

Coats Rose Advises City of El Paso on Housing Redevelopment

The Coats Rose Affordable Housing Group served as counsel to the Housing Authority of the City of El Paso for the closing on the redevelopment of 13 properties totaling 1,590 units which were converted from public housing to project based Section 8 under HUD's Rental Assistance Demonstration Program, the firm reports in a release.

The project was closed as one 4 percent tax credit/bond transaction with \$125,000,000 of tax exempt bonds and \$80,000,000 of tax credit equity.

The release says this represents the largest single issuance of housing tax credits ever approved by the Texas Department Housing and Community Affairs and the largest RAD conversion closing to date in the country. The total development cost was approximately \$250,000,000.

"This deal means more working El Paso families will have the opportunity to provide their children with a safe, stable environment,' says Coats Rose Affordable Housing Director Barry Palmer. "We are proud to have worked with HACEP to make this possible and want to thank the staff at HUD and TDHCA who worked so hard to help expedite the necessary approvals. The Housing Authority of the City of El Paso is a national leader in this innovative program to bring substantial private capital to help develop affordable housing for those most in need"

Coats Rose attorneys Barry Palmer and Bill Walter have been at the forefront of the RAD program, having closed the first three RAD transactions in the State of Texas in 2014 and now following up with these 13 properties.

Gerry Cichon, Executive Director of HACEP stated, "We have

been working on this transaction for over a year now. When HUD made this program available as a demonstration program in 2013 we recognized immediately that this is the future of public housing. This allows the Housing Authority to do renovations of over \$65,000 a unit on these 13 properties. It results in a substantial investment in the El Paso community with the creation of countless construction jobs and vastly improved housing conditions for 1,590 families.”

Also playing key roles in the transaction were attorneys from Reno & Cavanaugh PLLC, Ballard Spahr LLP, Nixon Peabody LLP and Bracewell & Giuliani LLP.

The federal Housing Tax Credit Program is the state’s primary means of incentivizing the investment of private capital in the development of affordable rental housing. Developers and their investment partners use the credits to offset their federal tax liability on a dollar-for-dollar basis in exchange for the construction or rehabilitation of rental units offering a reduced rent over an extended period of time.

Coats Rose is a business transaction and litigation law firm based in Houston, Texas. For more than 25 years, Coats Rose attorneys have worked with clients in construction/surety law, real estate law, commercial litigation of all types, municipal law, public finance, affordable housing, insurance law, labor and employment law, and governmental relations. Coats Rose is comprised of over 90 attorneys, with offices in Houston, Austin, Dallas, San Antonio, and New Orleans.