



March 28, 2024

Board Book

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Agenda Item

- I. Call to Order/Roll Call/Confirmation of Quorum (*No backup*)
- II. Public Forum/Citizen Communication (*No backup*)
- III. Consent Agenda
 - A. Approval of Minutes
- IV. Action Agenda
 - A. TexPool Investment Account Authorized Representatives
 - B. Loyola Flats
 - C. Rundberg Flats
 - D. Tech Ridge II Apartments
 - E. Ovation Apartments
 - F. Avonmora Apartments
 - G. Fort Branch at Trumans Landing
 - H. 10601 North Lamar Apartments
 - I. Forest Park Apartments & Silver Springs Apartments
- V. Discussion Item
 - A. Consultation with legal counsel (*No backup*)
- VI. Director's Report
- VII. New/Unfinished Business (*No backup*)



AGENDA FOR THE REGULAR BOARD MEETING
Strategic Housing Finance Corporation, Texas
502 E. Highland Mall Blvd., Suite 106-B
Austin, Texas 78752

March 28, 2024
11:30 A.M.

The Board of Directors will meet at the Montopolis Recreation Center located at 1200 Montopolis Dr. (Room #119) Austin, Texas 78741 and via Zoom. Join the Meeting by using the Link provided below
<https://us06web.zoom.us/j/89962622179?pwd=8uyj31JWaNPRPzziF1wXiYbg6uy255.1>

The Board of Directors will consider and may take action on the following items:

I. CALL TO ORDER / ROLL CALL / CONFIRMATION OF QUORUM

MISSION STATEMENT: The Strategic Housing Finance Corporation, Texas, preserves and develops affordable housing and vibrant communities which enhance the quality of life for all.

II. PUBLIC FORUM / CITIZEN COMMUNICATION

- *Anyone desiring to discuss or comment on items directly related to the SHFC is always welcome.*
- *If the item is deemed related to an Agenda item at the current meeting, the presiding officer will inform the citizen that pending action(s) remain.*
- *Speakers must sign-in prior to the start of the Board Meeting by emailing Debbie Honeycutt at Debbie.Honeycutt@traviscountytexas.gov*
- *Maximum three-minute limit per speaker.*

III. CONSENT AGENDA

- A. Approval of the Minutes from the February 22, 2024 Regular Meeting

IV. ACTION AGENDA

A. Resolution No. SHFC-2024-11	To <u>Adopt</u> a Resolution appointing Julio Gonzalez-Altamirano and Dianna Grey as Authorized Representatives for the Corporation's Texas Local Government Investment Pool investments
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AGENDA FOR THE REGULAR BOARD MEETING
Strategic Housing Finance Corporation, Texas
502 E. Highland Mall Blvd., Suite 106-B
Austin, Texas 78752

B. Resolution No. SHFC-2024-12	To <u>Authorize</u> a Resolution of the Board of Directors prescribing the form and substance of an agreement to issue bonds; <u>Authorizing</u> the execution of such agreement; and containing other provisions relating to up to \$50,000,000 multifamily housing revenue bonds (Loyola Flats)
C. Resolution No. SHFC-2024-13	To <u>Authorize</u> a Resolution of the Board of Directors prescribing the form and substance of an agreement to issue bonds; <u>Authorizing</u> the execution of such agreement; and containing other provisions relating to up to \$50,000,000 multifamily housing revenue bonds (Rundberg Flats)
D. Resolution No. SHFC-2024-14	To <u>Authorize</u> and direct the officers and staff of Strategic Housing Finance Corporation of Travis County to negotiate and execute a memorandum of understanding and other agreements related to participation in the ownership of the Tech Ridge II Apartments located at [____] Howard Lane, Austin, Travis County, Texas [____]; and to authorize additional provisions relating to participation in such multi-family residential development project.



AGENDA FOR THE REGULAR BOARD MEETING
Strategic Housing Finance Corporation, Texas
502 E. Highland Mall Blvd., Suite 106-B
Austin, Texas 78752

E. Resolution No. SHFC-2024-15	To <u>Authorize</u> and direct the officers and staff of Strategic Housing Finance Corporation of Travis County to negotiate and execute a memorandum of understanding and other agreements related to participation in the ownership of the Ovation Apartments located at 2425 E. Riverside Drive, Austin, Travis County, Texas 78741; and to authorize additional provisions relating to participation in such multi-family residential development project.
F. Resolution No. SHFC-2024-16	To <u>Authorize</u> and direct the officers and staff of Strategic Housing Finance Corporation of Travis County to negotiate and execute a memorandum of understanding and other agreements related to participation in the ownership of the Avonmora Apartments located at 4501 E. Riverside Drive, Austin, Travis County, Texas 78741; and to authorize additional provisions relating to participation in such multi-family residential development project.
G. Resolution No. SHFC-2024-17	To <u>Authorize</u> and direct the officers and staff of Strategic Housing Finance Corporation of Travis County to negotiate and execute a memorandum of understanding and other agreements related to participation in the ownership of the Fort Branch at Trumans Landing Apartments located at 5800 Techni Center Drive, Austin, Travis County, Texas 78721; and to authorize additional provisions relating to participation in such multi-family residential development project.



AGENDA FOR THE REGULAR BOARD MEETING
Strategic Housing Finance Corporation, Texas
502 E. Highland Mall Blvd., Suite 106-B
Austin, Texas 78752

H. Resolution No. SHFC-2024-18	To <u>Authorize</u> and direct the officers and staff of Strategic Housing Finance Corporation of Travis County to negotiate and execute a memorandum of understanding and other agreements related to participation in the ownership of the 10601 North Lamar Apartments located at 10601 North Lamar, Austin, Travis County, Texas 78753; and to authorize additional provisions relating to participation in such multi-family residential development project.
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I. Resolution No. SHFC-2024-19	To <u>Adopt</u> a Resolution approving the marketing of Forest Park Apartments and Silver Springs Apartments
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V. DISCUSSION ITEM

A. Discussion and appropriate action on presentation from legal counsel on pending litigation matters involving the Corporation. To be discussed in Executive Session pursuant to Texas Government Code Section 551.071.

VI. DIRECTOR'S REPORT

A. Update from the Interim Executive Director – *Dianna Grey*

VII. NEW / UNFINISHED BUSINESS

A. Discussion and consideration regarding Board of Directors issues and concerns



AGENDA FOR THE REGULAR BOARD MEETING
Strategic Housing Finance Corporation, Texas
502 E. Highland Mall Blvd., Suite 106-B
Austin, Texas 78752

VIII. EXECUTIVE SESSION

- *The Board of Directors may consider any item posted on the Agenda in Executive Session if there are issues that require consideration, and the Board of Directors announce that the item will be considered during such time in accordance with one or more of the following:*
 - *Texas Government Code Annotated 551.071, Consulting with Attorney*
 - *Texas Government Code Annotated 551.072, Real Property*
 - *Texas Government Code Annotated 551.074, Personnel Matters*
 - *Texas Government Code Annotated 551.076, Security*
 - *Texas Government Code Annotated 551.087, Economic Development Negotiation*

IX. ADJOURNMENT

I.A. Approval of Minutes

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**STRATEGIC HOUSING FINANCE CORPORATION
BOARD OF DIRECTORS
REGULAR MEETING
502 E. Highland Mall Blvd., Suite 106-B
Austin, Texas 78752
February 22, 2024
11:30 a.m.**

MINUTES

The Strategic Housing Finance Corporation of Travis County, Texas, held an Annual Board of Directors Meeting at The Montopolis Recreation Center located at 1200 Montopolis Dr., Room #119 Austin, Texas 78741 and via Zoom. Join the Meeting by using the Link provided below.

<https://us02web.zoom.us/j/88303820888?pwd=MnZCQm1BUiNiTEFwL082KzVTVUYwQT09>

I. CALL TO ORDER / ROLL CALL / CONFIRMATION OF QUORUM

A quorum was established, and President Julio Gonzalez Altamirano called the meeting to order at 11:33 a.m.

Roll Call of Directors: President Julio Gonzalez Altamirano; Vice President Jan Wenig; Director Delea Becker; Director Kecia Prince; Director Lisa Rheams; Director Rebecca Webber. Guest: Cliff Blount, Chris Sayers and Laura Grieff with Naman, Howell, Smith & Lee PLLC; Braxton Parsons with Hilltop Securities; Matt Steinberg with Langdon Street Capital. Staff in Attendance: Interim Executive Director Dianna Grey; Asset Manager Keith Hoffpauir; Sr. Administrative Assistant Debbie Honeycutt and Director of Finance Subra Narayananier.

Interim Executive Director Dianna Grey certified the quorum.

