



## STRATEGIC HOUSING FINANCE CORPORATION

September 1, 2016

**Resolution No. SHFC-2016-18:** To Approve the prescription of the form and substance of an Agreement to *issue* bonds; *authorize* the execution of such agreement; and *authorize* additional provisions relating to up to \$38,000,000 in Multifamily Housing Revenue Bonds ("Del Valle 969 Apartments Project") Series 2016.

**WHEREAS**, Strategic Housing Finance Corporation of Travis County (the "Corporation") is authorized by the Texas Housing Finance Corporations Act, Local Government Code, Chapter 394, Vernon's Annotated Texas Civil Statutes, 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, developing and/or constructing a certain Residential Development by Del Valle 969 Apartments, Ltd., a Texas limited partnership 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, development and construction 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, developing, constructing and equipping the project described in Exhibit "A" to the Agreement to Issue Bonds attached hereto (the "Project"), together with certain costs of authorization, sale and issuance of the Bonds.



## STRATEGIC HOUSING FINANCE CORPORATION

September 1, 2016

The Bonds will be issued and sold as more fully provided in the Agreement to Issue Bonds, and subject to the terms thereof, in a maximum aggregate principal amount now estimated to be not more than \$38,000,000.

Section 2: The proceeds of the Bonds will be used to finance a portion of the acquisition, construction, development and equipping of the Project.

Section 3: The Corporation will enter into a financing 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 the construction 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 financing 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.

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 2016 for the aggregate amount of up to \$38,000,000 of qualified residential mortgage bonds, and the President of the Corporation, the Executive Vice President of the Corporation, and/or the Asset Manager 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 of documents necessary to obtain a carry forward of a volume cap reservation or an additional application to the BRB for a volume cap carry forward application after November 15, 2016, as may be determined necessary by the officer executing any such document.

Section 7: This Resolution is a Declaration of Official Intent under U.S. Treasury Regulations for purposes of Sections 103 and 141 to 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.



STRATEGIC HOUSING FINANCE CORPORATION

September 1, 2016

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

1. Approves Resolution SHFC-2016-18,
2. Authorizes the Executive Vice President to execute all relevant policies and procedures.

Passed and approved the 1<sup>st</sup> day of September 2016.

Ann Denton, 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 1<sup>st</sup> day of September, 2016, 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 30 day of September, 2016.



By: Betty L. Black  
Name: Betty L. Black  
Title: Finance Manager



**Resolution No. SHFC-2016-18:** To Approve the prescription of the form and substance of an Agreement to *issue* bonds; *authorize* the execution of such agreement; and *authorize* additional provisions relating up to \$38,000,000 in Multifamily Housing Revenue Bonds ("Del Valle Apartments Project") Series 2016.

**Background Information:**

On Monday, August 15<sup>th</sup>, 2016, SHFC staff met with Debra Guerrero of The NRP Group to discuss SHFC participation as a partner in a to-be-built affordable residential development in Travis County to be known as Del Valle Apartments. The potential applicant is requesting that SHFC approve a resolution for the authorization of the issuance of Tax Exempt Bonds in the amount of \$38 million. This action does not obligate SHFC to issue the bonds but acts as a sponsorship (letter of intent to issue bonds) to the Texas Bond Review Board. NRP, at this time, anticipates moving forward with the development process with Travis County/City of Austin Planning and Zoning Department to seek plan approval and receive building permits. Anticipated time frame for the closing of this transaction is March 2017. SHFC staff is at a very preliminary stage in negotiating a partnership arrangement whereby SHFC would provide a property tax exemption and sales tax exemption in exchange for a partnership interest in the development.

The NRP Group LLC is a national multifamily development company who is fully integrated and performs development, general contractor, asset/property management for the Group. NRP was founded in 1995 and has developed over 28,000 units in 12 states, and manages over 15,000 residential units. NRP Group LLC produces annual building revenue of over \$300 million and has closed over \$4.0 billion in Real Estate.

The proposed Del Valle Apartments is located at 14011 RM 969 east of the intersection of 969 and 130 in East Austin. (See Location Map). The property will consist of 22.5 acres of land together with proposed improvements to consist of 302 units containing 1, 2, 3 and 4 bedroom units with an average unit size of 990 square feet with proposed rents at 60% of AMFI. Reported rents range from \$721 to \$1083 per month.

