



**SHFC Action Item V.A.
May 7, 2020**

Resolution No. SHFC-2020-05: To Approve a loan of \$800,000 to the Housing Authority of Travis County, Texas to be used 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 Corporation is authorized by the Texas Housing Finance Corporations Act, Local Government Code, Chapter 394.039, Vernon's Annotated Texas Civil Statutes, as amended (the "Act"), to lend money for its corporate purposes which include providing a means to finance the cost of residential development that will provide decent, safe, and sanitary housing at affordable prices for residents of Travis County, Texas; and

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 is in need of \$800,000 to be used to complete the renovation of the Development;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CORPORATION, THAT:

Section 1: Strategic Housing Finance Corporation of Travis County (the "Corporation") hereby authorizes and agrees that the Corporation loan \$800,000 (the "Loan") the housing Authority of Travis County, Texas (the "Lender"), to finance a portion of the rehabilitation costs for the Development, such loan to be on such terms as determined by the authorized officers of the Corporation.

Section 2: The Corporation hereby authorizes the President of the Corporation, the Executive Vice President of the Corporation, and/or the Director of Real Estate Development of the Corporation as the authorized officers, acting together or individually, on behalf of the Corporation, to execute and deliver the Security Agreement and such other documents and instruments in connection therewith as may be necessary or desirable, and to take any other necessary or desirable actions consistent with this Resolution.

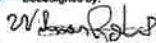
Section 3: Any and all action taken by the President of the Corporation, the Executive Vice President of the Corporation, and/or the Director of Real Estate Development of the Corporation, prior to the date these resolutions are actually adopted and executed in effecting the purposes of the foregoing Resolutions is hereby approved, ratified, and adopted in all respects.



NOW, THEREFORE, BE IT FURTHER RESOLVED that the Board of Directors of the Corporation hereby:

1. Approves Resolution SHFC-2020-05,
2. Authorizes the President of the Corporation, the Executive Vice President of the Corporation, and/or the Director of Real Estate Development of the Corporation to execute all relevant documents, instruments, agreements, policies, and procedures and to take all actions on behalf of the Corporation contemplated by the foregoing resolutions.

Passed and approved the 7 day of May 2020.

DocuSigned by:

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Wilmer Roberts, President, Board of Directors

Attested and approved as to form:



Patrick B. Howard, Executive Vice President



CERTIFICATION

The above resolution, adopted by the Board of Directors of the Strategic Housing Finance Corporation of Travis County at a meeting held on the 7th day of May 2020, is hereby certified to be a true and correct copy of an official copy thereof on file among the official records of such Corporation.

WITNESS my hand and seal of office this 7 day May 2020.

By: Debbie Honeycutt
Name: Debbie Honeycutt
Title: Administrative Assistant



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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. SHFC-2020-05:** To Approve a loan of \$800,000 to the Housing Authority of Travis County, Texas to be used 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 Directors could elect to Not approve the following Resolution:

- Resolution No. SHFC-2020-05

Fiscal Impact:

To be determined.

Attachment:

- A. Resolution No. SHFC-2020-05

Prepared by:

Robert Onion – Director of Real Estate Development



Approval:

Patrick Howard

Patrick B. Howard, *Executive Vice President*