



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 2/6/2018

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Item Creation Date: 1/22/2018

HCD18-6 Villa Americana Bond Issuance Resolution

Agenda Item#:

Background:

The Houston Housing Finance Corporation (HHFC) provides tax-exempt and taxable bond financing for developments that provide persons of low and moderate income with quality, affordable housing. Villa Americana Housing Partners LP has submitted an application to HHFC for bond financing for the acquisition and rehabilitation of the Villa Americana Apartments located at 5901 Selinsky.

The City of Houston has made multiple investments to improve the quality of this neighborhood. City Council has previously approved an investment in The Pointe at Crestmont, a new multi-family development less than one mile from the Villa Americana site, and the City has ordered the demolition of blighted apartment complexes nearby. Adoption of this resolution will further Houston's targeted effort to improve the overall neighborhood quality, reduce poverty concentration and preserve affordable homes.

HHFC Bylaws and federal tax law require that City Council approve any bonds issued by HHFC and federal tax law requires that City Council approve tax-exempt bonds issued by HHFC. HHFC is therefore requesting that City Council approve the issuance of up to \$31,000,000.00 of tax exempt revenue bonds and up to \$6,000,000.00 of taxable revenue bonds for this project. HHFC bonds and are not backed by the full faith and credit of the City of Houston—they are non-recourse to the City.

All units will be designated as 60% AMI and below. The HHFC financing will be leveraged with tax credit equity, senior loan, and deferred developer fee. The price per unit cost is \$190,110.00.

Although tax-exempt bonds are exempt from Federal income tax, the property itself will not be exempt from local ad valorem taxes.

The Housing and Community Development Department recommends adoption of a Resolution approving the issuance of the bonds as required by HHFC's, Bylaws and approving the tax-exempt bonds as required by federal tax law.

A handwritten signature in black ink, appearing to read "Tom McCasland", is written over a horizontal line.

Tom McCasland, Director