



December 3, 2020

Resolution No. SHFC-2020-15: To Authorize the debt financing, equity financing, property acquisition, service related agreements and other matters necessary or convenient for Strategic Housing Finance Corporation of Travis County to participate in the development and operation of (Wildhorse Flats Apartments) transaction; and the execution and delivery of documents and instruments necessary to carry out the contemplated transaction; and to take other actions related to the subject

The Board of Directors (the "Board") of Strategic Housing Finance Corporation of Travis County, a housing finance corporation created pursuant to Chapter 394 of the Texas Local Government Code ("SHFC"), in a meeting on December 3, 2020, adopted the following resolutions:

1. Land Acquisition and Ground Lease.

WHEREAS, Patrick Howard is the Executive Vice President and Secretary of SHFC, and Robert Onion is the Director of Real Estate Development of SHFC (collectively, the "**Authorized Signatories**" and each, an "**Authorized Signatory**");

WHEREAS, SHFC is the sole member of SHFC Wildhorse GP LLC, a Texas limited liability company (the "**General Partner**"), which is the sole general partner of ECG Wildhorse, LP, a Texas limited partnership (the "**Partnership**");

WHEREAS, the Partnership is intending to develop a multi-family housing property, to be known as "Wildhorse Flats Apartments" (the "**Apartment Complex**") on certain real property located in Austin, Texas (the "**Real Property**");

WHEREAS, the Board previously approved the terms of a Memorandum of Understanding (the "**MOU**") between SHFC and Elmington Affordable, LLC ("**Elmington**") with respect to the development of the Apartment Complex;

WHEREAS, the MOU contemplates that SHFC will create a wholly-owned affiliate known as SHFC Wildhorse Land LLC (the "**Landlord**") to own the Real Property and enter into a long-term ground lease (the "**Ground Lease**") with the Partnership; and

WHEREAS, in connection with the acquisition of the Real Property, the Landlord will be required to enter into various documents to evidence such acquisition (collectively, the "**Acquisition Documents**"); and



RESOLVED, that (a) the formation of the Landlord is hereby approved; (b) the Landlord is authorized to acquire the Real Property, to lease such Real Property to the Partnership, and to execute and deliver the Acquisition Documents and the Ground Lease; (c) SHFC, acting on behalf of the Landlord, is hereby authorized to execute and deliver the Acquisition Documents, the Ground Lease, and such other documents in connection therewith as may be necessary or desirable and do all things necessary or desirable to facilitate the acquisition of the Real Property and the lease thereof to the Partnership; and (d) any Authorized Signatory (or any other duly authorized officer of SHFC), each acting on behalf of SHFC, acting on behalf of the Landlord, is hereby severally authorized to (i) execute and deliver the Acquisition Documents and the Ground Lease, with such changes as such signatory, in his or her discretion, believes to be necessary or desirable (such necessity or desirability being evidenced by the execution of such documents), and such other documents and instruments in connection therewith as may be necessary or desirable, and (ii) do all things necessary or desirable to facilitate the acquisition of the Real Property and the lease thereof to the Partnership.

FURTHER RESOLVED, that (a) the Partnership is authorized to obtain a leasehold interest in the Real Property and to execute and deliver the Ground Lease; (b) the General Partner, acting on its own behalf or on behalf of the Partnership, is severally authorized to execute and deliver the Ground Lease and such other documents in connection therewith as may be necessary or desirable and to do all things necessary or desirable to facilitate the acquisition of a leasehold interest in the Real Property and the construction, development and operation of the Apartment Complex thereon; (c) SHFC, acting on its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, is severally authorized to execute and deliver the Ground Lease and such other documents in connection therewith as may be necessary or desirable and to do all things necessary or desirable to facilitate the acquisition of a leasehold interest in the Real Property and the construction, development and operation of the Apartment Complex thereon; and (d) any Authorized Signatory (or any other duly authorized officer of SHFC), each acting on behalf of SHFC, acting on its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, is hereby severally authorized to (i) execute and deliver the Ground Lease, with such changes as such signatory, in his or her discretion, believes to be necessary or desirable (such necessity or desirability being evidenced by the execution of such documents), and such other documents and instruments in connection therewith as may be necessary or desirable and (ii) do all things necessary or desirable to facilitate the Partnerships' acquisition of a leasehold interest in the Real Property and the construction, development and operation of the Apartment Complex thereon.

