



Resolution No. SHFC-2017-19: To Authorize the issuance, sale, and delivery of one or more series of taxable or tax-exempt multifamily housing revenue bonds (The Heights on Parmer Phase II Apartments Project) Series 2017; approve the form and substance of and 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. NOTE: Previously discussed and approved item on October 3, 2017.

WHEREAS, Strategic Housing Finance Corporation of Travis County (the "Issuer") 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 Issuer: (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 Issuer; (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 Issuer, including the revenues and receipts to be received by the Issuer from or in connection with such loans, and to mortgage, pledge or grant security interests in such loans or other property of the Issuer 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 Issuer (the "Board") has determined to authorize the issuance, sale and delivery of its Multifamily Housing Revenue Bonds (The Heights on Parmer Phase II Apartments Project) Series 2017 (the "Bonds") pursuant to and in accordance with the terms of a Financing Agreement dated as of November 1, 2017 (the "Financing Agreement"), among the Issuer, BOKF, NA, as escrow agent and as registrar (the "Escrow Agent"), Pedcor Investments-2016-CLVIII, L.P., a Texas limited partnership (the "Borrower"), United Fidelity Bank, fsb (the "Purchaser"), and P/R Mortgage & Investment Corp. for the purpose of lending the proceeds thereof to the Borrower, to provide financing for the acquisition and construction of a multifamily rental residential development to be known as The Heights on Parmer Phase II Apartments located within the County and described more fully on Exhibit A attached hereto (the "Project"), all in accordance with the Constitution and laws of the State of Texas; and

WHEREAS, the Board, by resolution adopted on January 5, 2017, has declared its intent to issue its revenue bonds to provide financing for the Project; and



WHEREAS, in order to assist in carrying out such acquisition and construction of the Project, pursuant to the Financing Agreement (i) the Issuer will agree to make a loan funded with the proceeds of the Bonds (the "Loan") to the Borrower to enable the Borrower to finance the cost of acquisition and construction of the Project and related costs, and (ii) the Borrower will execute and deliver to the Issuer a promissory note (the "Note") in an original principal amount equal to the original aggregate principal amount of the Bonds, and providing for payment of interest on such principal amount equal to the interest on the Bonds and to pay other costs described in the Agreement; and

WHEREAS, in order to accomplish the purposes of the Financing Agreement, the Issuer, Borrower, Escrow Agent and Purchaser will enter into an Escrow Agreement dated as of November 1, 2017 (the "Escrow Agreement"), pursuant to which the Escrow Agent will disburse loan proceeds to reimburse the Borrower for costs of the Project; and

WHEREAS, the Issuer will sell the Bonds to the Purchaser pursuant to a Bond Purchase Agreement, dated as of November 1, 2017, among the Issuer, the Purchaser and the Borrower (the "Bond Purchase Agreement"); and

WHEREAS, in order to assure compliance with Section 142(d) of the Internal Revenue Code of 1986, as amended (the "Code"), the Issuer, the Borrower and the Purchaser will enter into a Regulatory Agreement and Declaration of Restrictive Covenants dated as of November 1, 2017 (the "Regulatory Agreement") with respect to the Project; and

WHEREAS, the Issuer's rights (except for certain reserved rights) under the Loan, the Financing Agreement and the Escrow Agreement, including the Note, will be assigned to the Purchaser, pursuant to the Financing Agreement; and

WHEREAS, the Board desires to engage Naman Howell Smith & Lee, PLLC to act as Bond Counsel and Ice Miller LLP to act as special tax counsel in connection with the authorization, issuance and delivery of the Bonds; and

WHEREAS, the Board desires to ratify certain other actions heretofore taken with respect to the Bonds; and

WHEREAS, the Issuer desires to authorize the Escrow Agent to invest and reinvest the proceeds of the Bonds and all other funds received and held under the Financing Agreement as specified in the Financing Agreement and the Escrow Agreement; 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, with respect to bonds issued by the Issuer, the AER is the Commissioners Court of the County or the County Judge; and

