



**SHFC Action Item IV.A.
June 21, 2021**

Resolution No. SHFC-2021-08: To Authorize the issuance, sale, and delivery of one or more series of multifamily housing revenue bonds (Yager Flats) Series 2021; 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; and Approve the form and substance thereof.

WHEREAS, Strategic Housing Finance Corporation of Travis County (the “Corporation”) has been duly created and organized pursuant to and in accordance with the provisions of the Texas Housing Finance Corporations Act, as amended, Texas Local Government Code, Chapter 394 (the “Act”), for the purpose of providing a means of financing the costs of residential ownership and development that will provide decent, safe and sanitary housing for persons of low and moderate income at prices or rentals they can afford; 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; (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 Board of Directors of the Corporation (the “Board”) has determined to issue, sell and deliver its Multifamily Housing Revenue Bonds (Yager Flats), Series 2021 in an aggregate principal amount not to exceed \$43,547,093 (the “Bonds”) pursuant to and in accordance with the terms of a Trust Indenture, anticipated to be dated as of June 1, 2021 (the “Indenture”), between the Corporation and Wilmington Trust, National Association, as trustee (the “Trustee”), to provide for the financing by ECG Yager, LP, a Texas limited partnership (the “Borrower”), of the acquisition, construction and equipping of a multifamily residential rental development to be known as Yager Flats Apartments located in Travis County, Texas (the “Development”), the payment of certain costs of issuance of the Bonds and the funding of certain required reserves in accordance with the Constitution and laws of the State of Texas; and

WHEREAS, the Corporation desires to authorize the Trustee to invest and reinvest the proceeds of the Bonds and all other funds received and held under the Indenture; and

WHEREAS, Section 147(f) of the Code requires that the Bonds be approved by the “applicable elected representative” (the “AER”) after a public hearing following reasonable public notice; and

WHEREAS, the appropriate AER of the County is the Travis County Commissioners Court or the County Judge of Travis County, Texas; and



WHEREAS, notice of a public hearing with respect to the Bonds and the Development held on behalf of the Corporation on May 25, 2021, was published on May 17 2021 in at least one newspaper of general circulation available to residents of Travis County, Texas; and

WHEREAS, a hearing officer designated by the Board held such public hearing on the date and at the time and place set out in such published notice, and conducted such hearing in a manner that provided a reasonable opportunity for persons with differing views on the issuance of the Bonds and the Development to be heard; and

WHEREAS, in order to assist in financing the Development, the Board has determined that the Corporation shall enter into a Loan Agreement, anticipated to be dated as of June 1, 2021 (the "*Loan Agreement*"), between the Corporation and the Borrower, pursuant to which the Borrower will receive funds to finance the cost of acquisition, construction and equipping of the Development, the payment of certain costs of issuance of the Bonds and the funding of certain required reserves, in order to construct the Development as a residential development for citizens of low and moderate income and assist such persons in Travis County, Texas, in obtaining decent, safe and sanitary housing at affordable prices (the "*Project Loan*"); and

WHEREAS, in order to assure compliance with Section 142(d) of the Internal Revenue Code of 1986, as amended (the "*Code*"), the Board has determined that the Corporation shall enter into a Regulatory Agreement and Declaration of Restrictive Covenants, anticipated to be dated as of June 1, 2021 (the "*Regulatory Agreement*"), and a Tax Exemption Certificate and Agreement to be dated as of the date of the issuance of the Bonds (the "*Tax Agreement*"), setting forth certain terms and conditions governing the use of the proceeds of the Bonds; and

WHEREAS, the Board desires to sell the Bonds pursuant to the terms of a Bond Purchase Agreement to be dated the date of its execution and delivery (the "*Purchase Agreement*"), among the Corporation, the Borrower and Stifel, Nicolaus & Company, Incorporated (the "*Underwriter*"); and

WHEREAS, the Corporation has examined proposed forms of the Indenture, the Loan Agreement, the Regulatory Agreement, the Tax Agreement and the Bond Purchase Agreement, each of which are presented with and constitute a part of this Resolution; has found the form and substance of such documents to be satisfactory and proper; and has determined to authorize the issuance of the Bonds, the execution and delivery of such documents and the taking of such other actions as may be necessary or convenient to further carry out the purposes of the Resolution; and

WHEREAS, the Corporation understands that the Underwriter intends to distribute an Official Statement in connection with the offering and sale of the Bonds; and

WHEREAS, in connection with the preparation of such Official Statement, the Corporation has furnished the information to the Underwriter set forth under the captions "THE ISSUER" and "ABSENCE OF LITIGATION – The Issuer," and the Board now desires to authorize the use of such information in such Official Statement.



