

RESOLUTION NO. 20140213-021

WHEREAS, the City of Austin, Texas (the “City”) has received voter authorization to issue general obligation bonds with the bond proceeds used to finance the construction and permanent financing of affordable housing developments located in the City’s corporate limits (the “City Funding Program”); and

WHEREAS, the City has adopted program guidelines for the operation of its City Funding Program to ensure that housing developments provided financing under the City Funding Program are providing quality affordable housing opportunities to lower-income residents of the community; and

WHEREAS, the City has entered into agreement with the Austin Housing Finance Corporation, an instrumentality of the City whose full board of directors consist of members of the Austin City Council, to administer and operate the City Funding Program on behalf of the City with assistance of City staff; and

WHEREAS, Foundation Communities, Inc. has filed Application No. 14070 to the Texas Department of Housing and Community Affairs for an award of Low Income Housing Tax Credits for a proposed 150-unit multi-family development to be located at the northeast corner of Rutledge Spur and RM 620, Austin, Travis County, Texas, to be known as Rutledge Spur Apartments (the “Proposed Rutledge Spur Development”); and

WHEREAS, subject to the award of Low Income Housing Tax Credits by the Texas Department of Housing and Community Affairs, the Board of Directors of the Austin Housing Finance Corporation has approved a deferred payment, forgivable loan under the City Funding Program in an amount not in

excess of \$2,475,000 with Foundation Communities, Inc. (the “Developer”) for development of the Proposed Rutledge Spur Development; and

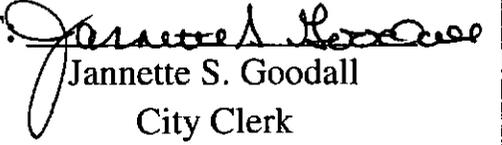
WHEREAS, the City desires that the Austin Housing Finance Corporation enter into a loan with the Developer for the Proposed Rutledge Spur Development using City-issued general obligation bond proceeds through a deferred payment, forgivable loan under the City Funding Program which exceeds the requirements of Section 11.9(d)(2)(D) of the 2014 State of Texas Qualified Allocation Plan; **NOW, THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The City Manager is authorized to ensure that the Austin Housing Finance Corporation under the agreement authorizing the corporation to administer the City Funding Program enters into a deferred payment, forgivable loan funded with City issued general obligation bond proceeds in an amount not in excess of \$2,475,000 with the Developer for development of the Proposed Rutledge Spur Development with loan funding being subject to the award of Low Income Housing Tax Credits by the Texas Department of Housing and Community Affairs.

The deferred payment, forgivable loan funded with City issued general obligation bond proceeds from the Austin Housing Finance Corporation to the Developer shall be structured with a forty-year term, at a zero percent rate of interest, secured by a lien on the Proposed Rutledge Spur Development, and

the funds for this proposed loan have not been provided to the City by the Developer or a related party to the Developer.

ADOPTED: February 13, 2014 **ATTEST:** 
Jannette S. Goodall
City Clerk