2. Debt Financing.

WHEREAS, SHFC is issuing one or more Multifamily Notes (herein so called) payable to Citibank, N.A. (the "**Funding Lender**") in the approximate principal amount not to exceed \$50,000,000 to evidence a loan from the Funding Lender to SHFC in the same amount (the "**Funding Loan**" and all other documents evidencing or governing the Funding Loan, including the Multifamily Note, being referred to herein as the "**Funding Loan Documents**");



WHEREAS, the proceeds of the Funding Loan are being used by SHFC to provide a loan to the Partnership in the amount of up to \$50,000,000 (the "Project Loan") for the purpose of financing the construction and development of the Apartment Complex;

WHEREAS, SHFC will collaterally assign the Project Loan to U.S. Bank National Association, as Fiscal Agent (herein so called) as security for SHFC's obligations under the Funding Loan;

WHEREAS, in conjunction with the Project Loan and/or the Funding Loan and its collateral assignment, the Partnership, the General Partner, and/or SHFC will execute and/or accept delivery of certain documents, including but not limited to Multifamily Notes, Borrower Loan Agreement, a Regulatory Agreement and Declaration of Restrictive Covenants, a Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (or other deed of trust document), and other documents required by the Funding Lender (collectively, the "Project Loan Documents");

RESOLVED, that (a) SHFC is authorized to (i) obtain the Funding Loan, (ii) use the proceeds thereof to make the Project Loan to the Partnership, (iii) collaterally assign the Project Loan to the Fiscal Agent as security for the Funding Loan, (iv) execute and deliver the Funding Loan Documents and all other documents related thereto, and (v) do all things necessary or desirable to effect the foregoing; (b) the Partnership is authorized to (i) obtain the Project Loan; (ii) participate as required in the collateral assignment of the Project Loan as security for the Funding Loan and the transfer of the Funding Loan in connection with the conversion of the Project Loan; and (iii) execute and deliver the Project Loan Documents, and all other documents related thereto; (c) the General Partner, acting on its own behalf or on behalf of the Partnership, is severally authorized to execute and deliver the Project Loan Documents, and all other documents related thereto and do all things necessary to facilitate the Project Loan; (d) SHFC, acting on its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, is severally authorized to execute and deliver the Project Loan Documents, and all other documents related thereto and do all things necessary to facilitate the Project Loan; and (e) any Authorized Signatory (or any other duly authorized officer of SHFC), each acting on behalf of SHFC, acting on its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, as applicable, is severally authorized to (i) execute and deliver the Project Loan Documents, with such changes as such signatory, in his or her discretion, believes to be necessary or desirable (such necessity or desirability being evidenced by the execution of such documents), and such other documents and instruments in connection therewith as may be necessary or desirable, and (ii) do all things necessary or desirable for the Partnership to obtain the Project Loan.



3. Equity Financing.

WHEREAS, U.S. Bancorp Community Development Corporation (the "**Equity Provider**") has agreed to provide equity financing to the Partnership for the development of the Apartment Complex (the "**Equity Financing**");

WHEREAS, in connection with the Equity Financing, the General Partner will enter into an Amended and Restated Agreement of Limited Partnership for the Partnership (the "**Partnership Agreement**") with the Equity Provider and ECG Wildhorse SLP, LLC, a Tennessee limited liability company, as limited partners; and

WHEREAS, the Partnership Agreement calls for the Partnership and/or the General Partner and/or SHFC to enter into certain additional documents associated with the Equity Financing, including but not limited to a Development Services Agreement and a Partnership Management Agreement (collectively, with the Partnership Agreement, the "**Equity Documents**");

