

**CITY OF EL PASO, TEXAS  
AGENDA ITEM  
DEPARTMENT HEAD'S SUMMARY FORM**

**DEPARTMENT:** Housing Finance Corporation  
**AGENDA DATE:** August 3, 2021  
**CONTACT PERSON NAME AND PHONE NUMBER:** Elizabeth Moya,  
Executive Director  
915 228 9336

**DISTRICT(S) AFFECTED:** Citywide

**SUBJECT:**

**APPROVE a resolution / ordinance / lease to do what? OR AUTHORIZE the City Manager to do what? Be descriptive of what we want Council to approve. Include \$ amount if applicable.**

Approve a resolution authorizing the Mayor to Execute the Mayor's certificate and the general certificate of the City in connection with the issuance by the El Paso Housing Finance Corporation Multifamily Housing Revenue Bonds (Machuca Apartments) Series 2021. No cost to the City

**BACKGROUND / DISCUSSION:**

**Discussion of the what, why, where, when, and how to enable Council to have reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action? What are the citizen concerns?**

This bond issue, authorized by the El Paso Housing Finance Corporation Board of Directors will provide funding for the Housing Authority of the City of El Paso to reposition and make capital improvements to the Machuca Apartments (1039 Machuca Drive, 79922) utilizing the US Department of Housing and Urban Development Rental Assistance ("RAD") program and to rehabilitate the apartments and convert the project from 120 units to 144 units.

**PRIOR COUNCIL ACTION:**

**Has the Council previously considered this item or a closely related one?**

The Council has approved numerous programs in the past.

**AMOUNT AND SOURCE OF FUNDING:**

**How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?**

No Cost to the City

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**BOARD / COMMISSION ACTION:**

**Enter appropriate comments or N/A**

N/A

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\*\*\*\*\*REQUIRED AUTHORIZATION\*\*\*\*\*

**DEPARTMENT HEAD:**

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**(If Department Head Summary Form is initiated by Purchasing, client department should sign also)**

*Information copy to appropriate Deputy City Manager*

## RESOLUTION

**WHEREAS**, the El Paso Housing Finance Corporation (the “*Issuer*”) was duly created and organized pursuant to and in accordance with the provisions of the Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code, as amended, for the purpose of providing a means of financing the costs of residential ownership and development that will provide decent, safe, and sanitary housing for persons of low and moderate income at prices they can afford;

**WHEREAS**, the Issuer has determined to issue its Multifamily Housing Revenue Bonds (Mortgage-Backed Securities Program), Series 2021(the “*Bonds*”) for the purpose of providing additional funding to allow the Housing Authority of the City of El Paso (“HACEP”) to utilize the United States Department of Housing and Urban development Rental Assistance Demonstration program to convert the Machuca Apartments Project from HACEP’s public housing stock to Section 8 multifamily housing within the City of El Paso;

**WHEREAS**, the Issuer has conducted and held a public hearing regarding issuance of the Bonds on May 19, 2021, at 2:00 P.M. pursuant to the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended;

**WHEREAS**, the City of El Paso approves and encourages the Issuer in its efforts to accomplish the issuance of the Bonds and, as part of such transaction, is willing to provide its General Certificate, and for the Mayor of the City to provide his Certificate concerning the conduct of the Public Hearing on May 19, 2021, copies of which are both attached hereto as Exhibits to this Resolution and made a part hereof for all purposes; and

**WHEREAS**, the City Council of the City of El Paso hereby authorizes the Mayor to execute both the said General Certificate of the City of El Paso and the Mayor’s Certificate, and deliver same to the Issuer.

**NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:**

1. THAT the Preambles to this Resolution set forth above are incorporated herein and made part of this Resolution.
2. THAT the Mayor of the City of El Paso is hereby authorized to execute a General Certificate of the City of El Paso and the Mayor’s Certificate in the form attached as Exhibits to this Resolution and deliver same to the Issuer to be used in connection with the issuance of its Bonds.

(Signature page to follow)

(Signature page)

SIGNED this \_ \_ \_ \_ day of August, 2021.