II. PUBLIC FORUM / CITIZEN COMMUNICATION

- Anyone desiring to discuss or comment on items directly related to the SHFC is always welcome.
- If the item is deemed related to an Agenda item at the current meeting, the presiding officer will inform the citizen that pending action(s) remain.
- Speakers must sign-in prior to the start of the Board Meeting by emailing Debbie Honeycutt at Debbie.Honeycutt@traviscountytx.gov
- Maximum three-minute limit per speaker.

Gabby Garica with BASTA

- Addressed the Board regarding the Tenant Investment Program.

III. CONSENT AGENDA

- A. Approval of the Minutes from the December 15, 2023 Special Meeting
- B. Approval of the Minutes from the January 24, 2014 Annual Meeting

Vice President Jan Wenig made a **motion** to Approve Item III.A. and III.B. Director Rebecca Webber seconded the motion, which **passed** unanimously.

President Julio Gonzalez Altamirano thanked Director Lisa Rheams for serving as Vice President of Strategic Housing Finance Corporation for the past year.

IV. ACTION AGENDA

A. Officer Selection – Secretary, Treasurer

B. Resolution No. SHFC-2024-07	To <u>Authorize</u> the signature authority of Dianna Grey, Interim Executive Director, and Executive Secretary.
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Director Webber made a **motion** to Approve Item IV.D. Resolution No. SHFC-2024-02. Vice President Wenig seconded the motion, which **passed** unanimously.

E. Resolution No. SHFC-2024-10	To <u>Authorize</u> and direct the officers and staff of Strategic Housing Finance Corporation of Travis County to negotiate and execute a memorandum of understanding and other agreements related to participation in the ownership of the Langdon at Walnut Park Apartments located at 12101 N. Lamar Blvd., Austin, Travis County, Texas; and to <u>Authorize</u> additional provisions relating to participation in such multi-family residential development project.
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Director Webber made a **motion** to Approve Item IV.E. Resolution No. SHFC-2024-10. Director Rheams seconded the motion, which **passed** unanimously.

C. Resolution No. SHFC-2024-08	To <u>Authorize</u> the issuance, sale, and delivery of one or more series of multifamily housing revenue bonds (Blue Ridge Apartments), Series 2024; <u>Authorize</u> 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 <u>Approve</u> the form and substance thereof.
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Director Webber made a **motion** to Approve Item IV.C. Resolution No. SHFC-2024-08. Vice President Wenig seconded the motion, which **passed** unanimously.

D. Resolution No. SHFC-2024-09	To <i>Authorize</i> 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 the Blue Ridge 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.
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Director Rheams made a **motion** to approve Item IV.D. Resolution No. SHFC-2024-09. Director Prince seconded the motion, which **passed** unanimously.

V. DIRECTOR’S REPORT

A. Finance – [Subra Narayananaiyer](#)

Director of Finance Subra Narayananaiyer presented the SHFC Financial Report.

- SHFC Audit is scheduled in the next couple of weeks.
- Cash – Texpool restricted – Rosemont Sale - \$4,205,363
- December 2023 Cash – Texpool - \$3,340,867
- January 2024 Cash – Texpool - \$4,254,444
- Questions regarding Note Receivable – SEA OAKS & SEA RAD R4R for \$1,561,000
Uncollectible Allowance to NR – R4R (\$1,561,000)
- Questions regarding Note Receivable – SEA RAD LP \$837,968
Uncollectible Allowance to N/R SEA RAD LP (\$837,968)

B. Update from the Interim Executive Director – [Dianna Grey](#)

Did not discuss.

C. Existing Multifamily Development Occupancy – [Keith Hoffpauir](#)

- Interim Executive Director presented an overview of the Multifamily Development Occupancy report.

VI. DISCUSSION ITEMS

A. Rosemont Tenant Investment Program – [Kecia Prince and Lisa Rheams](#)

- Director Kecia Prince and Director Lisa Rheams addressed the Board regarding the Tenant Investment Program from proceeds of the sale of Rosemont.

B. Committee Assignments

- President Julio Gonzalez Altamirano will serve as Chair and Vice-President Wenig will serve as Vice-Chair of the Real Estate Committee.
- Director Webber will serve as Chair and Director Prince will serve as Vice-Chair of the Governance, Finance & Administration Committee.
- Director Prince will serve as Chair and Vice President Wenig will serve as Vice-Chair of the Human Resource Committee.

C. Work Plan 2024
Did not discuss.

D. Board Development Briefings

i. Nonviolent Communication
Did not discuss.

ii. Robert's Rule of Order
Did not discuss.

iii. Housing Finance Corporation: Texas Local Government Code Chapter 394

- Chris Sayers with Naman, Howell, Smith & Lee presented an overview of the Texas Local Government Code Chapter 394.

iv. SHFC Articles of Incorporation

- Chris Sayers with Naman, Howell, Smith & Lee presented an overview of the SHFC Articles of Incorporation.

VII. NEW / UNFINISHED BUSINESS

A. Discussion and consideration regarding Board of Directors issues and concerns

There were none at that time.

VIII. EXECUTIVE SESSION

- *The Board of Directors may consider any item posted on the Agenda in Executive Session if there are issues that require consideration, and the Board of Directors announce that the item will be considered during such time in accordance with one or more of the following:*
 - *Texas Government Code Annotated 551.071, Consulting with Attorney*
 - *Texas Government Code Annotated 551.072, Real Property*
 - *Texas Government Code Annotated 551.074, Personnel Matters*
 - *Texas Government Code Annotated 551.076, Security*
 - *Texas Government Code Annotated 551.087, Economic Development Negotiations*

There were none at that time.

IX. ADJOURNMENT

Vice President Wenig made a **motion** to adjourn the Board meeting. Director Rheams seconded the motion, which **passed** unanimously.

The Board meeting adjourned at 1:54 p.m.

Respectfully submitted,

Dianna Grey, Interim Executive Director

MISSION STATEMENT

*Preserving and developing affordable housing and vibrant communities
to enhance the quality of life for all.*

- A copy of these minutes can be found on the web site (www.shfctx.com)

IV.A

TexPool Investment Account Authorized Representatives



Resolution Amending Authorized Representatives

Please complete this form to amend or designate Authorized Representatives. *This document supersedes all prior Authorized Representative forms.*

*** Required Fields**

1. Resolution

WHEREAS,

Participant Name* Location Number*

("Participant") is a local government of the State of Texas and is empowered to delegate to a public funds investment pool the authority to invest funds and to act as custodian of investments purchased with local investment funds; and

WHEREAS, it is in the best interest of the Participant to invest local funds in investments that provide for the preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act; and

WHEREAS, the Texas Local Government Investment Pool ("TexPool / Texpool Prime"), a public funds investment pool, were created on behalf of entities whose investment objective in order of priority are preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act.

NOW THEREFORE, be it resolved as follows:

- A. That the individuals, whose signatures appear in this Resolution, are Authorized Representatives of the Participant and are each hereby authorized to transmit funds for investment in TexPool / TexPool Prime and are each further authorized to withdraw funds from time to time, to issue letters of instruction, and to take all other actions deemed necessary or appropriate for the investment of local funds.
- B. That an Authorized Representative of the Participant may be deleted by a written instrument signed by two remaining Authorized Representatives provided that the deleted Authorized Representative (1) is assigned job duties that no longer require access to the Participant's TexPool / TexPool Prime account or (2) is no longer employed by the Participant; and
- C. That the Participant may by Amending Resolution signed by the Participant add an Authorized Representative provided the additional Authorized Representative is an officer, employee, or agent of the Participant;

List the Authorized Representative(s) of the Participant. Any new individuals will be issued personal identification numbers to transact business with TexPool Participant Services.

1. Name Title
 Phone Fax Email
 Signature

2. Name Title
 Phone Fax Email
 Signature

3. Name Title
 Phone Fax Email
 Signature

1. Resolution (continued)

4.

Name		Title	
Phone	Fax	Email	
Signature			

List the name of the Authorized Representative listed above that will have primary responsibility for performing transactions and receiving confirmations and monthly statements under the Participation Agreement.

Name

In addition and at the option of the Participant, one additional Authorized Representative can be designated to perform only inquiry of selected information. *This limited representative cannot perform transactions.* If the Participant desires to designate a representative with inquiry rights only, complete the following information.

Name		Title	
Phone	Fax	Email	

D. That this Resolution and its authorization shall continue in full force and effect until amended or revoked by the Participant, and until TexPool Participant Services receives a copy of any such amendment or revocation. This Resolution is hereby introduced and adopted by the Participant at its regular/special meeting held on the [] day of [], 20[].