**Requested Action:**

Consideration and appropriate action regarding Resolution No. SHFC-2016-18, To Approve the prescription of the form and substance of an Agreement to *issue* bonds; *authorize* the execution of such agreement; and *authorize* additional provisions relating to up to \$38,000,000 in Multifamily Housing Revenue Bonds ("Del Valle Apartments Project") Series 2016.

**Alternate Option:**

The Board of Directors could elect to Not Approve Agreement to Issue Bonds and approve the filing of an application with the Texas Bond Review Board for volume cap.

**Fiscal Impact:**

N/A



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**Attachments:**

- A. Location Map
- B. Resolution No. SHFC-2016-18
- C. Exhibit A to Resolution No. SHFC-2016-18: *Agreement To Issue Bonds*

**Prepared by:**

Robert Onion, Asset Manager

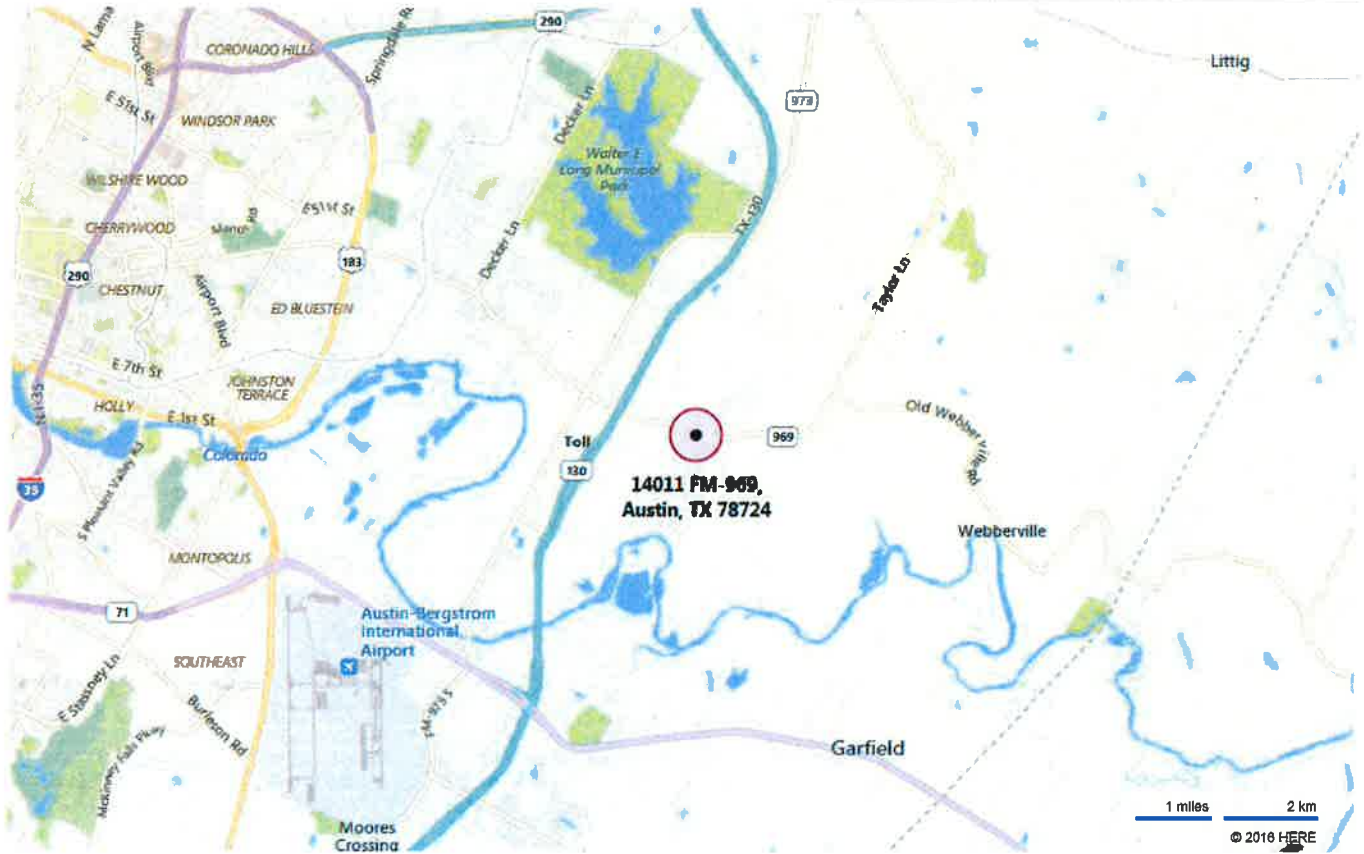
**Approval:**

  
Patrick B. Howard, Executive Vice President

bing maps

14011 FM-969, Austin, TX 78724

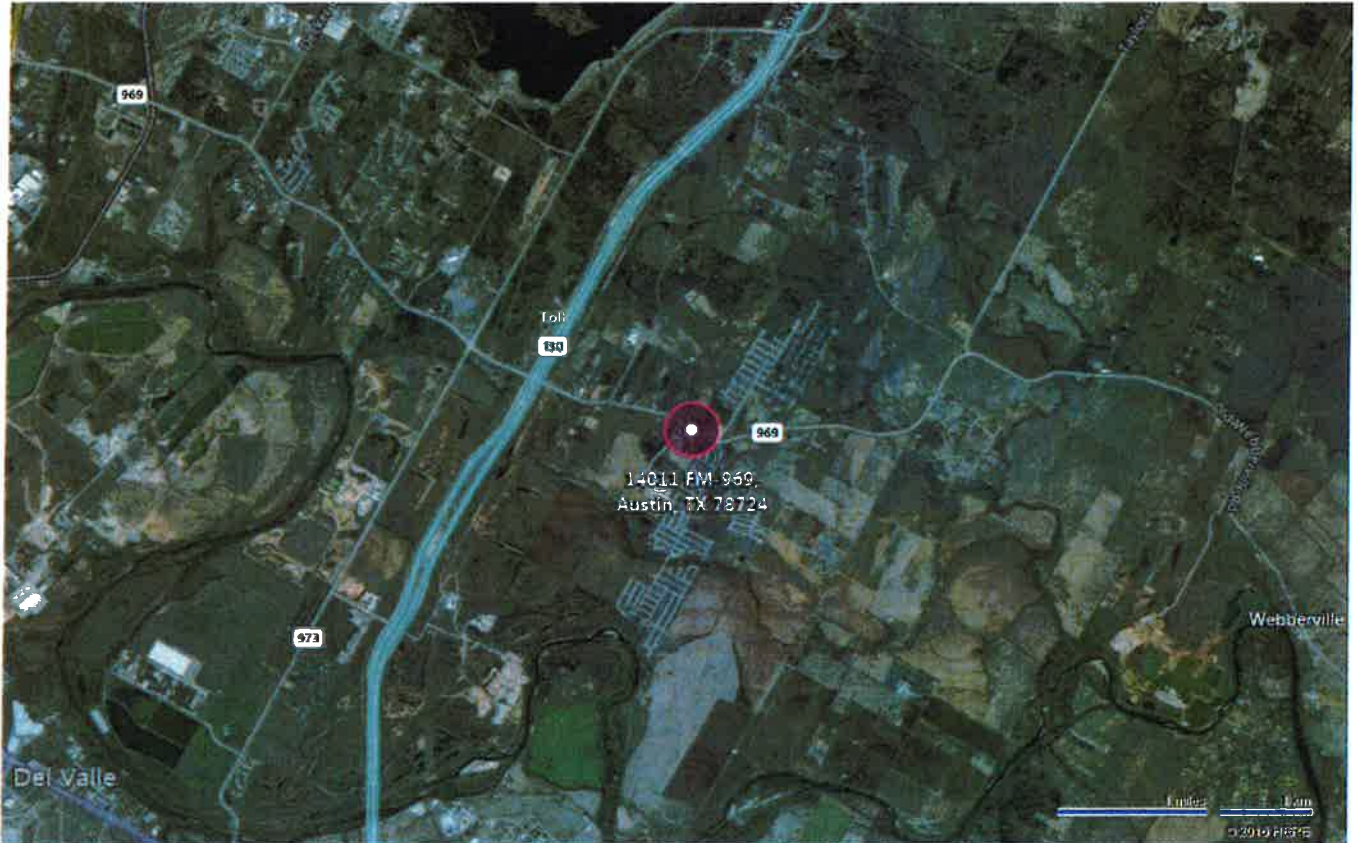
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 bing maps

14011 FM-969, Austin, TX 78724

Type your notes here.



# PROPOSED SITE

14011 FM 969  
Del Valle, Texas 78617



County:	Travis County
Census Tract Number:	48453002207
County Commissioner:	Precinct 1 - Ron Davis
Median Household Income:	\$52,293
Del Valle ISD:	Hornsby-Dunlap Elementary Dailey Middle School Del Valle High School
Resolution of No Objection needed	