CITY OF EL PASO

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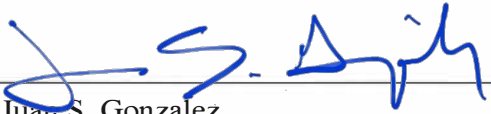
Oscar Leeser  
Mayor

ATTEST:

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Laura Prine  
Municipal Clerk

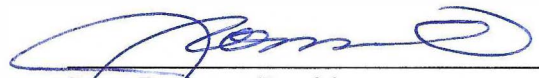
APPROVED AS TO FORM:



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Juan S. Gonzalez  
Senior Assistant City Attorney


APPROVED AS TO CONTENT:



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Jerry Romero, President  
El Paso Housing Finance Corporation

APPROVED AS TO FORM:



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Norman J. Gordon  
Issuer's Counsel

APPROVAL OF HIGHEST ELECTED OFFICIAL

WHEREAS, a public hearing was held by El Paso Housing Finance Corporation (the “Issuer”) on May 19, 2021 after publication of a Notice of Public Hearing (the “Notice”) in the *El Paso Times*, as described in the Affidavit of Publication attached hereto as Exhibit A, and members of the public were given the opportunity to appear at such public hearing, as shown in the Minutes of the Public Hearing attached hereto as Exhibit B (the “Minutes”); and

WHEREAS, it is necessary for the undersigned, as the highest elected official of the City of El Paso, Texas, to approve the issuance by El Paso Housing Finance Corporation, a housing finance corporation of the City of El Paso, Texas, of its \$20,000,000 Multifamily Housing Revenue Bonds (Machuca Apartments Project), hereinafter referred to as the “Bonds”, and the financing therewith of a portion of the costs of acquisition, rehabilitation, construction and equipment of the certain multifamily residential rental developments described in the Notice of Public Hearing and in the Minutes (collectively, the “Development”), to satisfy the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”).

NOW, THEREFORE, based upon the evidence presented to me, for the sole purpose of satisfying the requirements of Section 147(f) of the Code of 1986 and for no other purpose, I, the undersigned Mayor of the City of El Paso, Texas, hereby approves the issuance, sale, execution and delivery of the various series of the Bonds and the financing of the Development described therein in the aggregate principal amount not to exceed \$20,000,000.

**This approval is not to be construed as (i) a representation or warranty by the City or the undersigned that the Bonds will be paid or that any obligations assumed by any of the parties will, in fact, be performed, (ii) as a pledge of the faith and credit of or by the City; further, the fact that the undersigned has approved the Bonds as required by the Code may not, in any event, be used as a sales device with respect to the Bonds, or (iii) this approval shall not be construed as a representation or warranty by the City concerning the validity of the Bonds.**

In Witness Whereof, I have set my hand this \_\_\_\_\_, 2021.

City of El Paso, Texas

*(Signatures appear on following page)*

**CITY OF EL PASO, TEXAS:**

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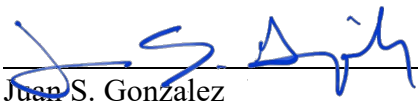
Oscar Leeser  
Mayor

**ATTEST:**

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Laura D. Prine  
City Clerk

**APPROVED AS TO FORM:**



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Juan S. Gonzalez  
Senior Assistant City Attorney

**APPROVED AS TO CONTENT:**



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Norman J. Gordon  
El Paso Housing Finance Corporation

EXHIBIT A

Affidavit of Publication

# El Paso Times

PART OF THE USA TODAY NETWORK

## Affidavit of Publication

Ad # 0004723301

This is not an invoice

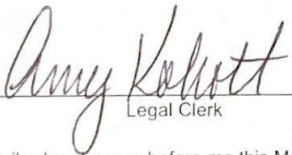
HOUSING AUTHORITY - LEGALS  
5300 E PAISANO DR

EL PASO, TX 79905

I, being duly sworn say: **El Paso Times**, a daily newspaper of general circulation published in the City and County El Paso, State of Texas, which is a newspaper of general circulation and which has been continuously and regularly published for the period of not less than one year in the said County of El Paso, and that he/she was upon the dates herein mentioned in the EL PASO TIMES.

