

RESOLUTION NO. 20070621-014

WHEREAS, in accordance with the Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code (the "Act"), the creation of the Travis County Housing Finance Corporation (the "Corporation") was approved by resolution of the governing body of Travis County, Texas (the "Local Governmental Unit"), to provide a means of financing the cost of residential ownership and development that will provide decent, safe, and sanitary housing for persons and families of low and moderate income; and

WHEREAS, the Corporation desires and intends to issue its Single Family Mortgage Revenue and Refunding Bonds Series 2007 (the "Bonds") as authorization by the Act to defray, in whole or in part, the costs of purchasing or funding home mortgages; and

WHEREAS, Section 394.005 of the Act provides that the Act does not apply to property located within a municipality with more than 20,000 inhabitants unless the governing body of the municipality approves the application of the Act to that property; and

WHEREAS, the effect of Section 394.005 is that the proceeds of the Bonds may not be used to finance single family housing within the City of Austin, Texas (the "City"), without the approval of its governing body; and

WHEREAS, it is the desire of the City Council to make available to City citizens of low and moderate income (as described below) loans financed by the proceeds of the Bonds to provide favorable interest rates for first time home buyers who qualify for the loans; and

WHEREAS, the City Council desires that the Corporation make proceeds from the Bonds available within the City, provided the following City Bond Program Requirements are satisfied: (i) any newly constructed housing will be S.M.A.R.T. Housing^(TM) certified; (ii) each home buyer receiving a loan from Bond proceeds attends a homeownership training class conducted by a HUD-Approved Homeownership Counseling Agency; (iii) the maximum purchase price of any home financed with Bond proceeds does not exceed the Austin Housing Finance Corporation's Mortgage Credit Certificate Program maximum purchase price, currently \$210,375; (iv) issuance of the Bonds will not have negative impact on the ability of the Austin Housing Finance Corporation to receive a future allocation of single family mortgage revenue bond authority from the Texas Bond Review Board;

and (v) the Corporation provides a bond covenant in its trust indenture acceptable to the City assuring that issuance of its bonds and implementation of the bond program will have no negative impact on the ability of the Austin Housing Finance Corporation to receive a future allocation of single family mortgage revenue bond authority from the Texas Bond Review Board; and

WHEREAS, the Corporation has requested the approval of the governing body of the City to provide, with the proceeds of the issuance of the Bonds, financing for home mortgages for homes located in the City; **NOW, THEREFORE,**

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

Section 1: The City Council approves the application of the Act to property located within the City and grants its approval to the Corporation for the use of proceeds of the Bonds to finance home mortgages for homes located within the City, provided proceeds from the Bonds used to finance homes within the City comply with the City Bond Program Requirements.

Section 2: That this Resolution does not make the City of Austin, Texas, this City Council, or any officer, agent, employee, or official of the City of Austin, Texas, liable in any respect whatsoever in regard to the Bonds, it being understood that the Bonds are solely to be repaid and secured from the sources described in the Indenture of Trust related thereto, none of which sources impose any liability whatsoever upon this City, this City Council, or the officers, agents, and employees of this City.

Section 3: To indicate the City's desire to approve the application of the Act to property financed with Bond proceeds and located within the City the City Clerk shall forward a copy of this Resolution to the Corporation.

ADOPTED: _____ June 21 _____, 2007

ATTEST:


Shirley A. Gentry
City Clerk