

STRATEGIC HOUSING
FINANCE CORPORATION

of TRAVIS COUNTY

SHFC Action Item IV.C.
October 15, 2019

Resolution No. SHFC-2019-19: To Approve a deposit of \$400,000 with Lone Star National Bank and any and all other documents required by such bank in connection with Eastern Oaks Apartments.

Background Information:

In finalizing the sources and uses of the funds needed to rehabilitate Eastern Oaks, the following Sources are available.

TDHCA Direct Loan - \$2 million
City of Austin Loan - \$1 million
Lone Star National Bank - \$400,000

Because TDHCA is requiring a first lien and the City of Austin a Second lien, Lone Star National Bank is looking for additional security for their loan. The loan with Lone Star National Bank will be considered a Line of Credit secured by a pledge deposit with Loan Start Nation Bank. This resolution is requesting the approval of the Board for Strategic Housing Finance Corporation to deposit \$400,000 with Lone Star National Bank for the benefit of the Housing Authority of Travis County.

Requested Action:

Consider the appropriate action regarding Resolution No. SHFC-2019-19: To Approve a deposit of \$400,000 with Lone Star National Bank and any and all other documents required by such bank in connection with Eastern Oaks Apartments.

Alternate Option:

The Board of Directors could elect to Not Approve a deposit of \$400,000 with Lone Star National Bank and any and all other documents required by such bank in connection with Eastern Oaks Apartments.

Fiscal Impact:

Failure to provide these funds for the rehabilitation of Eastern Oaks would jeopardize the other funding sources listed above and cause the rehabilitation of the development to be canceled.

Attachment:

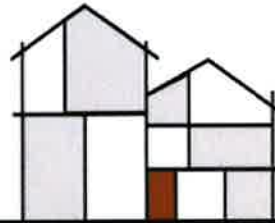
N/A

Prepared by:

Robert Onion – Director of Real Estate Development

Approval:


Patrick B. Howard, Executive Vice President



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WHEREAS, 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"), (a) to pledge all or part of the Corporation's property, franchises and income; and (b) enter into contracts to perform services with respect to residential development, any housing authority, nonprofit enterprise, or similar entity; and

WHEREAS, HATC is receiving a loan in the principal sum of \$400,000.00 (the "Loan") from Lone Star National Bank (the "Lender") in order to enable HATC to rehabilitate Eastern Oaks Apartments (the "Property"); and

WHEREAS, the Lender is requiring certain security in order to make the Loan to HATC; and

WHEREAS, the Corporation has been requested to establish a certificate of deposit account with the Lender in an amount of \$400,000.00 (the "Pledge Account") and to grant the Lender a security interest in the Pledge Account to secure the Loan.

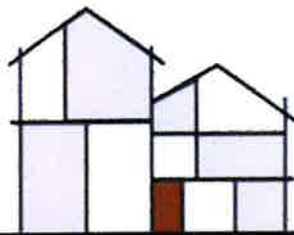
NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CORPORATION, THAT:

Section 1: The Corporation hereby authorizes and agrees that the Corporation establish the Pledge Account and grant the Lender a security interest in the Pledge Account as security for the Loan to HATC, as evidenced by an assignment of deposit account ("Security Agreement") by and between the Corporation, as pledger, and Lender, as secured party.

Section 2: The form, terms and provisions of the Security Agreement are hereby in each and every respect approved, ratified and confirmed; and each and every transaction effected or to be effected pursuant to, and in substantial accordance with, the terms of the Security Agreement and such other documents as are contemplated thereby are hereby in each and every respect authorized, approved, ratified and confirmed.

Section 3: The Corporation shall establish the Pledge Account with Lender to secure the obligations of HATC.

Section 4: The Corporation hereby authorizes the President of the Corporation, the Executive Vice President of the Corporation, and/or the Director of Real Estate Development of the Corporation as the authorized officers, acting together or individually, on behalf of the Corporation, to execute and deliver the Security Agreement and such other documents and instruments in connection therewith as may be necessary or desirable, and to take any other necessary or desirable actions consistent with this Resolution.



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Section 5: Any and all action taken by the President of the Corporation, the Executive Vice President of the Corporation, and/or the Director of Real Estate Development of the Corporation, prior to the date these resolutions are actually adopted and executed in effecting the purposes of the foregoing Resolutions is hereby approved, ratified, and adopted in all respects.

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

1. Approves Resolution SHFC-2019-19,
2. Authorizes the President of the Corporation, the Executive Vice President of the Corporation, and/or the Director of Real Estate Development of the Corporation 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.

Passed and approved the 15th day of October, 2019.

Eddie Karam, 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 15th day of October, 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 15 day of October, 2019.

By: Debbie Honeycutt
Name: Debbie Honeycutt
Title: Sr. Admin Assistant