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

Section 1. Public Hearing. The Board hereby finds, determines, recites and declares that a public hearing with respect to the Bonds and the Development was held on May 25, 2021; that notice of such public hearing was published no less than 7 days before such date in at least one newspaper of general circulation available to residents of Travis County, Texas; that such notice included the date, time and place of the public hearing, the location, general nature and the initial owner, operator or manager of the Development and the maximum aggregate principal amount of the Bonds; that all comments from interested persons were taken at such public hearing and were provided to the AER; and that the AER has approved or is anticipated to approve the Bonds for purposes of Section 147(f) of the Code.

Section 2. Issuance, Execution and Delivery of the Bonds. The issuance of the Bonds is hereby authorized, according to the terms of and in accordance with the Indenture; the Bonds shall contain a statement that they are being issued under the Act, as set forth in the Indenture; and upon execution and delivery of the Indenture, the officers of the Corporation are each hereby authorized to execute and attest to the Bonds and to deliver the Bonds as provided in the Indenture. The Trustee is authorized to invest the moneys held under the Indenture as provided therein.

Section 3. Interest Rate, Principal Amount, Maturity and Price. The officers of the Corporation are hereby authorized to fix and determine the interest rate, principal amount, maturity and price of the Bonds, all of which determinations shall be conclusively evidenced by the execution and delivery by such officers of the Indenture; provided, however, that: (a) the interest rate on the Bonds shall not exceed 12% per annum, subject to adjustment as provided in the Indenture; provided that, in no event shall the interest rate on the Bonds (including any default interest rate) exceed the maximum interest rate permitted by applicable law; (b) the aggregate principal amount of the Bonds shall not exceed \$43,547,093; (iii) the final maturity of the Bonds shall occur not later than _____, 20__; and (iv) the price at which the Bonds are sold to the initial purchaser thereof shall not exceed the principal amount thereof.

Section 4. Approval, Execution and Delivery of the Indenture. The form and substance of the Indenture are hereby approved, and the officers of the Corporation are each hereby authorized to execute the Indenture and to deliver the Indenture to the Trustee.

Section 5. Approval, Execution and Delivery of the Loan Agreement. The form and substance of the Loan Agreement are hereby approved, and the officers of the Corporation are each hereby authorized to execute the Loan Agreement and to deliver the Loan Agreement to the Borrower.

Section 6. Approval, Execution and Delivery of the Regulatory Agreement. The form and substance of the Regulatory Agreement are hereby approved, and the officers of the Corporation are each hereby authorized to execute the Regulatory Agreement and to deliver the Regulatory Agreement to the respective parties thereto.



Section 7. Approval, Execution and Delivery of the Tax Agreement. The form and substance of the Tax Agreement are hereby approved, and the officers of the Corporation are each hereby authorized to execute the Tax Agreement and to deliver the Tax Agreement to the respective parties thereto.

Section 8. Approval, Execution and Delivery of the Purchase Agreement. The form and substance of the Purchase Agreement are hereby approved, and the officers of the Corporation are each hereby authorized to execute the Purchase Agreement and to deliver the Purchase Agreement to the respective parties thereto.

Section 9. Official Statement. The Board hereby authorizes the use and distribution of the information described in the last recital of this Resolution in the Official Statement; provided, that in adopting the Official Statement, the Corporation hereby disclaims any responsibility for the Official Statement except for the information described as having been provided by the Corporation in the last recital of this Resolution and expressly disclaims any responsibility for any other information included as part of the Official Statement.

Section 10. Determination of Moderate Income. That the Board has heretofore determined and hereby confirms, in accordance with the Act, for purposes of the Development, until revised by the Board, that the maximum amount constituting moderate income shall be 120% of area median income as defined by HUD, initially \$118,680.