That the LEGAL copy was published in the EL PASO TIMES for the date(s) of such follows DAY(s) to wit

05/11/2021

  
Legal Clerk

Subscribed and sworn before me this May 11, 2021:

  
State of WI, County of Brown  
NOTARY PUBLIC

1-7-25  
My commission expires

KATHLEEN ALLEN  
Notary Public  
State of Wisconsin

Ad # 0004723301

PO #: Machuca Apt Proj  
# of Affidavits 1

This is not an invoice

### NOTICE OF PUBLIC HEARING

EL PASO HOUSING FINANCE CORPORATION  
MULTIFAMILY HOUSING REVENUE BONDS

### MACHUCA APARTMENTS PROJECT

Notice is hereby given of a public hearing to be held by El Paso Housing Finance Corporation (the "Issuer") on Wednesday, May 19, 2021, at 2:00 p.m., in the Administrative Offices of the El Paso Housing Finance Corporation, 310 N. Mesa Street, 3rd Floor, Suite 318, El Paso, Texas 79901.

The hearing is regarding a plan of finance for the issuance of obligations by the Issuer, which may be issued in one or more series, in an aggregate principal amount not to exceed \$20,000,000 (the "Bonds"). The Bonds will be issued as exempt facility bonds for a qualified residential rental project pursuant to section 142(a)(7) of the Internal Revenue Code of 1986, as amended (the "Code"). Proceeds of the Bonds will be loaned to EP Machuca, LP, or an affiliate thereof (the "Borrower") to finance an affordable multifamily residential rental development known as:

► Machuca Apartments containing approximately 122 units and located at 1039 Machuca Drive, El Paso, El Paso County, Texas 79922 (the "Development"). The Borrower will be the initial legal owner and principal user of the Development.

All interested persons are invited to attend such public hearing to express their views with respect to the Development and the issuance of the Bonds. Questions or requests for additional information may be directed to Mr. Norman J. Gordon, Attorney and Counselor of Law, P.O. Box 8, El Paso, Texas 79940 (915-203-4883).

Persons who intend to appear at the hearing and express their views are invited to contact Mr. Gordon either in writing or by telephone in advance of the hearing. Any interested persons unable to attend the hearing may submit their views in writing to Mr. Gordon prior to the date scheduled for the hearing.

This notice is published and the above-described hearing is to be held in satisfaction of the requirements of section 147(f) of the Code  
#4723301, El Paso Times,  
May 11, 2021

#8009111.2

21-1012-002 | 10999759

Approval of Highest Elected Official El Paso Finance Housing Corporation  
JSG



EXHIBIT B

Minutes of Public Hearing

MINUTES OF PUBLIC HEARING  
El Paso Housing Finance Corporation

Re: \$20,000,000 El Paso Housing Finance Corporation Multi-Family Housing Revenue Bonds (Machuca Apartments Project);

I, Elizabeth Moya, Hearing Officer of El Paso Housing Finance Corporation (the “Issuer”), a housing finance corporation of City of El Paso. The Issuer of the captioned series of bonds (the “Bonds”), called the Public Hearing of the Issuer to order at 2:00 p.m. on Wednesday, May 19, 2021 in the Administrative Offices of the Issuer, 310 N. Mesa Street, 3<sup>rd</sup> Floor, Suite 318, El Paso, Texas 79901.

I announced that I, Elizabeth Moya, was the Hearing Officer of El Paso Housing Finance Corporation, a housing finance corporation of the City of El Paso, Texas and informed those in attendance that:

I declared that the required notice of the Public Hearing for the Project was published at least once on Tuesday, May 11, 2021 in the *El Paso Times*, being a newspaper of general circulation in El Paso, Texas, a true and correct copy of which is attached hereto as Exhibit B and that:

I announced further that the Issuer is proposing the issuance, in one or more series, of multifamily housing revenue bonds to be issued by the Issuer as tax-exempt bonds in an aggregate principal amount not to exceed \$20,000,000. The purpose of the Bonds is, in part, to finance a portion of the costs of the various multifamily residential rental development described below and referred to as the “Development” and that:

The proceeds of the Bonds not to exceed in aggregate principal amount \$20,000,000 will be loaned to EP Machuca, LP, a Texas limited partnership (or a related person or affiliate thereof), to finance a portion of the costs of acquisition, rehabilitation and equipment of the following multifamily residential rental development, which will be initially owned by EP Machuca, LP (or a related person or affiliate thereof):

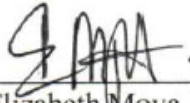
Machuca Apartments containing approximately 122 units and located at 1039 Machuca Drive, El Paso, El Paso County, Texas 79922.