RESOLVED, that (a) the Partnership is authorized to obtain the Equity Financing from the Equity Provider and to execute and deliver the Equity Documents; (b) the General Partner, acting on its own behalf or on behalf of the Partnership, is severally authorized to execute and deliver the Equity Documents and do all things necessary to facilitate the Equity Financing; (c) SHFC, acting on its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, is severally authorized to execute and deliver the Equity Documents and do all things necessary to facilitate the Equity Financing, including serving as a co-developer for the development of the Apartment Complex; and (d) any Authorized Signatory (or any other duly authorized officer of SHFC), each acting on behalf of SHFC, acting on its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, is hereby severally authorized to (i) execute and deliver the Equity Documents, with such changes as such signatory, in his or her discretion, believes to be necessary or desirable (such necessity or desirability being evidenced by the execution of such documents), and such other documents and instruments in connection therewith as may be necessary or desirable and (ii) do all things necessary or desirable to cause the Partnership to obtain the Equity Financing and perform the Partnership's and/or the General Partner's and/or SHFC's obligations thereunder.



4. Service as General Contractor.

WHEREAS, to further the economic efficiencies for the development of the Apartment Complex, SHFC intends to pursue a sales tax exemption for materials used in the construction of the Apartment Complex by entering a joint venture (or a wholly owned affiliate entering a joint venture) (the "JV") which will serve as the general contractor for the Apartment Complex with Elmington Construction, Inc.;

WHEREAS, the JV will act as the general contractor and will enter into a construction contract with the Partnership and may enter into other documents related thereto (collectively, the "**Construction Agreements**"); and

WHEREAS, in connection with one or more portions of the above-described financing, SHFC (or its wholly-owned affiliate) may be required to execute certain documents in its capacity as joint venturer (collectively with the Construction Agreements, the "**Contractor Documents**");

RESOLVED, that SHFC's participation in the JV (directly or through its wholly-owned affiliate) for the construction of the Apartment Complex is hereby ratified and approved.

FURTHER RESOLVED, that any Authorized Signatory (or any other duly authorized officer of SHFC), each acting on behalf of SHFC, is hereby severally authorized to execute and deliver (or to cause its wholly-owned affiliate to execute and deliver) the JV agreement, Contractor Documents and any other documents related thereto and cause SHFC (or its wholly-owned affiliate) to take any and all action deemed necessary or advisable in connection with facilitating the Contracting Work and performing the obligations in connection therewith.

5. Authorization/Ratification.

RESOLVED, that any Authorized Signatory (or any other duly authorized officer of SHFC), each acting on behalf of SHFC, acting its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, is severally authorized to (a) sign, certify to, acknowledge, deliver, accept, file, and record any and all instruments and documents, and (b) take, or cause to be taken, any and all such action, in the name and on behalf of SHFC, the General Partner, and/or the Partnership, as applicable, as such person shall deem to be necessary, desirable, or appropriate (such necessity, desirability, or appropriateness being evidenced by the execution of such documents) in order to effect the purposes of the foregoing resolutions.

FURTHER RESOLVED, that any and all action taken by an Authorized Signatory (or any other duly authorized officer of SHFC), each acting on behalf of SHFC, acting on its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, prior to the date this consent is actually executed in effecting the purposes of the foregoing resolutions is hereby approved, ratified, and adopted in all respects.



FURTHER RESOLVED, that an Authorized Signatory (or any other duly authorized officer of SHFC), each acting on behalf of SHFC, acting on its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, is severally authorized to approve modifications to the documents contemplated herein, including approval of increases to any of the loan amounts stated above, as such person deems to be necessary or appropriate in order to facilitate the transactions described herein, such approval to be evidenced by the Authorized Signatory's execution of the documents.

FURTHER RESOLVED, that the Secretary of the Corporation is authorized to certify and attest to the adoption and approval of the foregoing resolutions by the Board of Directors.

[Certification page follows.]