Section 11. Approval of Bond Counsel and Special Tax Counsel. Naman, Howell, Smith & Lee, PLLC is hereby approved to serve as Bond Counsel and Locke Lord LLP is hereby approved to act as Special Tax Counsel with respect to the Bonds with all fees and expenses of such Counsel to be paid by the Borrower.

Section 12. Payment of Certain Fees and Expenses. The Borrower shall pay all of the Corporation's costs and expenses with respect to the Bonds, including but not limited to, the fee to be paid to the Corporation on the closing date for the Bonds ("*Closing Date*"), and all fees and expenses of Bond Counsel and Special Tax Counsel.

Section 13. Execution and Delivery of Other Documents. The officers of the Corporation are each hereby authorized to execute, deliver, attest and affix the Corporation's seal to such other agreements, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, including, but not limited to, documents included as Bond Documents in the Indenture. Further, the Corporation is authorized to enter into other documents such as trust indentures, security agreements, loan agreements and similar documents for the purposes of obtaining the approval of the Attorney General of the State of Texas, as long as such documents are approved as to substance and form by Bond Counsel and the officers of the Corporation executing the same.



Section 14. Power to Revise Form of Documents. Notwithstanding any other provision of this Resolution, the officers of the Corporation are each hereby authorized to make or approve such revisions in the form of the documents approved hereby as, in the opinion of Bond Counsel, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution; approval of such changes by the Corporation shall be indicated by such officer's execution of the documents.

Section 15. Purposes of Resolution. The Board has expressly determined and hereby confirms that the issuance of the Bonds to assist in the financing of the Development will promote the public purposes set forth in Section 394.002 of the Act and will accomplish a valid public purpose of the Corporation by assisting citizens of low and moderate income in Travis County, Texas to obtain decent, safe and sanitary housing at affordable prices.

Section 16. Limited Obligations. The Bonds and the interest thereon shall be limited obligations of the Corporation payable solely from the revenues, funds and assets pledged under the Indenture to secure payment of the Bonds and under no circumstances shall the Bonds be payable from any other revenues, funds, assets or income of the Corporation.

Section 17. Obligations of Corporation Only. The Bonds shall not constitute an indebtedness, liability, general, special or moral obligation or a pledge or loan of the faith or credit or taxing power, within the meaning of any constitutional or statutory provision whatsoever, of Travis County, Texas, the United States of America or any agency or instrumentality thereof, the State of Texas or any other political subdivision or governmental unit thereof.

Section 18. Approval of Submission to the Attorney General of Texas. The Board hereby authorizes and ratifies the submission by Bond Counsel to the Attorney General of Texas, for approval as required under Chapter 1202, Texas Government Code, of a transcript of legal proceedings relating to the issuance, sale and delivery of the Bonds.

Section 19. Ratification of Certain Prior Actions. That all prior actions taken for or on behalf of the Corporation in connection with the Bonds are hereby ratified, confirmed and approved.

Section 20. Information Return for Tax-Exempt Private Activity Bonds. The Board further directs that an officer of the Corporation submit to the Secretary of the Treasury, not later than the 15th day of the second calendar month after close of the calendar quarter in which the Bonds are issued, a statement with respect to the Bonds containing the information required by Section 149(e) of the Code.

Section 21. Authorized Officers. For the avoidance of doubt, all references herein to the Corporation's "officers" shall specifically include Robert Onion, Director of Real Estate Development, who is hereby specifically authorized to take any action contemplated to be taken by an "officer" of the Corporation in these Resolutions or in any of the Bond documents.



Section 22. Incorporation of Preamble. The recitals in the preamble of this Resolution are true, correct and complete and that each and all of such recitals and the findings therein are hereby incorporated by reference to the same extent as if set forth here in full.

Section 23. Approval Conditions. The actions and obligations authorized in this Resolution shall be subject to and conditioned upon receipt by the Corporation on the date of delivery of the Bonds to the initial purchasers thereof of the appropriate opinions of Bond Counsel and Special Tax Counsel with respect to the Bonds. The Board hereby waives the Corporation's policy guidelines for receiving and approving applications for financial participation in residential developments (the "*Guidelines*"), if any, to the extent such Guidelines are inconsistent with the terms of this Resolution and the Bond documents authorized hereunder.

