



## CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 8/27/2024

District B

Item Creation Date: 8/12/2024

HCD24-84 HHFC EMLI at Mesa Gardens Bond Issuance Resolution

Agenda Item#: 3.

### **Background:**

The Housing and Community Development Department recommends adoption of a Resolution approving the issuance and sale by Houston Housing Finance Corporation (the "Issuer") of tax-exempt revenue bonds to finance the acquisition and construction costs of EMLI at Mesa Gardens, located at approximately 10199 Mesa Drive, Houston, Texas 77078 (the "Project").

On or around September 10, 2024, the Issuer's Board of Directors (the "Board") intends adopt a resolution to authorize the issuance, sale and delivery of its Multifamily Housing Revenue Note (EMLI at Mesa Gardens), Series 2024 (the "Obligations"), to be issued in one or more series of tax-exempt bonds in an aggregate principal amount not to exceed \$35,000,000. The proceeds of the Obligations will be loaned to EMLI Houston Mesa TC I, LP (the "Borrower") to provide financing for the acquisition, construction, and equipping of a 300-unit residential rental development to be known as EMLI at Mesa Gardens. The Obligations are special limited obligations of the Issuer, payable solely from the revenues of the Project, and neither the faith and credit, nor the taxing power of the City of Houston are pledged to their repayment.

The Project involves low-income housing tax credits and will be subject to long-term affordability and continuing oversight by the Texas Department of Housing and Community Affairs (TDHCA). Further, 100% of the units in the Project will be reserved for tenants earning not more than 60% of local area median income.

The Obligations are exempt from Federal income tax, and pursuant to Section 394.905, Texas Local Government Code, because the Harris County Housing Finance Corporation will own fee title to the land on which the Project is located and equitable title to the improvements comprising the Project, the Project will also be exempt from ad valorem taxes.

Section 147(f) of the United States Internal Revenue Code of 1986, as amended (the "Code"), and the Issuer's bylaws require the Issuer to obtain the approval of the City of Houston as the local jurisdiction wherein the Project is situated before the Obligations can be issued.

DocuSigned by:

*Michael Nichols*

Michael Nichols, Director

### **Contact Information:**

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