Note: Document is to be signed by your Board President, Mayor or County Judge and attested by your Board Secretary, City Secretary or County Clerk.

Name of Participant*

SIGNED

Signature*
Printed Name*
Title*

ATTEST

Signature*
Printed Name*
Title*

2. Delivery Instructions

Please return this document to **TexPool Participant Services:**

Email: texpool@dstdsystems.com

Fax: 866-839-3291

IV.B Loyola Flats

Loyola Flats – March 28, 2024 SHFC Board Meeting

SHFC ACTION ITEM IV.B.

What is this resolution?

- This is an initial resolution. This is only a preliminary approval of the transaction and does not obligate the HFC to issue bonds or participate in the deal. It is a requirement to file an application with the Texas Bond Review Board.
- The Board will have an opportunity prior to closing to negotiate further deal terms and formally approve or reject this deal at a later date and this does not bind the HFC to any specific deal terms.

What kind of deal is this?

- This is a 4% tax credit, tax exempt bond deal where SHFC would issue tax exempt bonds.
- SHFC, through newly formed subsidiaries, would potentially serve as general partner and landowner, and as general contractor, in exchange for typical fees.

What are the unit mixes, income restrictions, amenities, and tenant services for this Development?

- The Project is expected to offer approximately 208 units (18 one-bedrooms, 76 two bedrooms, 92 three bedrooms and 22 four bedrooms), subject to change with consent of the HFC. The residents targeted will be families with incomes at or below 50, 60 and 70% of the area median income.
- Community amenities will include a community room, swimming pool, community porch, fitness center, enclosed dog park and other amenities. Units will include 9-foot ceilings, solid surface countertops, LVT flooring, ceiling fans, balconies and energy efficient appliances.
- The community will provide resident supportive services, to be determined, at no additional cost to tenants.

Why is this Initial Resolution necessary?

- An initial resolution by the HFC is a requirement for this development to apply for volume cap with the Texas Bond Review Board, which is necessary to issue bonds.

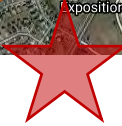
Does this resolution obligate the HFC to issue bonds or take any additional actions?

- This initial resolution does not obligate the HFC to issue bonds or to ultimately give approval to the development—it is a preliminary approval.

What are the benefits of approving or risks of failing to approve this resolution?

- Approving this initial resolution would allow the developer to submit its application to the Texas Bond Review Board and continue to proceed towards closing of the transaction and construction of the development, which would result in more affordable housing units in Travis County and more fees and income to the HFC.
- A failure to approve the resolution could reduce market confidence in SHFC and reduce the likelihood of future transactions from this developer, and would likely result in this developer using another issuer.

Elmington Loyola & Decker Area Overview



Elmington Loyola & Decker Intersection







**SHFC Action Item IV.B.
March 28, 2024**

Resolution No. SHFC-2024-12: To Authorize the Board of Directors prescribing the form and substance of an agreement to issue bonds; Authorizing the execution of such agreement; and containing other provisions relating to up to \$50,000,000 multifamily housing revenue bonds (**Loyola Flats**)

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 housing finance revenue bonds, to the extent authorized by law, to provide funds to defray all or part of the cost of acquiring, constructing, equipping and financing a certain Residential Development initially anticipated to be known as the Loyola Flats by ECG Loyola, LP, a Texas limited partnership (the name of the partnership being subject to change, but related to or affiliated with Elmington Capital Group, a Tennessee limited liability company, and/or its assigns, with such partnership being referred to herein as the “User”); and



WHEREAS, the User and the Corporation desire that the Corporation adopt a resolution with respect to the bonds or take some other similar official action toward the issuance of such bonds prior to the commencement of construction or acquisition of such Residential Development; and

WHEREAS, Travis County, Texas (the “Unit”), has authorized and approved creation of the Corporation to act on its behalf to further certain public purposes of the Unit;

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 housing finance 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 and constructing the project described in Exhibit A hereto (the “Project”), together with all costs of authorization, sale and issuance of the Bonds. 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 expected to be issued for the Project in an amount not to exceed \$50,000,000.

Section 2: The proceeds of the Bonds will be used to finance the acquisition, construction, equipping and financing 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, as more fully described in the Agreement to Issue Bonds.

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 Unit, (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: The Agreement to Issue Bonds by and between the Corporation and the User in substance and in form substantially as presented to the Board is hereby approved and the officers of the Corporation and the Corporation’s Interim Executive Director, Dianna Grey, are each hereby authorized to execute and attest such Agreement to Issue Bonds for and on behalf of the Corporation.



Section 6: The Corporation hereby authorizes the filing of an Application For Allocation of Private Activity Bonds and/or a carryforward application with the Texas Bond Review Board for the year 2024 for the amount of up to \$50,000,000 of qualified residential multifamily mortgage bonds, and the President of the Corporation, the Vice President of the Corporation and/or the Interim Executive Director, or any other officer of the Corporation are each designated as an authorized officer to execute and deliver such applications to the Texas Bond Review Board, subject to any changes such officer deems necessary. Such officers are also authorized and directed to file such carryforward applications or Applications for Private Activity Bonds in 2024 or future years as shall be necessary or convenient in the discretion of the authorized officer executing such application.

Section 7: 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 anyone 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 8: The Corporation authorizes participation in the financing, development and operation of the Project including, but not limited to, acting as the sole member of an entity initially anticipated to be known as SHFC Loyola GP LLC, the general partner of the User, the entity that will develop and operate the Development and participating in the application to the Texas Department of Housing and Community Affairs for low-income housing tax credits, and that any officer of the Corporation, including but not limited to the President of the Corporation, the Vice President of the Corporation, and/or the Interim Executive Director of the Corporation may act on behalf of the Corporation in connection with the Corporation's participation in the Project.

Section 9: The Board of Directors hereby authorizes the formation of an additional limited liability company, the sole member of which will be the Corporation, to own the real property upon which the Project will be located and to lease that property to the User.

Section 10: The Corporation hereby declares for purposes of Treas. Reg. § 1.150-2 that it reasonably expects to reimburse all or a portion of the Project costs with the proceeds of one or more obligations.



Section 11: This Resolution, together with the Agreement to Issue Bonds attached hereto, shall be deemed and construed as a resolution authorizing the issuance of the aforesaid Bonds or some other similar official action toward the issuance of the Bonds and shall be effective upon the completion of an acceptable due diligence review of the project by the Corporation's staff.

[Signature page to follow]



PASSED AND APPROVED this 28th day of March, 2024.

Julio Gonzalez-Altamirano
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 28th day of March, 2024, 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 this ____ day of _____, 2024.

Dianna Grey
Interim Executive Director



EXHIBIT A

Description of the Project

The Project is a proposed affordable housing community to be named Loyola Flats (subject to change with consent of the Issuer) to consist of approximately 208 units to be located approximately at 6700 Decker Lane, Austin, Travis County, Texas 78724, or adjacent thereto. The Project is expected to offer a variety of floor plans, including 18 one-bedroom units, 76 two-bedroom units, 92 three-bedroom units and 22 four-bedroom units. Each unit will include 9-foot ceilings, solid surface countertops, LVT flooring, ceiling fans, balconies and energy efficient appliances.

The residential units will be marketed to families earning 50, 60% and 70% of area median income.

The community will provide resident supportive services, to be determined, at no additional cost to tenants. Community amenities will include a community room, swimming pool, community porch, fitness center, enclosed dog park and other amenities.