WHEREAS, notice of a public hearing with respect to the Bonds and the Project held by the Issuer on August 16, 2017, was published no less than 14 days before such date in a newspaper of general circulation available to residents within the County; and

WHEREAS, the Corporation 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 Project to be heard; and

WHEREAS, the Board and its advisors have examined proposed forms of the Financing Agreement, the Escrow Agreement, the Bond Purchase Agreement, the Regulatory Agreement and the Note, and have found the form and substance of such documents to be satisfactory and proper; and have determined to provide financing for the Project in accordance with such documents by authorizing 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;

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 Project was held on August 16, 2017; that notice of such public hearing was published no less than 14 days before such date in a newspaper of general circulation available to residents within the County; that such notice included the date, time and place of the public hearing, the location, general nature and the initial owner of the Project 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 it is anticipated that the AER will approve the Governmental Notes for purposes of Section 147(f) of the Code.

Section 2. Issuance, Execution, Sale and Delivery of the Bonds. The issuance of the Bonds is hereby authorized, according to the conditions set forth herein and in the Financing Agreement, and that, upon execution and delivery of the Financing Agreement, the President or any Vice President and Secretary of the Issuer each are authorized hereby to execute, attest and affix the Issuer's seal to the Bonds and to deliver the Bonds to the Attorney General of the State of Texas for approval, the Comptroller of Public Accounts of the State of Texas for registration and to the Escrow Agent for authentication, and thereafter to sell the Bonds to the initial purchaser thereof and deliver the Bonds as provided in the Financing Agreement and the Bond Purchase Agreements.



Section 3. Interest Rate, Principal Amount, Maturity and Price. The officers of the Issuer 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 Financing Agreement; provided, however, that: (a) the Interest Rate as defined in the Financing Agreement, shall not exceed 12% per annum, subject to adjustment as provided in the Financing Agreement; 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 \$12,500,000; (iii) the final maturity of the Bonds shall occur not later than November 1, 2070; 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 Financing Agreement. The form and substance of the Financing Agreement are hereby approved; and that the President or any Vice President and the Secretary of the Issuer are each hereby authorized to execute, attest and affix the Issuer's seal to the Financing Agreement and to deliver the Financing Agreement to the other parties thereto. The Escrow Agent is authorized to invest the moneys held under the Financing Agreement as provided therein and in the Escrow Agreement.

Section 5. Approval, Execution and Delivery of the Escrow Agreement. The form and substance of the Escrow Agreement are hereby approved; and that the officers of the Issuer are each hereby authorized to execute the Escrow Agreement and to deliver the Escrow Agreement to the other parties thereto.

Section 6. Approval, Execution and Delivery of the Regulatory Agreement. The form and substance of the Regulatory Agreement are hereby approved; and that the officers of the Issuer are each hereby authorized to execute, attest and affix the Issuer's seal to the Regulatory Agreement and to deliver the Regulatory Agreement to the Borrower and the Purchaser.

Section 7. Approval, Execution and Delivery of Tax Certificate. The form and substance of the Tax Exemption Certificate and Agreement (the "Tax Certificate") are hereby approved; and that the officers of the Issuer are each hereby authorized to execute and deliver the Tax Certificate.

Section 8. Approval, Execution and Delivery of the Bond Purchase Agreement. The form and substance of the Bond Purchase Agreement are hereby approved; and that the officers of the Issuer are each hereby authorized to execute and deliver the Bond Purchase Agreement to the Borrower and the Purchaser.

Section 9. Determination of Moderate Income. The Board has heretofore determined and hereby confirms, in accordance with the Act, for purposes of the Project, until revised by the



Board, that the maximum amount constituting moderate income shall be 120% of area median income as defined by HUD, initially \$97,680.

Section 10. Acceptance of the Note. That the Note is hereby accepted by the Issuer; and that the President and any Vice President of the Issuer are each hereby authorized to endorse the Note to the order of the Purchaser, without recourse.

