

RESOLUTION NO. _____

WHEREAS, the City of Austin, Texas (the “City”) has received voter authorization to issue general obligation bonds with the bond proceeds to be 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 an agreement with the Austin Housing Finance Corporation, an instrumentality of the City whose full board of directors consists of members of the Austin City Council, to administer and operate the City Funding Program on behalf of the City with the assistance of City staff; and

WHEREAS, DDC Investments, Ltd. has filed Application No. 15152 with the Texas Department of Housing and Community Affairs for an award of Low Income Housing Tax Credits for a proposed multi-family development to be located at the corner of West Howard Lane and McNeil-Merrilltown Road, Austin,

Travis County, Texas, to be known as the Merritt Cornerstone Apartments (the **“Proposed Merritt Cornerstone Apartments”**); and

WHEREAS, subject to the award of Low Income Housing Tax Credits by the Texas Department of Housing and Community Affairs, and subject to full-purpose annexation of the property by the City of Austin, the Board of Directors of the Austin Housing Finance Corporation has approved a deferred payment loan agreement under the City Funding Program in an amount not in excess of \$1,860,000 with DDC Investments, Ltd., or an affiliated entity, (the **“Developer”**) for development of the Proposed Merritt Cornerstone Apartments; and

WHEREAS, the City desires that the Austin Housing Finance Corporation enter into a loan with the Developer for the Proposed Merritt Cornerstone Apartments using City-issued general obligation bond proceeds through a deferred payment loan agreement under the City Funding Program which exceeds the requirements of Section 11.9(d)(2)(D) of the 2015 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 loan agreement funded with City-issued general obligation bond proceeds in an amount not in excess of

\$1,860,000 with the Developer for the development of the Proposed Merritt Cornerstone Apartments with loan funding being subject to the award of Low Income Housing Tax Credits by the Texas Department of Housing and Community Affairs and the full-purpose annexation of the property by the City.

The deferred payment loan agreement 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 deferred payment, at a zero percent rate of interest, secured by a lien on the Proposed Merritt Cornerstone Apartments. The funds for this proposed loan have not been provided to the City by the Developer or a related party to the Developer.

ADOPTED: _____, 2015

ATTEST: _____

Jannette S. Goodall
City Clerk