AGREEMENT TO ISSUE BONDS

THIS AGREEMENT TO ISSUE BONDS (this “Agreement”), entered into as of the 28th day of March, 2024, by and between Strategic Housing Finance Corporation of Travis County (the “Corporation”), created pursuant to the authority of the Texas Housing Finance Corporations Act, Local Government Code, Chapter 394, Tex. Rev. Civ. Stat. (the “Act”), and Elmington Capital Group (the “User”), for the purpose of carrying out the public purpose set forth in the Act, including the promotion and development of new, expanded or improved residential development to provide decent, safe, and sanitary housing for residents of Travis County, Texas;

WITNESSETH

WHEREAS, Travis County, Texas (the “County”) has authorized and approved the creation of the Corporation to act on behalf of the County for the public purpose of furthering on behalf of the County the promotion and development of new, expanded or improved residential development to provide decent, safe, and sanitary housing for residents of the County; and

WHEREAS, the Corporation is authorized by the Act to acquire, construct, improve, maintain, equip and furnish and to lease or sell “residential developments”, as that term is defined in the Act, or to make loans for the purpose of providing financing for all or part of the costs of a residential development, and the Corporation is further authorized to issue its bonds for the purpose of paying all or part of the costs of a residential development; and

WHEREAS, the User desires to acquire, construct, develop, equip and operate a residential development, more particularly described in Exhibit “A” of the Corporation’s resolution adopted by the Corporation’s board of directors on the date of this Agreement within the County (the “Project”), which Project is suitable for the promotion of new, expanded or improved residential development to provide decent, safe, and sanitary housing for residents of Travis County, Texas; and

WHEREAS, pursuant to the Act, the Corporation is authorized to issue the bonds hereinafter described, which bonds shall never constitute an indebtedness or pledge of the faith and credit of the State of Texas (the “State”), of the County, or of any other political corporation, subdivision or agency of the State within the meaning of any State constitutional or statutory provision, shall never be paid in whole or in part out of any funds raised or to be raised by taxation or any other funds of the County, and shall never be paid in whole or in part out of any funds of the Corporation except those derived from or in connection with the sale or lease of the Project or the loan of funds to finance the Project; and

WHEREAS, to provide decent, safe, and sanitary housing for residents of Travis County, Texas, the Corporation agrees to issue at the request of the User, one or more series of the Corporation's housing finance revenue bonds (the “Bonds”) for the purpose of paying all or part of the costs of acquiring, constructing, equipping and developing the Project, or for the purpose of loaning the proceeds to the User in order to provide temporary or permanent financing of all or part of the cost of acquiring, constructing, equipping and developing the Project, and the Corporation and the User deem it desirable and proper that this Agreement constitutes a formal record of such

agreement and understanding in order that the User may proceed with or provide for the acquisition, construction, equipping and development of the Project; and

WHEREAS, the User has evidenced a desire to cooperate with the Corporation in the acquisition, construction, equipping and development of the Project and for the Corporation to authorize and issue the Bonds in the aggregate principal amount now estimated not to exceed \$50,000,000 to provide the funds to defray all or part of the cost of the acquisition, construction, equipping and development of the Project; and

WHEREAS, the Corporation and the User contemplate that proceeds of the Bonds will be loaned to the User or an entity designated by the User (and the term User as used herein specifically includes any such designated entity) in order to provide financing of all or part of the costs of the Project and that the loan payments therefor will be sufficient to pay the principal of and any premium and interest on the Bonds; and

WHEREAS, it is the desire of the Corporation that the acquisition, construction, equipping and development of the Project occur at the earliest possible time so as to provide decent, safe, and sanitary housing for residents of Travis County, Texas;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration and of the mutual benefits, covenants and agreements herein expressed, the Corporation and the User agree as follows:

1. The User shall commence with the acquisition, construction, equipping and development of the Project, which Project will be in furtherance of the public purpose of the Corporation and the County as aforesaid, and the User will provide, or cause to be provided, at its expense, the necessary interim financing to expedite the commencement of the acquisition, construction and development of the Project. On or prior to the issuance of the Bonds, the User will enter into a loan agreement on an installment payment basis (herein called the "Agreement") with the Corporation under which the Corporation will make a loan to the User for the purpose of providing temporary or permanent financing of all or part of the costs of the Project, and the User will make installment payments sufficient to pay the principal of and any premium and interest on such Bonds. The Bonds shall never constitute an indebtedness or pledge of the faith and credit of the State, of the County, or of any other political corporation, subdivision or agency of the State within the meaning of any State constitutional or statutory provision, and the Bonds shall never be paid in whole or in part out of any funds raised or to be raised by taxation or any other funds of the County, and shall be payable from the funds of the Corporation derived from or in connection with the loan of the proceeds of the Bonds.

2. On receipt of a ruling from the Internal Revenue Service (or the opinion of nationally recognized bond counsel) that interest paid on the Bonds is exempt from federal income taxation (or will be exempt upon compliance with certain requirements after the issuance of such Bonds) and subject to the requirements of the Policy Guidelines and the Act, and upon receipt of favorable reports from the Corporation's legal advisors and staff concerning the issuance of the Bonds; the Corporation hereby agrees to issue, pursuant to the terms of the Act, the Bonds, maturing

in such amounts and times, bearing interest at the rate, payable on the dates and having such optional and mandatory redemption features and prices as are approved in writing by the User. The Corporation will deliver the Bonds to the purchaser designated by the User and will cooperate to the fullest extent in facilitating delivery of the Bonds.

3. The Corporation and the User agree that the Bonds may be issued either at one time or in several series from time to time as the User shall request in writing; provided, however, that the parties agree that the Bonds will be issued in an aggregate principal amount as will not exceed the amount that is the subject of a ruling or rulings or opinion or opinions as aforesaid. A request in writing for issuance of one or more series of Bonds shall not affect the obligation hereunder of the Corporation to issue the remaining Bonds as written requests therefor are received. It is further agreed that the proceeds of the Bonds or portions thereof, whether or not issued in a series, shall not be invested so as to constitute the Bonds or a portion thereof as arbitrage bonds under the Internal Revenue Code of 1986, as amended, and applicable regulations promulgated pursuant thereto.

4. The payment of the principal of and any premium and interest on the Bonds shall be made solely from moneys realized from the loan of the proceeds of the Bonds to finance all or part of the costs of the Project.

5. The costs of the Project (the "Project Costs") may include any cost of acquiring, constructing, developing, equipping and improving the Project. Without limiting the generality of the foregoing, the Project Costs shall specifically include the cost of: (i) acquiring any land, rights-of-way, options to purchase land, easements, leasehold estates in land and interests of all kinds in land related to such Project; (ii) acquiring, constructing, repairing, equipping or improving all buildings and structures to be used as or in connection with the Project; (iii) site preparation, including the cost of demolishing or removing any buildings or structures the removal of which is necessary or incident to providing the Project; (iv) machinery, equipment, furnishings and facilities necessary or incident to the equipping of the Project so that it may be placed in operation; (v) financing charges, start-up costs and interest prior to and during construction and for two years after completion of construction, whether or not capitalized; and (vi) architectural, engineering, legal and related services (including fees for legal counsel to the Issuer), plans, specifications, surveys, studies, estimates of cost and of revenue, other expenses necessary or incident to planning, providing or determining the feasibility and practicability of acquiring, constructing, reconstructing, improving and expanding the Project, administrative expenses and such other expenses as may be necessary or incident to the acquisition, construction, development, equipping or improvement of the Project, the placing of the Project in operation and all incidental expenses, costs and charges relating to the Project not enumerated above. The parties agree, upon request, to provide or cause to be provided to each other any data or information that may be reasonably required to verify any of the Project Costs enumerated in this paragraph. The User agrees that it will be responsible for and pay any Project Costs incurred whether before or after the date of this Agreement prior to issuance of the Bonds and will pay all Project Costs that are not or cannot be paid or reimbursed from the proceeds of the Bonds.