Section 24. Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

Section 25. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

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

1. Approves Resolution SHFC-2021-08.
2. Authorizes the officers, including, specifically, the President, Executive Vice President and Director of Real Estate Development, 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.

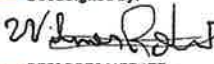
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CERTIFICATION

The above resolution, adopted by the Board of Directors of the Strategic Housing Finance Corporation of Travis County at a meeting held on the 21 day of June, 2021, 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 29 day of June, 2021.

DocuSigned by:

BF50CCE841FD4E7
President

ATTEST:

Patrick Howard
Secretary



EXHIBIT A

PROJECT AND BORROWER

Borrower: ECG Yager, LP, a Texas limited partnership
Project: An approximately 300-unit multifamily housing facility to be known as Yager Flats Apartments located at 4818 East Yager Lane, in the City of Austin, Travis County, Texas 78653.



**SHFC Action Item IV.A. & IV.B.
June 21, 2021**

Resolution No. SHFC-2021-08: To Authorize the issuance, sale, and delivery of one or more series of multifamily housing revenue bonds (Yager Flats) Series 2021; 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; and Approve the form and substance thereof.

Resolution No. SHFC-2021-09: 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 Yager 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: Strategic Housing Finance Corporation (SHFC) staff has been working with Elmington Capital (Principals are Mark McCord and Hunter Nelson) for the last 8 months to identify sites in Travis County. Lloyd Griffin (Managing Director of Affordable Housing) of Berkadia Commercial Mortgage introduced SHFC staff 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 they currently have under contract is at 4818 E Yager Lane, Manor TX 78653. It is located near the intersection of Yager Lane and Parmer just east of the Samsung facility. The subject site is located in the ETJ of Austin and will consist of Family Units as follows: (80) - 1-bedroom units (135) 2 bedroom 2 bath units (75) 3 bedrooms 2 bath and (10) 4 bedroom 2 bath units. Total cost of the development is anticipated to be \$67,086,741 with \$38 million (now \$41 million) in bond financing previously submitted.

On October 15th, 2019 the Board approved Resolution No. SHFC-2019-21 to authorize the filing of applications with the Texas Bond Review Board for a reservation of an allocation of State Volume cap. The reservation stated a Bond Amount of \$38 million. The applicate now wishes to change the amount of the Bonds to \$41 million, therefore the new resolution for consideration is stated at \$41 million. All other terms and conditions remain unchanged. The applicate further indicated that they believe they will be able to provide 5% of the units at 30% of area medium income and will make best efforts to target for an additional 5% of the units at 30% if Section 8 vouchers are provided.

The Board approved Resolution SHFC – 2021-07 at the June 3rd Board meeting. This resolution approved the MOU for the transaction. The two resolutions presented today (SHFC 2021-08 and SHFC-2021-09) will authorize the issuance, sale and delivery of one or more series of taxable or tax-exempt multifamily housing revenue obligations and authorize the debt financing, equity financing, property acquisition and other matters necessary to participate in the development of operations of Yager Flats Apartments.



It is anticipated that this transaction Yager Flats Apartments will close in July 7, 2021. Set asides will be 95% at 60% of AMI with 5% (or 15 units) will be set aside for 30% of AMI. Developer will also make best efforts to target an additional 5% of the units at 30% if Section 8 vouchers provide additional subsidize rents.

Recommended Action: Consider the appropriate action regarding Resolution No. SHFC-2021-08: To Authorize the issuance, sale, and delivery of one or more series of multifamily housing revenue bonds (Yager Flats) Series 2021; 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; and Approve the form and substance thereof.

Consider the appropriate action regarding Resolution No. SHFC-2021-09: 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 Yager 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-2021-08
- Resolution No. SHFC-2021-09

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-2021-08
- B. Resolution No. SHFC-2021-09

Prepared by:

Robert Onion – Director of Real Estate Development

Approval:

Patrick B. Howard

Patrick B. Howard, Executive Vice President