



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 2/11/2025

District B

Item Creation Date: 1/24/2025

HCD25-16 HHFC Alcott Village Supplemental Bond Issuance Resolution

Agenda Item#: 2.

Summary:

NOT A REAL CAPTION

RESOLUTION approving the issuance and sale by Houston Housing Finance Corporation (the "Issuer") of supplemental tax-exempt revenue bonds to provide additional financing for the acquisition and rehabilitation costs of a 248-unit residential rental development known as Alcott Village, located at 6767 Bennington Street, Houston, TX 77028 - **DISTRICT B - JACKSON**

Background:

The Housing and Community Development Department (HCD) recommends adoption of a Resolution approving the issuance and sale by Houston Housing Finance Corporation (the "Issuer") of supplemental tax-exempt revenue bonds to provide additional financing for the acquisition and rehabilitation costs of a 248-unit residential rental development known as Alcott Village, located at 6767 Bennington Street, Houston, TX 77028 (the "Project").

On or around February 20, 2025, the Issuer's Board of Directors (the "Board") intends to adopt a Resolution to authorize the issuance, sale and delivery of its Multifamily Housing Revenue Note (Alcott Village) Series 2025 (the "Note"), to be as a tax-exempt bond in a principal amount not to exceed \$6,500,000.00. The Note is being issued to comply with federal tax law relating to Low-Income Housing Tax Credits (LIHTC), requiring that at least 50% of the project costs must be financed with tax-exempt bond proceeds.

The Issuer previously closed on two series of obligations (the "Prior Obligations") for the Project in October 2024. The proceeds of the Note will be loaned, along with the proceeds of the Prior Obligations, to Roers Houston Apartments Owner II Limited Partnership (the "Borrower") to provide additional financing for the acquisition, rehabilitation, and equipping of the Project. The Note is a special limited obligation 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 its repayment.

The Project involves LIHTC, 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 the local Area Median Income.

As the Note is exempt from Federal income tax, and pursuant to Section 394.905, Texas Local Government Code, and because the Harris County Housing Finance Corporation (HCHFC) owns 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 Note can be issued.

DocuSigned by:

Michael Nichols

Michael Nichols, Director

Prior Council Action:

8/28/24 R2024-33

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ATTACHMENTS:

Description

Prior Council Action R2024-33

Type

Backup Material