6. THE USER AGREES THAT IT WILL AT ALL TIMES INDEMNIFY AND HOLD HARMLESS THE CORPORATION, THE DIRECTORS OF THE

CORPORATION, THE COUNTY, THE COMMISSIONERS' COURT OF THE COUNTY (BOTH INDIVIDUALLY AND AS A GROUP) AND ANY OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, CONSULTANTS, SERVANTS AND ANY OTHER PARTY ACTING FOR OR ON BEHALF OF THE CORPORATION OR THE COUNTY (SUCH PARTIES BEING HEREINAFTER REFERRED TO AS THE "INDEMNIFIED PARTIES") AGAINST ALL LOSSES, COSTS, DAMAGES, EXPENSES AND LIABILITIES (COLLECTIVELY REFERRED TO HEREINAFTER AS "LOSSES") OF WHATSOEVER NATURE (INCLUDING, BUT NOT LIMITED TO, ATTORNEY'S FEES, LITIGATION AND COURT COSTS, AMOUNTS PAID IN SETTLEMENT AND AMOUNTS PAID TO DISCHARGE JUDGMENTS) DIRECTLY OR INDIRECTLY RESULTING FROM, ARISING OUT OF OR RELATING TO ONE OR MORE CLAIMS, AS HEREINAFTER DEFINED, EVEN IF SUCH LOSSES OR CLAIMS, OR BOTH, DIRECTLY OR INDIRECTLY RESULT FROM, ARISE OUT OF OR RELATE TO, OR ARE ASSERTED TO HAVE RESULTED FROM, ARISEN OUT OF OR RELATED TO, IN WHOLE OR IN PART, ONE OR MORE NEGLIGENT ACTS OR OMISSIONS OF ANY ONE OR MORE OF THE INDEMNIFIED PARTIES IN CONNECTION WITH THE ISSUANCE OF THE BONDS OR THAT IN ANY WAY PERTAIN TO THE DUTIES OR ACTIVITIES OR LACK THEREOF, WHETHER REAL OR ALLEGED, OF ANY SUCH INDEMNIFIED PARTY INCIDENTAL TO THE ISSUANCE OF THE BONDS. THE TERM "CLAIMS" AS USED HEREIN SHALL MEAN ALL CLAIMS, LAWSUITS, CAUSES OF ACTION AND OTHER LEGAL ACTIONS AND PROCEEDINGS OF WHATSOEVER NATURE, INCLUDING, BUT NOT LIMITED TO, CLAIMS, LAWSUITS, CAUSES OF ACTION AND OTHER LEGAL ACTIONS AND PROCEEDINGS INVOLVING BODILY OR PERSONAL INJURY OR DEATH OF ANY PERSON OR DAMAGE TO ANY PROPERTY (INCLUDING, BUT NOT LIMITED TO, PERSONS EMPLOYED BY THE CORPORATION, THE COUNTY, THE USER OR ANY OTHER PERSON AND ALL PROPERTY OWNED OR CLAIMED BY THE CORPORATION, THE COUNTY, THE USER, ANY AFFILIATE OF THE USER OR ANY OTHER PERSON) OR INVOLVING DAMAGES RELATING TO THE ISSUANCE, OFFERING, SALE OR DELIVERY OF THE BONDS BROUGHT AGAINST THE CORPORATION OR THE COUNTY OR TO WHICH THE CORPORATION OR THE COUNTY IS PARTY, EVEN IF GROUNDLESS, FALSE OR FRAUDULENT, THAT DIRECTLY OR INDIRECTLY RESULT FROM, ARISE OUT OF OR RELATE TO THE ISSUANCE, OFFERING, SALE OR DELIVERY OF THE BONDS OR THE DESIGN, CONSTRUCTION, INSTALLATION, OPERATION, USE, OCCUPANCY, MAINTENANCE OR OWNERSHIP OF THE PROJECT OR ANY PART THEREOF. THE OBLIGATIONS OF THE USER SHALL APPLY TO ALL LOSSES OR CLAIMS, OR BOTH, THAT RESULT FROM, ARISE OUT OF OR ARE RELATED TO ANY EVENT, OCCURRENCE, CONDITION OR RELATIONSHIP PRIOR TO TERMINATION OF THIS AGREEMENT, WHETHER SUCH LOSSES OR CLAIMS, OR BOTH, ARE ASSERTED PRIOR TO TERMINATION OF THIS AGREEMENT OR THEREAFTER. NONE OF THE INDEMNIFIED PARTIES SHALL BE LIABLE TO THE USER FOR, AND THE USER HEREBY RELEASES EACH OF THEM FROM ALL LIABILITY TO THE USER FOR ANY INJURIES, DAMAGES OR DESTRUCTION TO ALL OR ANY PART OR PARTS OF ANY PROPERTY OWNED OR CLAIMED BY THE USER THAT

DIRECTLY OR INDIRECTLY RESULT FROM, ARISE OUT OF OR RELATE TO THE ISSUANCE, OFFERING, SALE OR DELIVERY OF THE BONDS OR THE DESIGN, CONSTRUCTION, EQUIPPING, DEVELOPMENT, INSTALLATION, OPERATION, USE, OCCUPANCY, MAINTENANCE OR OWNERSHIP OF THE PROJECT OR ANY PART THEREOF, EVEN IF SUCH INJURIES, DAMAGES OR DESTRUCTION DIRECTLY OR INDIRECTLY RESULT FROM, ARISE OUT OF OR RELATE TO, IN WHOLE OR IN PART, ONE OR MORE NEGLIGENT ACTS OR OMISSIONS OF ANY ONE OR MORE OF THE INDEMNIFIED PARTIES IN CONNECTION WITH THE ISSUANCE OF THE BONDS OR IN CONNECTION WITH THE PROJECT. EACH INDEMNIFIED PARTY, AS APPROPRIATE, SHALL REIMBURSE THE USER FOR PAYMENTS MADE BY THE USER TO THE EXTENT OF ANY PROCEEDS, NET OF ALL EXPENSES OF COLLECTION, ACTUALLY RECEIVED BY THEM FROM ANY INSURANCE WITH RESPECT TO THE LOSS SUSTAINED. AT THE REQUEST AND EXPENSE OF THE USER, EACH OF THE INDEMNIFIED PARTIES, AS APPROPRIATE, SHALL HAVE THE DUTY TO CLAIM ANY SUCH INSURANCE PROCEEDS AND SUCH INDEMNIFIED PARTY, AS APPROPRIATE, SHALL ASSIGN THEIR RESPECTIVE RIGHTS TO SUCH PROCEEDS, TO THE EXTENT OF SUCH REQUIRED REIMBURSEMENT, TO THE USER. IN CASE ANY ACTION SHALL BE BROUGHT AGAINST ANY ONE OR MORE OF THE INDEMNIFIED PARTIES, SUCH INDEMNIFIED PARTY SHALL PROMPTLY NOTIFY THE USER IN WRITING AND THE USER SHALL HAVE THE RIGHT TO ASSUME THE INVESTIGATION AND DEFENSE THEREOF, INCLUDING THE EMPLOYMENT OF COUNSEL AND THE PAYMENT OF ALL EXPENSES. THE INDEMNIFIED PARTY SHALL HAVE THE RIGHT TO EMPLOY SEPARATE COUNSEL IN ANY SUCH ACTION AND PARTICIPATE IN THE INVESTIGATION AND DEFENSE THEREOF, BUT THE FEES AND EXPENSES OF SUCH COUNSEL SHALL BE PAID BY THE INDEMNIFIED PARTY UNLESS THE EMPLOYMENT OF SUCH COUNSEL HAS BEEN AUTHORIZED BY THE USER. THE USER SHALL NOT BE LIABLE FOR ANY SETTLEMENT OF ANY SUCH ACTION WITHOUT ITS CONSENT, BUT, IF ANY SUCH ACTION IS SETTLED WITH THE CONSENT OF THE USER OR IF THERE BE FINAL JUDGMENT FOR THE PLAINTIFF OF ANY SUCH ACTION, THE USER AGREES TO INDEMNIFY AND HOLD HARMLESS THE INDEMNIFIED PARTIES FROM AND AGAINST ANY LOSS BY REASON OF SUCH SETTLEMENT OR JUDGMENT.

7. If within three (3) years from the date hereof (or such later date as shall be mutually satisfactory to the Corporation and the User) the Corporation and the User shall not have agreed to mutually acceptable terms for the Bonds and for the sale and delivery thereof and mutually acceptable terms and conditions of the Agreement, the User agrees that it will pay the Corporation for all unpaid Project Costs which the Corporation shall have incurred and this Agreement (other than the obligations of the parties under paragraph 6 hereof) shall thereupon terminate. In the event that the User elects, prior to any such termination, not to proceed with the issuance of the Bonds for any reason, it shall so notify the Corporation in writing and it shall promptly pay to the Corporation all Project Costs incurred by the Corporation prior to such notification, and if payment is so made, the User's obligations under paragraph 5 above shall terminate from and after the date of such notification.

8. The User may, without the consent of the Corporation, transfer or assign this Agreement or transfer or assign any or all of its rights and delegate any or all of its duties hereunder to any of its subsidiaries or affiliates currently existing or hereafter created, but no such transfer, assignment or delegation shall, without the written consent and approval of the Corporation, relieve the User of its liability for payment of Project Costs under paragraphs 5 and 7 hereof or indemnification under paragraph 6 hereof.

9. The provisions of paragraphs 5, 6 and 7 of this Agreement shall survive the expiration or termination of this Agreement and the closing of the transactions contemplated by the Agreement.

10. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature page to follow.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to Issue Bonds to be executed as of the year and date first above written.

Strategic Housing Finance Corporation of Travis County

By: _____
Dianna Grey, Interim Executive Director

[Signature page to follow.]

USER:

Elmington Capital Group,
a Tennessee limited liability company

By: _____
Name: _____
Title: _____

March 15, 2024

VIA E-MAIL

Keith Hoffpauir
Strategic Housing Finance Corporation
502 East Highland Mall Blvd., Ste. 106-B
Austin, Texas 78752

Mr. Hoffpauir,

Hilltop Securities (HTS) has prepared an initial underwriting assessment from the developer provided proforma and sources & uses for the Loyola Flats development with Elmington Capital. I hereby certify that Hilltop Securities has experience underwriting affordable multifamily residential developments and do not have a financial interest in the proposed development, developer, or public facility user for this proposed development. Below is a summary of the analysis completed.