Section 11. Approval of Bond Counsel. Naman, Howell, Smith & Lee, PLLC is hereby approved to serve as Bond Counsel and Ice Miller 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. Execution and Delivery of Other Documents. The officers of the Issuer (specifically including, without limitation, Ann Denton, President, Patrick Howard, Executive Vice President, and Robert Onion, Director of Real Estate Development) are each hereby authorized to execute, deliver, attest and affix the Issuer'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. Further, for the purposes of obtaining the approval of the Attorney General of the State of Texas or otherwise, if it is necessary for the Issuer to enter into other documents such as trust indentures, security agreements, loan agreements and similar documents so long as such documents are approved as to substance and form by Bond Counsel and the officers of the Issuer executing the same.

Section 13. Power to Revise Form of Documents. Notwithstanding any other provision of this Resolution, the officers of the Issuer (specifically including, without limitation, Ann Denton, President, Patrick Howard, Executive Vice President, and Robert Onion, Director of Real Estate Development) are each hereby authorized to make or approve such revisions in the form of the documents hereby approved 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; and approval of such changes by the Issuer shall be indicated by such officers' execution of the documents.

Section 14. 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 15. 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 16. Ratification of Certain Prior Actions. That all prior actions taken for or on behalf of the Issuer in connection with the Bonds are hereby ratified, confirmed and approved.

Section 17. Purposes of Resolution. The Board has expressly determined and hereby confirms that the issuance of the Bonds to assist in the financing of the Project will promote the public purposes set forth in Section 394.002 of the Act and will accomplish a valid public purpose of the Issuer by assisting persons of low and moderate income in the County to obtain decent, safe and sanitary housing at affordable prices, thereby helping to relieve unemployment, to preserve and increase the tax base of the County, and to reduce public expenditures for crime prevention and control, public health, welfare and safety and for other valid public purposes.

Section 18. Limited Obligations. The Bonds and the interest thereon shall be special limited obligations of the Issuer payable solely from the revenues, funds and assets pledged under the Financing Agreement and/or assigned to the Purchaser, 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 Issuer.

Section 19. Obligations of Issuer 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 the United States of America or any agency or instrumentality thereof, the State of Texas, the County or any other political subdivision or governmental unit.

Section 20. Approval Conditions. The actions and obligations authorized in this Resolution shall be subject to and conditioned upon receipt by the Issuer on the date of delivery of the Bonds to the initial purchaser thereof of the appropriate opinions of Bond Counsel and tax counsel with respect to the Bonds.

Section 21. Waiver of Guidelines. The Board hereby waives the Governmental Lender'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 documents authorized hereunder.

Section 22. Information Return for Tax-Exempt Private Activity Bonds. The Board further directs that an officer of the Issuer submit to the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Bonds are issued, a statement containing the information required by Section 149(e) of the Code.

Section 23. Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

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



1. Approves Resolution SHFC-2017-19,
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 Governmental Lender 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 2nd day of November, 2017, 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 2nd day of November, 2017.

By: Patrick Howard
Patrick Howard, Executive Vice President



EXHIBIT A
Description of Project

The Heights on Parmer Phase II Apartments

The Heights on Parmer Phase II Apartments Project (the "Project") is a proposed second phase of the multifamily development known as Parmer Place Apartments to consist of approximately 80 units located on approximately 4.190 acres at 1500 East Parmer Lane, Austin, Travis County, Texas. The Project is expected to offer a variety of floor plans, including 1, 2 and 3-bedroom units. Units will be reserved for occupants at 60% and 50% of area median income

It is anticipated that the Project will provide the following amenities:

1. Common Amenities

- Full perimeter fencing;
- Gazebo or covered pavilion w/sitting area;
- 2 BBQ grills and 2 picnic tables (inside or outside pavilion but in addition to pavilion sitting area);
- one children's playscape equipped for 5 to 12 year olds, or one Tot Lot, with a shade canopy or awning, intended to keep equipment cool and provide ultraviolet protection;
- Bicycle parking within reasonable proximity to each residential building that allows for bicycles to be secured with lock (lock not required to be provided to tenant) and allows for sufficient parking relative to the development size; and
- Dog park area that is fully enclosed and intended for tenant owned dogs to run off leash.