After informing those in attendance of the above, I declared that a Public Hearing, required under Section 147(f) of the Internal Revenue Code of 1986, was open for purposes of discussing the issuance of the Bonds by the Issuer and the locations and nature of the Development to be financed, refinanced or acquired with the Bonds.

I proceeded to hold the Public Hearing. Comments and discussions with respect to the Bonds and the Project are summarized in Exhibit A, attached hereto.

After sufficient time was given for all present to make their comments with respect to the Bonds and the Project, I declared the Public Hearing closed.

Dated: May 19, 2021.



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Elizabeth Moya, Hearing Officer for  
El Paso Housing Finance Corporation

## EXHIBIT A

Other than the staffs of El Paso Housing Finance Corporation and Housing Authority of the City of El Paso in attendance at the Public Hearing, no member of the public attended the Public Hearing to speak, and thus no comments were made or discussion had about the Development or the Bonds.

## EXHIBIT B

### NOTICE OF PUBLIC HEARING

#### **EL PASO HOUSING FINANCE CORPORATION MULTIFAMILY HOUSING REVENUE BONDS**

#### **MACHUCA APARTMENTS PROJECT**

Notice is hereby given of a public hearing to be held by El Paso Housing Finance Corporation (the “Issuer”) on Wednesday, May 19, 2021, at 2:00 p.m., in the Administrative Offices of the El Paso Housing Finance Corporation, 310 N. Mesa Street, 3<sup>rd</sup> Floor, Suite 318, El Paso, Texas 79901.

The hearing is regarding a plan of finance for the issuance of obligations by the Issuer, which may be issued in one or more series, in an aggregate principal amount not to exceed \$20,000,000 (the “Bonds”). The Bonds will be issued as exempt facility bonds for a qualified residential rental project pursuant to section 142(a)(7) of the Internal Revenue Code of 1986, as amended (the “Code”). Proceeds of the Bonds will be loaned to EP Machuca, LP, or an affiliate thereof (the “Borrower”) to finance an affordable multifamily residential rental development known as:

- Machuca Apartments containing approximately 122 units and located at 1039 Machuca Drive, El Paso, El Paso County, Texas 79922 (the “Development”). The Borrower will be the initial legal owner and principal user of the Development.

All interested persons are invited to attend such public hearing to express their views with respect to the Development and the issuance of the Bonds. Questions or requests for additional information may be directed to Mr. Norman J. Gordon, Attorney and Counselor of Law, P.O. Box 8, El Paso, Texas 79940 (915-203-4883).

Persons who intend to appear at the hearing and express their views are invited to contact Mr. Gordon either in writing or by telephone in advance of the hearing. Any interested persons unable to attend the hearing may submit their views in writing to Mr. Gordon prior to the date scheduled for the hearing.

This notice is published and the above-described hearing is to be held in satisfaction of the requirements of section 147(f) of the Code.

HEARING OFFICER'S SCRIPT FOR PUBLIC HEARING OF

El Paso Housing Finance Corporation,

I am Elizabeth Moya, Hearing Officer of El Paso Housing Finance Corporation (the "Issuer"), a housing finance corporation of the City of El Paso, Texas. The Issuer is proposing the issuance, in one or more series, of multifamily housing revenue bonds to be issued as tax-exempt bonds in an aggregate principal amount not to exceed \$20,000,000 (the "Bonds"). The purpose of the Bonds is, in part, to finance a portion of the costs of the multifamily residential rental development (the "Development") described below.

The proceeds of the Bonds not to exceed in aggregate principal amount \$20,000,000 will be loaned to EP Machuca, LP, a Texas limited partnership (or a related person or affiliate thereof) to finance a portion of the costs of acquisition, construction, rehabilitation and equipment of the following described multifamily residential rental development, which will be initially owned by EP Machuca, LP (or a related person or affiliate thereof):

Machuca Apartments containing approximately 122 units and located at 1039 Machuca Drive, El Paso, El Paso County, Texas 79922.

The required Notice of Public Hearing for the Development and the issuance of the Bonds was published on Tuesday, May 11, 2021 in the *El Paso Times*, being a newspaper of general circulation in El Paso, Texas and in El Paso County, Texas.

