

STRATEGIC HOUSING
FINANCE CORPORATION

of TRAVIS COUNTY

SHFC Action Item V.B
September 24, 2019

Resolution No. SHFC-2019-15: To Approve a Memorandum of Understanding (MOU) between Strategic Housing Finance Corporation of Travis County and NRP Lone Star Development LLC ("Developer") for the development of **(Decker Lofts Apartments)**

Background Information:

On November 29, 2018, Strategic Housing Finance Corporation Board of Directors approved Resolution No. SHFC-2018-20, which authorized the agreement to issue Multifamily Housing Revenue Bonds for Decker Lofts Apartments. The Developer, NRP, now wishes to memorialize the basic partnership structure with a Memorandum of Understanding (MOU). Attached, please find the MOU related to this transaction.

Proposed Property Data:

The property will consist of 11.602 acres of land together with improvements consisting of 10 units (one bedroom one bath), 96 units (two bedrooms two baths), 132 unit (three bedrooms two baths), and 24 units (four bedrooms two baths) for a total of 283,215 square feet of net rentable area. Target affordability of the units will be 40%, 60%, 80% and market rate units under the new income-averaging rule for tax-exempt bonds and tax credits.

Requested Action:

Consider the appropriate action regarding **Resolution No. SHFC-2019-15:** To Approve a Memorandum of Understanding (MOU) between Strategic Housing Finance Corporation of Travis County and NRP Lone Star Development LLC ("Developer") for the development of **(Decker Lofts Apartments)**.

Alternate Option:

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

- Resolution No. SHFC- 2019-15

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. Draft Memorandum of Understanding (MOU)

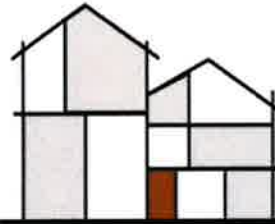
Prepared by:

Robert Onion – *Director of Real Estate Development*

Approval:



Patrick B. Howard, *Executive Vice President*



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WHEREAS, Strategic Housing Finance Corporation of Travis County ("SHFC") 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, Patrick Howard is Executive Vice President of SHFC and Robert Onion is the Director of Real Estate Development of SHFC (collectively, the "Authorized Signatories" and each, an "Authorized Signatory"); and

WHEREAS, the Developer proposes to develop an affordable housing community to be comprised of approximately 262 units to be known as Decker Lofts (the "Development"); and

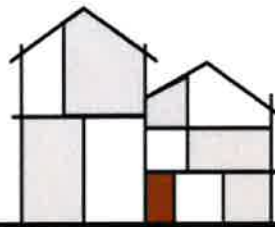
WHEREAS, pursuant to Developer's proposal, SHFC or its affiliates would have an ownership interest in the Development, would serve as issuer of financing for the Development and would assist with the construction of the Development in the capacities of co-developer and general contractor; and

WHEREAS, the Board of Directors of SHFC (the "Board") has reviewed the terms of a Memorandum of Understanding ("MOU") between SHFC and Developer, setting forth the terms and conditions on which SHFC would participate in the Development; and

WHEREAS, the Board has determined that the construction and ownership of the Development is appropriate to its corporate purposes.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Strategic Housing Finance Corporation of Travis County that (a) the MOU is approved; (b) SHFC is authorized to execute and deliver the MOU; (c) SHFC is hereby authorized to do all things necessary or desirable to facilitate the Development as contemplated by the MOU; and (d) the Authorized Signatories, each acting on behalf of SHFC, are each hereby individually authorized to (i) execute and deliver the MOU with such changes as in such person's discretion are deemed necessary or desirable, and such other documents and instruments in connection therewith as may be necessary or desirable and (ii) do all things necessary or desirable to facilitate SHFC's activities under the MOU.

FURTHER RESOLVED, that any and all action taken by an Authorized Signatory (or any other officer of SHFC), each acting on behalf of SHFC, prior to the date of this resolution is actually executed, in effecting the purposes of the foregoing resolutions is hereby approved, ratified and adopted in all respects.



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FURTHER RESOLVED, that the President, Executive Vice President and Secretary of SHFC are each individually authorized to certify and attest to the adoption and approval of the foregoing resolutions.

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

1. Approves Resolution SHFC-2019-15,
2. Authorizes the officers, including, specifically, the 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 SHFC contemplated by the foregoing resolutions.

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 24th day of September, 2019, 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 ____ day of September, 2019.

By: Patrick Howard
Patrick B. Howard, *Executive Vice President*