TO FORM:



Norman J. Gordon
Issuer's Counsel



MEMORANDUM

TO: Mayor John F. Cook
City Representatives

FROM: Adrian Duran, Executive Director
El Paso Housing Finance Corporation *AD*

RE: December 13, 2011
El Paso Housing Finance Corporation
2009A Single Family Mortgage Bonds

DATE: December 5, 2011

The agenda item included on the December 13, 2011, City Council Agenda, is a resolution which permits the Mayor to execute the City's General Certificate, and the Mayor's Certificate required by state and federal tax law for the approval and issuance of the El Paso Housing Finance Corporation's Single Family Mortgage Bonds (Mortgage-Backed Securities Program), Series 2009A.

El Paso Housing Finance Corporation ("EPHFC").

The EPHFC was established pursuant to law in 1979 in order to provide a means of financing residential ownership and development that will provide affordable, decent, safe, and sanitary housing for persons and families of low and moderate income in the City of El Paso (the "City"). Its principal method for achieving that goal has been its single family mortgage bond program. The single family mortgage bond program benefits the City by providing greater availability of affordable mortgages for low and moderate income families, maintaining the programs of the home construction industry and related jobs, and adding property to the tax rolls.

The Directors and Officers of the EPHFC are:

City Representative Susie Byrd, President
Michael Bray, Vice-President
Robert Warach, Secretary
Jerry Romero, Treasurer
Jose Luis Carbonell, Assistant Secretary
Charles Vinson, Board Member
Elizabeth Quinn, Board Member

The 2009 Single Family Mortgage Revenue Bond Program (the "2009 Program").

This bond issue is a continuation of the 2009 Bond program authorized by the El Paso Housing Finance Corporation for first time home buyers¹ who are El Paso residents of low and moderate income for homes up to certain prices within the City. The program will provide 3 points of down payment and/or closing cost assistance to all purchasers. This bond issue is a part of the 2009 program and will allow additional borrowers to participate in the project. To date the 2009 program has assisted more than 500 individuals and families purchase and finance homes and has made possible \$58 million mortgage loan originations at competitive rates. This program was made possible through the participation of the US Treasury holding the bonds during the time the mortgages are originated pursuant to the Housing and Economic Recovery Act (HERA) of 2008.

The participating lenders in the program are: GECU (Greater El Paso Credit Union), Patriot Mortgage Company and Rocky Mountain Mortgage Company. In addition, Rocky Mountain Mortgage Company will be the Master Servicer. The Bank of New York Mellon Trust Company will act as Trustee, First Southwest Corporation as Financial Advisor to the Corporation, Fulbright and Jaworski as Bond Counsel, Greenberg Traurig as Disclosure Counsel, and Mounce Green Myers Safi Paxson & Galatza as Issuer's Counsel.

Pursuant to controlling law, the City has no liability for payment of these bonds. We expect that the EPHFC will enter into a bond purchase agreement with Fannie Mae and Freddie Mac for the purchase of the bonds. We expect the issue to close before December 21, 2011, and the lenders able start using the funds immediately after that date.

Some of the EPHFC board members, Norman Gordon and I will attend the Council meeting on December 13, 2011, to answer any questions you may have.

cc: Joyce Wilson, City Manager
Charlie McNabb
Bertha Ontiveros
EPHFC Board
Norman Gordon
Robin Miller
Paul Braden

¹ First time home buyers are those who have not had any ownership interest in a home in the last three years. Purchasers in certain federally designated census tracts need not be first time home buyers.

El Paso Housing Finance Corporation 2009A Single Family Mortgage Revenue Bond Program

First-Time buyer

Requirement: Mortgage loans must be made available to first-time homebuyers (defined as no ownership in the previous 3 years). No first-time homebuyer requirement for targeted area loans or qualified veteran.

Recapture Tax: Borrowers may be subject to a Federal recapture tax if the home is sold within 9 years of the mortgage loan closing.

<i>Purchase Price Limits:</i>	<u>New or Existing Residences</u>	
	Non-Targeted:	\$258,691
	Targeted:	\$316,177

<i>Income Limits:</i>	<u>Families 2 or less</u>	<u>Families 3 or more</u>	
	Non-Targeted:	\$57,400	\$66,010
	Targeted:	\$68,880	\$80,360

**EL PASO HOUSING FINANCE CORPORATION
MINUTES AND CERTIFICATION
AS TO
PUBLIC HEARING**

THE STATE OF TEXAS '
COUNTY OF EL PASO '
CITY OF EL PASO '

The undersigned, as counsel of the El Paso Housing Finance Corporation (the "Issuer") and serving in that capacity as a duly designated and authorized Hearing Officer for and on behalf of the Issuer, convened a public meeting on the date and at the hour and place specified in the Notice of the Public Hearing (a copy of such Notice and the accompanying Affidavit of Publication being attached hereto as Exhibit "A"). Such Notice was duly published in the El Paso Times, a newspaper of general circulation in the City of El Paso, Texas, pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended, regarding the public approval prerequisite to the exemption from federal income taxation of interest on the Bonds described therein.

Whereupon, the Hearing Officer declared open the meeting for the purpose of conducting a Public Hearing on the proposed issuance by the Issuer of its Single Family Mortgage Revenue Bonds Series 2009A (the "Bonds") in an aggregate principal amount not to exceed \$25,000,000. The Bonds are being issued to fund mortgage loans to qualified low and moderate income first time home buyers for the purchase of owner-occupied single family residences located within the City of El Paso, Texas, the purchase price of which does not exceed certain limits to assist persons of low and moderate income within the City of El Paso to afford the costs of acquiring and owning decent, safe, and sanitary housing.

All persons desiring to comment with respect to the issuance of the Bonds were invited to address the Hearing Officer. The identity of the persons who addressed the Hearing Officer and summary of their comments is attached to these Minutes, as Exhibit "B." After all persons present desiring to speak had addressed the Hearing Officer, the Public Hearing was declared closed by the Hearing Officer.

These Minutes approved and certified to be true and correct all on this 12th day of December 2011.

Norman J. Gordon, Hearing Officer

EXHIBIT "B"

Summary of comments at a Public Hearing held by El Paso Housing Finance Corporation.

Persons in attendance were Norman J. Gordon, Hearing Officer, attorney for El Paso Housing Finance Corporation and Adrian Duran, Executive Director of El Paso Housing Finance Corporation.

Mr. Gordon stated that El Paso Housing Finance Corporation (the "Issuer") is an entity authorized by statute and approved by the El Paso City Council to issue Revenue Bonds for the purpose of funding certain mortgage loans made to qualified low and moderate income first time home buyers to finance single family residences located within the City of El Paso. He stated that the Program will enable additional first time home owners to purchase safe and decent housing. He stated that the program is being conducted in accordance with the United States Treasury's 2009 initiative for state and local housing finance agencies. He further stated that such activity complied with the public purpose promulgated by the Texas Legislature.

There were no other comments.