Elmington is proposing a new construction 208 unit complex at 6700 Decker Lane, Austin, TX. The unit mix will be made of 1BR, 2BR, 3BR and 4BR units and will be restricted to 50% Area Median Income (AMI), 60% AMI and 70% AMI rents and income levels, see below.

50% AMI		60% AMI		70% AMI	
Avg. Rent	Units	Avg. Rent	Units	Avg. Rent	Units
1,170	4	1,340	10	1,340	4
1,341	16	1,610	44	1,610	16
1,548	18	1,858	56	1,858	18
1,727	5	2,073	12	2,073	5
1,457	43	1,747	122	1,743	43

Elmington is seeking an inducement in the amount of \$50 million. Which is needed in order to apply for Private Activity Bond (PAB) volume cap. The Texas PAB program is currently oversubscribed which would put earliest a reservation could be received as August 2024. Once a reservation is received Elmington plans to submit a tax credit application to TDHCA in order to access the 4% tax credit program for the property. Elmington is hoping to close this bond transaction in January 2025 and complete construction in January 2027.

Additionally, Elmington has provided a preliminary proforma and sources and uses. After reviewing the proforma it is evident the property will likely require a tax abatement in order to be feasible. Elmington is not looking for SHFC to provide any action as to providing the tax abatement at this time.

IV.C Rundberg Flats

Rundberg Flats – March 28, 2024 SHFC Board Meeting

SHFC ACTION ITEM IV.C.

What is this resolution?

- This is an initial resolution. This is only a preliminary approval of the transaction and does not obligate the HFC to issue bonds or participate in the deal. It is a requirement to file an application with the Texas Bond Review Board.
- The Board will have an opportunity prior to closing to negotiate further deal terms and formally approve or reject this deal at a later date and this does not bind the HFC to any specific deal terms.

What kind of deal is this?

- This is a 4% tax credit, tax exempt bond deal where SHFC would issue tax exempt bonds.
- SHFC, through newly formed subsidiaries, would potentially serve as general partner and landowner, and as general contractor, in exchange for typical fees.

What are the unit mixes, income restrictions, amenities, and tenant services for this Development?

- The Project is expected to offer approximately 205 units (20 one-bedrooms, 69 two bedrooms, 100 three bedrooms and 16 four bedrooms), subject to change with consent of the HFC. The residents targeted will be families with incomes at or below 50, 60 and 70% of the area median income.
- Community amenities will include a community room, swimming pool, community porch, fitness center, enclosed dog park and other amenities. Units will include 9-foot ceilings, solid surface countertops, LVT flooring, ceiling fans, balconies and energy efficient appliances.
- The community will provide resident supportive services, to be determined, at no additional cost to tenants.

Why is this Initial Resolution necessary?

- An initial resolution by the HFC is a requirement for this development to apply for volume cap with the Texas Bond Review Board, which is necessary to issue bonds.

Does this resolution obligate the HFC to issue bonds or take any additional actions?

- This initial resolution does not obligate the HFC to issue bonds or to ultimately give approval to the development—it is a preliminary approval.

What are the benefits of approving or risks of failing to approve this resolution?

- Approving this initial resolution would allow the developer to submit its application to the Texas Bond Review Board and continue to proceed towards closing of the transaction and construction of the development, which would result in more affordable housing units in Travis County and more fees and income to the HFC.
- A failure to approve the resolution could reduce market confidence in SHFC and reduce the likelihood of future transactions from this developer, and would likely result in this developer using another issuer.



SHFC Action Item IV.C.
March 28, 2024

Resolution No. SHFC-2024-13: To Authorize the Board of Directors prescribing the form and substance of an agreement to issue bonds; Authorizing the execution of such agreement; and containing other provisions relating to up to \$50,000,000 multifamily housing revenue bonds (**Rundberg Flats**)

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 housing finance revenue bonds, to the extent authorized by law, to provide funds to defray all or part of the cost of acquiring, constructing, equipping and financing a certain Residential Development initially anticipated to be known as the Rundberg Flats by ECG Rundberg, LP, a Texas limited partnership (the name of the partnership being subject to change, but related to or affiliated with Elmington Capital Group, a Tennessee limited liability company, and/or its assigns, with such partnership being referred to herein as the “User”); and



WHEREAS, the User and the Corporation desire that the Corporation adopt a resolution with respect to the bonds or take some other similar official action toward the issuance of such bonds prior to the commencement of construction or acquisition of such Residential Development; and

WHEREAS, Travis County, Texas (the “Unit”), has authorized and approved creation of the Corporation to act on its behalf to further certain public purposes of the Unit;

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 housing finance 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 and constructing the project described in Exhibit A hereto (the “Project”), together with all costs of authorization, sale and issuance of the Bonds. 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 expected to be issued for the Project in an amount not to exceed \$50,000,000.

Section 2: The proceeds of the Bonds will be used to finance the acquisition, construction, equipping and financing 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, as more fully described in the Agreement to Issue Bonds.

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 Unit, (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: The Agreement to Issue Bonds by and between the Corporation and the User in substance and in form substantially as presented to the Board is hereby approved and the officers of the Corporation and the Corporation's Interim Executive Director, Dianna Grey, are each hereby authorized to execute and attest such Agreement to Issue Bonds for and on behalf of the Corporation.

Section 6: The Corporation hereby authorizes the filing of an Application For Allocation of Private Activity Bonds and/or a carryforward application with the Texas Bond Review Board for the year 2024 for the amount of up to \$50,000,000 of qualified residential multifamily mortgage bonds, and the President of the Corporation, the Vice President of the Corporation and/or the Interim Executive Director, or any other officer of the Corporation are each designated as an authorized officer to execute and deliver such applications to the Texas Bond Review Board, subject to any changes such officer deems necessary. Such officers are also authorized and directed to file such carryforward applications or Applications for Private Activity Bonds in 2024 or future years as shall be necessary or convenient in the discretion of the authorized officer executing such application.

Section 7: 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 anyone 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 8: The Corporation authorizes participation in the financing, development and operation of the Project including, but not limited to, acting as the sole member of an entity initially anticipated to be known as SHFC Rundberg GP LLC, the general partner of the User, the entity that will develop and operate the Development and participating in the application to the Texas Department of Housing and Community Affairs for low-income housing tax credits, and that any officer of the Corporation, including but not limited to the President of the Corporation, the Vice President of the Corporation, and/or the Interim Executive Director of the Corporation may act on behalf of the Corporation in connection with the Corporation's participation in the Project.

Section 9: The Board of Directors hereby authorizes the formation of an additional limited liability company, the sole member of which will be the Corporation, to own the real property upon which the Project will be located and to lease that property to the User.



Section 10: The Corporation hereby declares for purposes of Treas. Reg. § 1.150-2 that it reasonably expects to reimburse all or a portion of the Project costs with the proceeds of one or more obligations.

Section 11: This Resolution, together with the Agreement to Issue Bonds attached hereto, shall be deemed and construed as a resolution authorizing the issuance of the aforesaid Bonds or some other similar official action toward the issuance of the Bonds and shall be effective upon the completion of an acceptable due diligence review of the project by the Corporation's staff.

[Signature page to follow]



PASSED AND APPROVED this 28th day of March, 2024.

Julio Gonzalez-Altamirano
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 28th day of March, 2024, 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 this ____ day of _____, 2024.

Dianna Grey
Interim Executive Director



of TRAVIS COUNTY

EXHIBIT A

Description of the Project

The Project is a proposed affordable housing community to be named Rundberg Flats (subject to change with consent of the Issuer) to consist of approximately 205 units to be located approximately at 204 E. Rundberg Lane, Austin, Travis County, Texas 78753, or adjacent thereto. The Project is expected to offer a variety of floor plans, including 20 one-bedroom units, 69 two-bedroom units, 100 three-bedroom units and 16 four-bedroom units. Each unit will include 9-foot ceilings, solid surface countertops, LVT flooring, ceiling fans, balconies and energy efficient appliances.

The residential units will be marketed to families earning 50, 60 and 70% of area median income.

The community will provide resident supportive services, to be determined, at no additional cost to tenants. Community amenities will include a community room, swimming pool, community porch, fitness center, enclosed dog park and other amenities.

