



Resolution No. SHFC-2020-09: To Approve the prescription of the form and substance of an Agreement to Issue Bonds for Multifamily Housing Revenue Bonds (Limestone Canyon), to be located at 12118 Walnut Creek Crossing, Austin, Travis County, Texas; Authorize the execution of such agreement; Authorize the filing of an application with the Texas Bond Review Board for a reservation of an allocation of State volume cap for private activity bonds; and Authorize additional provisions relating thereto.

WHEREAS, Strategic Housing Finance Corporation of Travis County (the "Corporation") is authorized by the Texas Housing Finance Corporations Act, Local Government Code, Chapter 394, as amended (the "Act"), to issue revenue bonds for the purpose of paying all or part of the cost of a Residential Development as defined in the Act, and to sell or lease the project to others or loan the proceeds of the bonds to others to finance all or part of the cost of the Residential Development; and

WHEREAS, the Act authorizes the Corporation: (a) to make loans to any person to provide financing for rental residential developments located within Travis County, Texas (the "County"), and intended to be occupied substantially (at least 90 percent) by persons of low and moderate income, as determined by the Corporation; (b) to issue its revenue bonds for the purpose of obtaining moneys to make such loans and provide such financing, to establish necessary reserve funds and to pay administrative costs and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues, receipts or resources of the Corporation, including the revenues and receipts to be received by the Corporation from or in connection with such loans, and to mortgage, pledge or grant security interests in such loans or other property of the Corporation in order to secure the payment of the principal or redemption price of and interest on such bonds; and

WHEREAS, the Corporation now desires to authorize, issue and sell its tax-exempt multifamily housing revenue bonds, to the extent authorized by law, to provide funds to defray all or part of the cost of acquiring, rehabilitating and/or constructing a certain Residential Development by Nuveen Global Investments LLC, a Delaware limited liability company and/or its assigns (the "User"); and

WHEREAS, the User and the Corporation desire that the Corporation take some official action toward the issuance of such bonds prior to the commencement of acquisition and rehabilitation of such Residential Development; and

WHEREAS, the County, has authorized and approved creation of the Corporation to act on its behalf to further certain public purposes of the County;



NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE STRATEGIC HOUSING FINANCE CORPORATION OF TRAVIS COUNTY THAT:

Section 1: The Corporation hereby authorizes and agrees that it will issue and sell its multifamily housing revenue bonds (the "Bonds") from time to time in one or more series pursuant to the provisions of Texas law to pay all or part of the cost of acquiring, rehabilitating and equipping the project described in Exhibit "A" to the Agreement to Issue Bonds (the "Agreement") attached hereto (the "Project"), together with certain costs of authorization, sale and issuance of the Bonds. The Bonds will be issued and sold as more fully provided in the Agreement, and subject to the terms thereof, in a maximum aggregate principal amount now estimated to be not more than \$35,000,000.

Section 2: The proceeds of the Bonds will be used to finance a portion of the acquisition and rehabilitation of the Project.

Section 3: The Corporation will enter into a loan agreement with the User providing for financing of all or part of the cost of the Project.

Section 4: The Board of Directors of the Corporation (the "Board of Directors") hereby finds, determines and declares that (i) the Project is required and suitable for the promotion of new, improved, or expanded residential development in the County, (ii) the User has the business experience, financial resources and responsibility to provide reasonable assurance that the Bonds and the interest thereon to be paid from, or by reason of, payments made by the User under the loan agreement will be paid as the same become due, and (iii) the Project is in furtherance of the public purposes set forth in the Act.

Section 5: That neither the User nor any other party is entitled to rely on this Resolution as a commitment to loan funds, and the Corporation reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Corporation shall not be subject to any liability or damages of any nature. Neither the User nor any one claiming by, through or under the User, nor any investment banking firm or potential purchaser of the Bonds shall have any claim against the Corporation whatsoever as a result of any decision by the Corporation not to issue the Bonds.