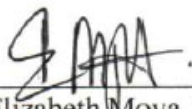
I hereby declare that this Public Hearing, required under Section 147(f) of the Internal Revenue Code of 1986, be open for purposes of discussing the issuance of the Bonds by the Issuer, and the locations and nature of the Development to be financed, refinanced or acquired with the Bonds by the Borrower.

[NOTE TO HEARING OFFICER: PROCEED TO HOLD THE PUBLIC HEARING.]

[NOTE TO HEARING OFFICER: AFTER SUFFICIENT TIME IS GIVEN FOR ALL PRESENT TO MAKE THEIR COMMENTS WITH RESPECT TO THE BONDS, AND THE NATURE AND LOCATIONS OF THE DEVELOPMENT, DECLARE THE PUBLIC HEARING CLOSED.]

I hereby declare the Public Hearing closed.

Dated: May 19, 2021,

  
\_\_\_\_\_  
Elizabeth Moya, Hearing Officer for  
El Paso Housing Finance Corporation

## **EXHIBIT A**

### SUMMARY OF COMMENTS AND DISCUSSION AT PUBLIC HEARING

Other than the staffs of El Paso Housing Finance Corporation and Housing Authority of the City of El Paso in attendance at the Public Hearing, no member of the public attended the Public Hearing to speak, and thus no comments were made or discussion had about the Development or the Bonds.

## GENERAL CERTIFICATE OF THE CITY

The undersigned Mayor and City Clerk of the City of El Paso, Texas (the “City”) hereby certify as follows:

1. This Certificate is executed with reference to the El Paso Housing Finance Corporation Multifamily Housing Revenue Bonds (Machuca Apartments) Series 2021 (the “Bonds”).

2. The El Paso Housing Finance Corporation (the “Issuer”) was created and authorized to act on behalf of the City, and the Articles of Incorporation and Bylaws of the Issuer were approved, by resolution of the City, dated August 28, 1979, and all amendments thereto have been approved by the City.

3. The records of the governing body of the City (the “Governing Body”) indicate that the following named persons were duly appointed and acting as directors of the El Paso Housing Finance Corporation by the Governing Body on January 27, 2021:

Name

Jerry Romero  
Michael Bray  
Cristina Bringas  
Jim Smith  
Anthony Tomasheski  
Stephan Shaw  
Christian Honesaker

4. The records of the governing body of the City (the “Governing Body”) indicate that the following named persons were duly appointed and acting as directors of the El Paso Housing Finance Corporation by the Governing Body on and after July 28, 2021:

Name

Jerry Romero  
Michael Bray  
Melanie Bailey  
Jim Smith  
Anthony Tomasheski  
Stephan Shaw  
Christian Honesaker

5. The Governing Body has not created any joint housing finance corporation as described in the Texas Housing Finance Corporations Act, Section 394.012 of the Texas Local Government Code.



6. The minutes of the Governing Body do not reflect any amendments to the Issuer's Articles of Incorporation or Bylaws which the Governing Body has not approved.

7. The minutes of the Governing Body do not reflect any action to amend the Articles of Incorporation or Bylaws of the Issuer to change the structure, organization, programs, or activities of the Issuer or to terminate the Issuer pursuant to the Texas Housing Finance Corporations Act, Section 394.016(c) of the Texas Local Government Code, as amended, or otherwise to limit the effectiveness of any of the resolutions of the Issuer authorizing issuance of the Bonds or affecting the Bond transaction in any manner.

Authorization of Attorney General to Date Certificate

8. This Certificate is submitted pursuant to 1 TAC §53.229. Upon the approval of the Bonds by the Attorney General of the State of Texas, he is authorized to date this Certificate as of the date of such approval. If any litigation should develop, or if any other event should occur which should make this Certificate inaccurate before the Attorney General's approval of the Bonds, we will notify the Attorney General at once by both telephone and facsimile transmission. With this assurance, the Attorney General is entitled to rely on the accuracy of this Certificate at the time of approval of the Bonds unless we advise him otherwise.

*[The remainder of this page intentionally left blank.]*

**IN WITNESS WHEREOF**, the City has caused this Certificate to be signed in its name as of \_\_\_\_\_, 2021.

**CITY OF EL PASO, TEXAS**

\_\_\_\_\_  
Mayor

ATTEST:

By: \_\_\_\_\_  
City Clerk, City of El Paso

(CITY SEAL)