AGREEMENT TO ISSUE BONDS

THIS AGREEMENT TO ISSUE BONDS (this "Agreement"), entered into as of the 28th day of March, 2024, by and between Strategic Housing Finance Corporation of Travis County (the "Corporation"), created pursuant to the authority of the Texas Housing Finance Corporations Act, Local Government Code, Chapter 394, Tex. Rev. Civ. Stat. (the "Act"), and Elmington Capital Group (the "User"), for the purpose of carrying out the public purpose set forth in the Act, including the promotion and development of new, expanded or improved residential development to provide decent, safe, and sanitary housing for residents of Travis County, Texas;

WITNESSETH

WHEREAS, Travis County, Texas (the "County") has authorized and approved the creation of the Corporation to act on behalf of the County for the public purpose of furthering on behalf of the County the promotion and development of new, expanded or improved residential development to provide decent, safe, and sanitary housing for residents of the County; and

WHEREAS, the Corporation is authorized by the Act to acquire, construct, improve, maintain, equip and furnish and to lease or sell "residential developments", as that term is defined in the Act, or to make loans for the purpose of providing financing for all or part of the costs of a residential development, and the Corporation is further authorized to issue its bonds for the purpose of paying all or part of the costs of a residential development; and

WHEREAS, the User desires to acquire, construct, develop, equip and operate a residential development, more particularly described in Exhibit "A" of the Corporation's resolution adopted by the Corporation's board of directors on the date of this Agreement within the County (the "Project"), which Project is suitable for the promotion of new, expanded or improved residential development to provide decent, safe, and sanitary housing for residents of Travis County, Texas; and

WHEREAS, pursuant to the Act, the Corporation is authorized to issue the bonds hereinafter described, which bonds shall never constitute an indebtedness or pledge of the faith and credit of the State of Texas (the "State"), of the County, or of any other political corporation, subdivision or agency of the State within the meaning of any State constitutional or statutory provision, shall never be paid in whole or in part out of any funds raised or to be raised by taxation or any other funds of the County, and shall never be paid in whole or in part out of any funds of the Corporation except those derived from or in connection with the sale or lease of the Project or the loan of funds to finance the Project; and

WHEREAS, to provide decent, safe, and sanitary housing for residents of Travis County, Texas, the Corporation agrees to issue at the request of the User, one or more series of the Corporation's housing finance revenue bonds (the "Bonds") for the purpose of paying all or part of the costs of acquiring, constructing, equipping and developing the Project, or for the purpose of loaning the proceeds to the User in order to provide temporary or permanent financing of all or part of the cost of acquiring, constructing, equipping and developing the Project, and the Corporation and the User deem it desirable and proper that this Agreement constitutes a formal record of such

agreement and understanding in order that the User may proceed with or provide for the acquisition, construction, equipping and development of the Project; and

WHEREAS, the User has evidenced a desire to cooperate with the Corporation in the acquisition, construction, equipping and development of the Project and for the Corporation to authorize and issue the Bonds in the aggregate principal amount now estimated not to exceed \$50,000,000 to provide the funds to defray all or part of the cost of the acquisition, construction, equipping and development of the Project; and

WHEREAS, the Corporation and the User contemplate that proceeds of the Bonds will be loaned to the User or an entity designated by the User (and the term User as used herein specifically includes any such designated entity) in order to provide financing of all or part of the costs of the Project and that the loan payments therefor will be sufficient to pay the principal of and any premium and interest on the Bonds; and

WHEREAS, it is the desire of the Corporation that the acquisition, construction, equipping and development of the Project occur at the earliest possible time so as to provide decent, safe, and sanitary housing for residents of Travis County, Texas;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration and of the mutual benefits, covenants and agreements herein expressed, the Corporation and the User agree as follows:

1. The User shall commence with the acquisition, construction, equipping and development of the Project, which Project will be in furtherance of the public purpose of the Corporation and the County as aforesaid, and the User will provide, or cause to be provided, at its expense, the necessary interim financing to expedite the commencement of the acquisition, construction and development of the Project. On or prior to the issuance of the Bonds, the User will enter into a loan agreement on an installment payment basis (herein called the "Agreement") with the Corporation under which the Corporation will make a loan to the User for the purpose of providing temporary or permanent financing of all or part of the costs of the Project, and the User will make installment payments sufficient to pay the principal of and any premium and interest on such Bonds. The Bonds shall never constitute an indebtedness or pledge of the faith and credit of the State, of the County, or of any other political corporation, subdivision or agency of the State within the meaning of any State constitutional or statutory provision, and the Bonds shall never be paid in whole or in part out of any funds raised or to be raised by taxation or any other funds of the County, and shall be payable from the funds of the Corporation derived from or in connection with the loan of the proceeds of the Bonds.

2. On receipt of a ruling from the Internal Revenue Service (or the opinion of nationally recognized bond counsel) that interest paid on the Bonds is exempt from federal income taxation (or will be exempt upon compliance with certain requirements after the issuance of such Bonds) and subject to the requirements of the Policy Guidelines and the Act, and upon receipt of favorable reports from the Corporation's legal advisors and staff concerning the issuance of the Bonds; the Corporation hereby agrees to issue, pursuant to the terms of the Act, the Bonds, maturing

in such amounts and times, bearing interest at the rate, payable on the dates and having such optional and mandatory redemption features and prices as are approved in writing by the User. The Corporation will deliver the Bonds to the purchaser designated by the User and will cooperate to the fullest extent in facilitating delivery of the Bonds.

3. The Corporation and the User agree that the Bonds may be issued either at one time or in several series from time to time as the User shall request in writing; provided, however, that the parties agree that the Bonds will be issued in an aggregate principal amount as will not exceed the amount that is the subject of a ruling or rulings or opinion or opinions as aforesaid. A request in writing for issuance of one or more series of Bonds shall not affect the obligation hereunder of the Corporation to issue the remaining Bonds as written requests therefor are received. It is further agreed that the proceeds of the Bonds or portions thereof, whether or not issued in a series, shall not be invested so as to constitute the Bonds or a portion thereof as arbitrage bonds under the Internal Revenue Code of 1986, as amended, and applicable regulations promulgated pursuant thereto.

4. The payment of the principal of and any premium and interest on the Bonds shall be made solely from moneys realized from the loan of the proceeds of the Bonds to finance all or part of the costs of the Project.

5. The costs of the Project (the "Project Costs") may include any cost of acquiring, constructing, developing, equipping and improving the Project. Without limiting the generality of the foregoing, the Project Costs shall specifically include the cost of: (i) acquiring any land, rights-of-way, options to purchase land, easements, leasehold estates in land and interests of all kinds in land related to such Project; (ii) acquiring, constructing, repairing, equipping or improving all buildings and structures to be used as or in connection with the Project; (iii) site preparation, including the cost of demolishing or removing any buildings or structures the removal of which is necessary or incident to providing the Project; (iv) machinery, equipment, furnishings and facilities necessary or incident to the equipping of the Project so that it may be placed in operation; (v) financing charges, start-up costs and interest prior to and during construction and for two years after completion of construction, whether or not capitalized; and (vi) architectural, engineering, legal and related services (including fees for legal counsel to the Issuer), plans, specifications, surveys, studies, estimates of cost and of revenue, other expenses necessary or incident to planning, providing or determining the feasibility and practicability of acquiring, constructing, reconstructing, improving and expanding the Project, administrative expenses and such other expenses as may be necessary or incident to the acquisition, construction, development, equipping or improvement of the Project, the placing of the Project in operation and all incidental expenses, costs and charges relating to the Project not enumerated above. The parties agree, upon request, to provide or cause to be provided to each other any data or information that may be reasonably required to verify any of the Project Costs enumerated in this paragraph. The User agrees that it will be responsible for and pay any Project Costs incurred whether before or after the date of this Agreement prior to issuance of the Bonds and will pay all Project Costs that are not or cannot be paid or reimbursed from the proceeds of the Bonds.