CERTIFICATION

The undersigned hereby certifies that the foregoing resolutions were duly adopted and approved by the Board of Directors of Strategic Housing Finance Corporation of Travis County in a meeting of the Board on December 3, 2020.

Patrick Howard, Secretary of Strategic Housing
Finance Corporation of Travis County

Patrick Howard

Signature

12/3/20

Date



**SHFC Action Item IV.C. & IV.D.
December 3, 2020**

Resolution No. SHFC-2020-14: To A. Authorize the issuance, sale, and delivery of one or more series of tax-exempt multifamily housing revenue bonds (**Wildhorse Flats Apartments**) Series 2021A and 2021B; B. Authorize the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily residential rental development; and other related provisions as necessary to complete the transaction; C. Approve the form and substance thereof.

Resolution No. SHFC-2020-15: To Authorize the debt financing, equity financing, property acquisition, service related agreements and other matters necessary or convenient for Strategic Housing Finance Corporation of Travis County to participate in the development and operation of (**Wildhorse Flats Apartments**) transaction; and the execution and delivery of documents and instruments necessary to carry out the contemplated transaction; and to take other actions related to the subject

Background Information: Staff has been working with Elmington Capital (Principals are Mark McCord and Hunter Nelson) for the last 24 months to identify sites in Travis County. Lloyd Griffin (Managing Director of Affordable Housing) of Berkadia Commercial Mortgage introduce me to them. The development firm headquarters are in Nashville, Tennessee. They have acquired/developed over 4,050 affordable apartments primarily in Tennessee. The Elmington team has extensive experience with 4% and 9% tax-exempt bond financing, tax-increment financing, HUD rental assistance, and historic tax credits. Elmington Property Management currently manages over 10,000 affordable units in 10 states, including 3rd party management agreements. The subject property is located on Wildhorse Ranch Trail just southeast of the 290/ 130 intersection, Travis County, Texas 78653. The Project is expected to offer a variety of floor plans, including 120 1-bedroom units, 120 2-bedroom units and 76 3- bedroom units, subject to change. The proposed rents range from \$1,011 to \$1,390 depending on floor plan. Each unit is expected to include granite countertops, central heat and air conditioning, ceiling fans, dishwasher, garbage disposal, carpet, drapes/blinds, washer/dryer hookups, refrigerator and microwave. The residential units will be marketed to families earning 60% of the area median incomes Subject to change. The development will offer housing convenient to the fast-growing East Austin area, all accessible to downtown Austin, Manor, and the eastern corridor of the Austin metro area via 130. Property residents are served by the Manor ISD.

The Memorandum of Understanding was approved at the October – 2020 and now Staff is requested the Board approved the Resolutions below to allow the transaction to close in January 2021.



Recommended Action: Consider the appropriate action regarding **Resolution No. SHFC-2020-14:** To A. Authorize the issuance, sale, and delivery of one or more series of tax-exempt multifamily housing revenue bonds (Wildhorse Flats Apartments) Series 2021A and 2021B; B. Authorize the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily residential rental development; and other related provisions as necessary to complete the transaction; C. Approve the form and substance thereof.

Consider the appropriate action regarding **Resolution No. SHFC-2020-15:** To Authorize the debt financing, equity financing, property acquisition, service related agreements and other matters necessary or convenient for Strategic Housing Finance Corporation of Travis County to participate in the development and operation of (Wildhorse Flats Apartments) transaction; and 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 Directors could elect to Not Approve the following Resolutions:

- Resolution No. SHFC-2020-14
- Resolution No. SHFC-2020-15

Fiscal Impact:

This transaction will greatly enhance the financial position of SHFC through the collection of Bond issuance fee, Construction Administration fees, Developer's fees, and cash flow of the property upon stabilization.

Attachments:

- A. Resolution No. SHFC-2020-14
- B. Resolution No. SHFC-2020-15

Prepared by:

Robert Onion – Director of Real Estate Development

Approval:

Patrick B. Howard

Patrick B. Howard, *Executive Vice President*