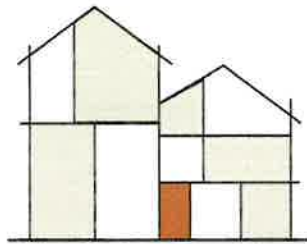


CERTIFICATION

The above resolution, adopted by the Board of Directors of the Strategic Housing Finance Corporation of Travis County at a meeting held on the 8 day of October, 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 8 day of October 2020.

By: Patrick Howard
Name: Patrick Howard
Title: Executive Vice President



STRATEGIC HOUSING
FINANCE CORPORATION

of TRAVIS COUNTY

EXHIBIT A AGREEMENT TO ISSUE BONDS



Section 6: The Corporation hereby authorizes the filing of one or more Applications For Allocation of Private Activity Bonds with the Texas Bond Review Board ("BRB") for the year 2020 or later years for the aggregate amount of up to \$35,000,000 of qualified residential mortgage revenue bonds, and the President of the Corporation, the Executive Vice President of the Corporation, and/or the Director of Real Estate Development of the Corporation are designated as the authorized officers, acting together or individually, to execute and deliver such Application to the BRB and to take any other actions consistent with this Resolution, including the execution and delivery of the Agreement.

Section 7: This Resolution is a Declaration of Official Intent under U.S. Treasury Regulations for purposes of Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended. Based upon the representations of the User, the Corporation reasonably expects that certain of the costs of the Project may be reimbursed with the proceeds of the Bonds.

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

1. Approves Resolution SHFC-2020-09,
2. Authorizes the Executive Vice President to execute all relevant policies and procedures.

Passed and approved the 8 day of October 2020.

A handwritten signature in blue ink, appearing to read "Wilmer Roberts", is written over a horizontal line.

Wilmer Roberts, President, Board of Directors

Attested and approved as to form:

A handwritten signature in blue ink, appearing to read "Patrick B. Howard", is written over a horizontal line.

Patrick B. Howard, Executive Vice President



**SHFC Action Item IV.A.
October 8, 2020**

Resolution No. SHFC-2020-09: To Approve Agreement to issue Bonds and approve the filing of an application with the Texas Bond Review Board for volume cap related to the issuance of multifamily revenue bonds to finance the purchase and rehabilitation of a residential development currently known as Limestone Canyon.

Background Information: On September 10, 2020 Michael Gilmartin of Nuveen Real Estate approached Strategic Housing Finance Corporation on an opportunity to issue bonds for the purchase of two properties (Limestone Canyon and Parkside Crossing) located in the Austin, Texas area. Limestone Canyon Apartments located at 12118 Walnut Park Crossing which is just West of IH-35 between Howard Lane and Parmer Lane. Limestone Canyon contains 260 units, was built in 1999 with 221,092 square feet of net rentable area. Average unit size is 850 square feet and is situated on 27.02 acres (10 units/acre).

Applicant anticipates the affordable set-aside to be 20% at 50% of AMI and 90% at 120% of AMI. Applicant wishes to submit both properties (Limestone Canyon and Parkside Crossing) into the 2021 Bond Lottery the application of which must be submitted in October of 2020. The applicant is also required to spend 15% of the tax-exempt bond proceeds on rehabilitation of the property.

The amount of the Bonds will be \$35 million and will be issued as Taxable Bonds to be converted to Tax Exempt Bonds upon receiving volume cap from the Bond Review Board. Upon approval of the resolution an application will be filed with the Texas Bond Review Board.

Recommended Action: Consider the appropriate action regarding **Resolution No. SHFC-2020-09:** To Approve Agreement to issue Bonds and approve the filing of an application with the Texas Bond Review Board for volume cap related to the issuance of multifamily revenue bonds to finance the purchase and rehabilitation of a residential development currently known as Limestone Canyon.

Alternate Option:

The Board of Directors could elect to Not Approve the following Resolution:

- Resolution No. SHFC-2020-09



Fiscal Impact:

This transaction will greatly enhance the financial position of SHFC through the collection of Bond issuance fee and ongoing Bond Administration fee collected annually.

Attachments:

- A. Sales Brochure
- B. Resolution No. SHFC-2020-09

Prepared by:

Robert Onion – Director of Real Estate Development

Approval:

Patrick B. Howard

Patrick B. Howard, *Executive Vice President*