2. Unit Amenities

- Covered entries,
- nine foot ceilings in living room and all bedrooms (at minimum),
- microwave ovens,
- self-cleaning or continuous cleaning ovens,
- refrigerator with icemaker,
- storage room or closet of approximately 9 sf or greater, separate from and in addition to bedroom, entryway or linen closets,
- covered patios or covered balconies,
- 14 SEER HVAC or greater, and thirty (30) year shingle or metal roofing;
- greater than 30% (calculation excludes exterior glass) stucco or masonry (including stone, cultured stone, and brick but excluding cementitious or metal siding) on all building exteriors

3. Mandatory Development Amenities for all Units

- wired with RG-6/U COAX or better and CAT3 phone cable or better, wired to each bedroom, dining room and living room;
- laundry connections;



- exhaust/vent fans (vented to the outside) in bathrooms;
- screens on all operable windows;
- disposal;
- Energy-Star rated dishwasher;
- Energy-Star rated refrigerator;
- oven/range;
- blinds or window coverings for all windows;
- at least one Energy-Star rated ceiling fan per unit;
- Energy-Star rated lighting in all units which may include compact fluorescent bulbs or LED light bulbs;
- plumbing fixtures which meet performance standards of Texas Health and Safety Code, Chapter 372;
- central heating and air-conditioning in all units; and a
- adequate parking spaces consistent with local code, unless there is no local code, in which case the requirement would be 1.5 spaces per unit.

4. Green Building Features/Limited Green Amenities:

- newly installed native trees and plants that minimize irrigation requirements and are appropriate to the Development Site's soil and microclimate to allow for shading in the summer and heat gain in the winter;
- water-conserving fixtures (must include low-flow or high efficiency toilets, bathroom lavatory faucets, and showerheads) that meet the EPA's WaterSense Label;
- daylight sensor, motion sensors or timers installed on all exterior lighting and fixtures installed that include automatic switching on timers or photocell controls for all lighting not intended for 24-hour operation or required for security;
- Energy-Star rated windows;
- sprinkler system with rain sensors; and
- recycling service (includes providing a storage location and service for pick-up) provided throughout the Compliance Period

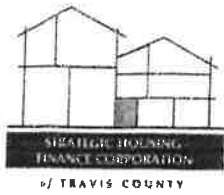
In addition to any tenant supportive services as agreed with TDHCA, it is anticipated that the Project will also provide the following tenant services:

After School Curriculum- 2:30-6:30

Homework Time and Support – Assistance provided so students can complete their assigned work.

Nutrition - Eating healthy and understanding why are important basics to start every child on the right track. A nutritious snack will be provided.

Fitness-Indoor/ Outdoor Sports and Games – Outdoor and indoor activities to keep the children active.



Special program – Each day will end with a Science, Art, or Music Program.

Summer Curriculum- 9:30-5:30

Each day will be structured so that there is a balance of activity and learning to stimulate each student in a positive way.

Nutrition - Eating healthy and understanding why are important basics to start every child on the right track. Breakfast, lunch and an afternoon snack will be provided.

Fitness – This will include a mixture of daily team and individual activities within the community. We will utilize all the green space for games that promote hand-eye coordination, foot work and good sportsmanship. Additionally, we anticipate providing swimming lessons throughout the summer for all skill levels.

Creative Learning – We will explore interactive activities that will help the students build self-esteem and will promote team building/leadership skills. This will set a solid foundation for students as they move forward in a positive way through their formative years.

Safety training will also be provided. This will include speakers from the fire and police departments. Additionally, a visiting Nurse for basic first aid and basic hygiene will be available.