

**HATC Action Item VI.B**  
**May 7, 2020**

**Resolution No. HATC-2020-08:** To Authorize borrowing \$800,000 from Strategic Housing Finance Corporation of Travis County and to approve committing \$800,000 as an equity investment in the Eastern Oaks property and To Authorize the execution and delivery of documents and instruments necessary to carry out the contemplated transaction, and to take other actions related to the subject.

**WHEREAS**, the Housing Authority of Travis County, Texas, a housing authority operating under Chapter 392, Texas Local Government Code ("HATC") owns and operates a multifamily residential rental public housing property known as Eastern Oaks Apartments, located at 4922 Nuckols Crossing, Austin, Texas, 78744 (the "Development"); and

**WHEREAS**, HATC has previously authorized HATC staff to obtain funding from lenders for the revitalization of the Development and to take other necessary actions related to the subject;

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD (THE "BOARD") OF THE HOUSING AUTHORITY OF TRAVIS COUNTY, TEXAS, THAT:**

**SECTION 1.** The Board has determined it is in the best interest of HATC to obtain a forgivable loan in the amount of \$800,000 (the "Loan") from Strategic Housing Finance Corporation of Travis County (the "Lender"), to finance a portion of the rehabilitation costs for the Development, such loan to be on such terms as determined by the President, Executive Vice President and/or the Director of Real Estate Development of HATC.

**SECTION 2.** The officers of HATC are hereby authorized and empowered to execute a promissory note reflecting the Loan and any other related documentation necessary to obtain the Loan from the Lender.

**SECTION 3.** The Board of HATC hereby commits the proceeds of the Loan to be used as an equity investment in the Development to be used to fund costs necessary for the revitalization of the Development.

**SECTION 4.** The Board hereby approves and authorizes HATC staff to file any and all necessary or convenient applications, documents, instruments or other information with the Lender to obtain said Loan, to execute and deliver to the Lender such loan instruments as may be necessary to consummate the closing of the Loan, and to take other actions related to the subject.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Commissioners of HATC hereby:

1. Approves Resolution No. HATC-2020-08,
2. Authorizes the CEO/Executive Director to execute all necessary documents and extensions.

# HATC

HOUSING AUTHORITY OF TRAVIS COUNTY

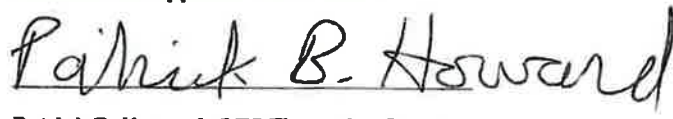
Passed and approved the 7<sup>th</sup> day of May 2020.



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Eddie Karam, Chair, Board of Commissioners

Attested and approved as to form:



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Patrick B. Howard, CEO/Executive Director

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**Background Information:** On 2-19-2020 the Housing Authority was notified that the Contract Hard Cost to do the rehab on Eastern Oaks had increased. The following dates and amounts were reviewed and discuss at length: **2/19/20 \$2,843,012 -2/24/20 \$2,624,886,-2/25/20 \$2,251,808 and 3/26/20 \$2,933,089**. The end result is an amount from \$2,365,497 to \$2,933,089, an increase of \$567,592. In addition, the relocation cost increased by \$128,253. Also during the TDHCA revaluation process by Real Estate analysis division, REA concluded that the Commitment from Lone Star Nation Bank would have to go back to the Board for consideration because the original application indicated that the loan would be for a term of 15 years instead of a three year line of credit. Given this delay in approval and the cost of about a \$1,000 a day to pay for tenants already located offsite, staff suggested that the Housing of Travis County provide \$800,000 equity to TDHCA. REA indicated that this would be an acceptable solution. Therefore, staff recommends the following action.

**Recommended Action:** Consider the appropriate action regarding **Resolution No. HATC-2020-08:** To Authorize borrowing \$800,000 from Strategic Housing Finance Corporation of Travis County, Texas and to Approve committing \$800,000 as an equity investment in the Eastern Oaks property and to Authorize the execution and delivery of documents and instruments necessary to carry out the contemplated transaction, and to take other actions related to the subject.

**Alternate Option:**

The Board of Commissioners could elect to **Not** approve the following Resolution:

- Resolution No. HATC-2020-08

**Fiscal Impact:**

N/A

**Attachment:**

- A. Resolution No. HATC-2020-08

**Prepared by:**

Robert Onion, Director of Real Estate Development

**Approval:**

*Patrick B. Howard*  
Patrick B. Howard, *Executive Director*