



NEWS

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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TDHCA awards \$850,000 to El Paso revitalization project Alamito Gardens

(AUSTIN) — Recognizing that many young families and older El Paso residents are struggling to keep pace with rising rent levels, the Texas Department of Housing and Community Affairs (TDHCA) and State Senator Eliot Shapleigh have announced a major funding award to the nonprofit developers of a 142-unit affordable rental property that will bring stability to the lives of tenants and much-needed economic benefits to the local construction industry.

TDHCA awarded the Paisano Housing Redevelopment Corporation, a nonprofit affiliate of the Housing Authority of the City of El Paso, approximately \$850,000 in financing through the Housing Tax Credit Program for the development of the proposed Alamito Gardens Apartments. Because the credits provide a dollar value for a 10-year period, the award amount will equal nearly \$8.5 million in funding.

The nonprofit organization will utilize the credits in conjunction with \$10.9 million in mortgage revenue bond proceeds from the Alamito Public Facilities Corporation for the construction of new, high quality rental housing that will offer tenants a reduced rent. The development received a prestigious Hope VI grant in 2004 from the U.S. Department of Housing and Urban Development

Senator Shapleigh, whose District 29 encompasses most of El Paso, applauded the addition of Alamito Gardens to the city. "In a community with 30,000 units of affordable housing needed, we are pleased to see the state partner with the Housing Authority in a key neighborhood," he said.

"Our goal is to provide attractive, high quality housing with an affordable rent while offering tenants the long-term benefits of a stable, secure home life," added Michael Gerber, TDHCA Executive Director. "The added bonus of this award will be additional construction jobs and a significant infusion of payroll funds into the community."

In addition to a lowered rent, properties funded through the mortgage revenue bond and housing tax credit programs also provide supportive services designed to foster self-sufficiency among young families or promote a healthy environment for older tenants. Examples typically include credit counseling, financial and computer literacy classes, and General Educational Development (GED) courses for younger adults; and transportation services, health screening, and nutrition programs for seniors.

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Alamito Gardens will be constructed at 508 Saint Vrain Street, just south of East Paisano Drive. The property is designed to serve tenants whose annual income does not exceed 60 percent of the area median family income, which for El Paso County equals \$26,160 for a family of four.

The unit mix will include 42 one-bedroom units, 72 two-bedroom units, 22 three-bedroom units, and six four-bedroom units. Proposed rents will range from \$171 to \$256 per month, depending on the size of the unit and the number of bedrooms.

The Housing Tax Credit Program is the state's primary means of directing private capital towards the creation of affordable rental housing. The tax credits provide private investors with a benefit that is used to offset a portion of their federal tax liability in exchange for the production of affordable rental housing. The value associated with the tax credits allows units to be leased to qualified families at below market rate rents.

About The Texas Department of Housing and Community Affairs

The Texas Department of Housing and Community Affairs is the state agency responsible for affordable housing, community services, energy assistance, and colonia housing programs. The Department annually administers more than \$400 million through for-profit, nonprofit, and local government partnerships to deliver local housing and community-based opportunities and assistance to Texans in need.