6. THE USER AGREES THAT IT WILL AT ALL TIMES INDEMNIFY AND HOLD HARMLESS THE CORPORATION, THE DIRECTORS OF THE

CORPORATION, THE COUNTY, THE COMMISSIONERS' COURT OF THE COUNTY (BOTH INDIVIDUALLY AND AS A GROUP) AND ANY OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, CONSULTANTS, SERVANTS AND ANY OTHER PARTY ACTING FOR OR ON BEHALF OF THE CORPORATION OR THE COUNTY (SUCH PARTIES BEING HEREINAFTER REFERRED TO AS THE "INDEMNIFIED PARTIES") AGAINST ALL LOSSES, COSTS, DAMAGES, EXPENSES AND LIABILITIES (COLLECTIVELY REFERRED TO HEREINAFTER AS "LOSSES") OF WHATSOEVER NATURE (INCLUDING, BUT NOT LIMITED TO, ATTORNEY'S FEES, LITIGATION AND COURT COSTS, AMOUNTS PAID IN SETTLEMENT AND AMOUNTS PAID TO DISCHARGE JUDGMENTS) DIRECTLY OR INDIRECTLY RESULTING FROM, ARISING OUT OF OR RELATING TO ONE OR MORE CLAIMS, AS HEREINAFTER DEFINED, EVEN IF SUCH LOSSES OR CLAIMS, OR BOTH, DIRECTLY OR INDIRECTLY RESULT FROM, ARISE OUT OF OR RELATE TO, OR ARE ASSERTED TO HAVE RESULTED FROM, ARISEN OUT OF OR RELATED TO, IN WHOLE OR IN PART, ONE OR MORE NEGLIGENT ACTS OR OMISSIONS OF ANY ONE OR MORE OF THE INDEMNIFIED PARTIES IN CONNECTION WITH THE ISSUANCE OF THE BONDS OR THAT IN ANY WAY PERTAIN TO THE DUTIES OR ACTIVITIES OR LACK THEREOF, WHETHER REAL OR ALLEGED, OF ANY SUCH INDEMNIFIED PARTY INCIDENTAL TO THE ISSUANCE OF THE BONDS. THE TERM "CLAIMS" AS USED HEREIN SHALL MEAN ALL CLAIMS, LAWSUITS, CAUSES OF ACTION AND OTHER LEGAL ACTIONS AND PROCEEDINGS OF WHATEVER NATURE, INCLUDING, BUT NOT LIMITED TO, CLAIMS, LAWSUITS, CAUSES OF ACTION AND OTHER LEGAL ACTIONS AND PROCEEDINGS INVOLVING BODILY OR PERSONAL INJURY OR DEATH OF ANY PERSON OR DAMAGE TO ANY PROPERTY (INCLUDING, BUT NOT LIMITED TO, PERSONS EMPLOYED BY THE CORPORATION, THE COUNTY, THE USER OR ANY OTHER PERSON AND ALL PROPERTY OWNED OR CLAIMED BY THE CORPORATION, THE COUNTY, THE USER, ANY AFFILIATE OF THE USER OR ANY OTHER PERSON) OR INVOLVING DAMAGES RELATING TO THE ISSUANCE, OFFERING, SALE OR DELIVERY OF THE BONDS BROUGHT AGAINST THE CORPORATION OR THE COUNTY OR TO WHICH THE CORPORATION OR THE COUNTY IS PARTY, EVEN IF GROUNDLESS, FALSE OR FRAUDULENT, THAT DIRECTLY OR INDIRECTLY RESULT FROM, ARISE OUT OF OR RELATE TO THE ISSUANCE, OFFERING, SALE OR DELIVERY OF THE BONDS OR THE DESIGN, CONSTRUCTION, INSTALLATION, OPERATION, USE, OCCUPANCY, MAINTENANCE OR OWNERSHIP OF THE PROJECT OR ANY PART THEREOF. THE OBLIGATIONS OF THE USER SHALL APPLY TO ALL LOSSES OR CLAIMS, OR BOTH, THAT RESULT FROM, ARISE OUT OF OR ARE RELATED TO ANY EVENT, OCCURRENCE, CONDITION OR RELATIONSHIP PRIOR TO TERMINATION OF THIS AGREEMENT, WHETHER SUCH LOSSES OR CLAIMS, OR BOTH, ARE ASSERTED PRIOR TO TERMINATION OF THIS AGREEMENT OR THEREAFTER. NONE OF THE INDEMNIFIED PARTIES SHALL BE LIABLE TO THE USER FOR, AND THE USER HEREBY RELEASES EACH OF THEM FROM ALL LIABILITY TO THE USER FOR ANY INJURIES, DAMAGES OR DESTRUCTION TO ALL OR ANY PART OR PARTS OF ANY PROPERTY OWNED OR CLAIMED BY THE USER THAT

DIRECTLY OR INDIRECTLY RESULT FROM, ARISE OUT OF OR RELATE TO THE ISSUANCE, OFFERING, SALE OR DELIVERY OF THE BONDS OR THE DESIGN, CONSTRUCTION, EQUIPPING, DEVELOPMENT, INSTALLATION, OPERATION, USE, OCCUPANCY, MAINTENANCE OR OWNERSHIP OF THE PROJECT OR ANY PART THEREOF, EVEN IF SUCH INJURIES, DAMAGES OR DESTRUCTION DIRECTLY OR INDIRECTLY RESULT FROM, ARISE OUT OF OR RELATE TO, IN WHOLE OR IN PART, ONE OR MORE NEGLIGENT ACTS OR OMISSIONS OF ANY ONE OR MORE OF THE INDEMNIFIED PARTIES IN CONNECTION WITH THE ISSUANCE OF THE BONDS OR IN CONNECTION WITH THE PROJECT. EACH INDEMNIFIED PARTY, AS APPROPRIATE, SHALL REIMBURSE THE USER FOR PAYMENTS MADE BY THE USER TO THE EXTENT OF ANY PROCEEDS, NET OF ALL EXPENSES OF COLLECTION, ACTUALLY RECEIVED BY THEM FROM ANY INSURANCE WITH RESPECT TO THE LOSS SUSTAINED. AT THE REQUEST AND EXPENSE OF THE USER, EACH OF THE INDEMNIFIED PARTIES, AS APPROPRIATE, SHALL HAVE THE DUTY TO CLAIM ANY SUCH INSURANCE PROCEEDS AND SUCH INDEMNIFIED PARTY, AS APPROPRIATE, SHALL ASSIGN THEIR RESPECTIVE RIGHTS TO SUCH PROCEEDS, TO THE EXTENT OF SUCH REQUIRED REIMBURSEMENT, TO THE USER. IN CASE ANY ACTION SHALL BE BROUGHT AGAINST ANY ONE OR MORE OF THE INDEMNIFIED PARTIES, SUCH INDEMNIFIED PARTY SHALL PROMPTLY NOTIFY THE USER IN WRITING AND THE USER SHALL HAVE THE RIGHT TO ASSUME THE INVESTIGATION AND DEFENSE THEREOF, INCLUDING THE EMPLOYMENT OF COUNSEL AND THE PAYMENT OF ALL EXPENSES. THE INDEMNIFIED PARTY SHALL HAVE THE RIGHT TO EMPLOY SEPARATE COUNSEL IN ANY SUCH ACTION AND PARTICIPATE IN THE INVESTIGATION AND DEFENSE THEREOF, BUT THE FEES AND EXPENSES OF SUCH COUNSEL SHALL BE PAID BY THE INDEMNIFIED PARTY UNLESS THE EMPLOYMENT OF SUCH COUNSEL HAS BEEN AUTHORIZED BY THE USER. THE USER SHALL NOT BE LIABLE FOR ANY SETTLEMENT OF ANY SUCH ACTION WITHOUT ITS CONSENT, BUT, IF ANY SUCH ACTION IS SETTLED WITH THE CONSENT OF THE USER OR IF THERE BE FINAL JUDGMENT FOR THE PLAINTIFF OF ANY SUCH ACTION, THE USER AGREES TO INDEMNIFY AND HOLD HARMLESS THE INDEMNIFIED PARTIES FROM AND AGAINST ANY LOSS BY REASON OF SUCH SETTLEMENT OR JUDGMENT.

7. If within three (3) years from the date hereof (or such later date as shall be mutually satisfactory to the Corporation and the User) the Corporation and the User shall not have agreed to mutually acceptable terms for the Bonds and for the sale and delivery thereof and mutually acceptable terms and conditions of the Agreement, the User agrees that it will pay the Corporation for all unpaid Project Costs which the Corporation shall have incurred and this Agreement (other than the obligations of the parties under paragraph 6 hereof) shall thereupon terminate. In the event that the User elects, prior to any such termination, not to proceed with the issuance of the Bonds for any reason, it shall so notify the Corporation in writing and it shall promptly pay to the Corporation all Project Costs incurred by the Corporation prior to such notification, and if payment is so made, the User's obligations under paragraph 5 above shall terminate from and after the date of such notification.

8. The User may, without the consent of the Corporation, transfer or assign this Agreement or transfer or assign any or all of its rights and delegate any or all of its duties hereunder to any of its subsidiaries or affiliates currently existing or hereafter created, but no such transfer, assignment or delegation shall, without the written consent and approval of the Corporation, relieve the User of its liability for payment of Project Costs under paragraphs 5 and 7 hereof or indemnification under paragraph 6 hereof.

9. The provisions of paragraphs 5, 6 and 7 of this Agreement shall survive the expiration or termination of this Agreement and the closing of the transactions contemplated by the Agreement.

10. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature page to follow.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to Issue Bonds to be executed as of the year and date first above written.

Strategic Housing Finance Corporation of Travis County

By: _____
Dianna Grey, Interim Executive Director

[Signature page to follow.]

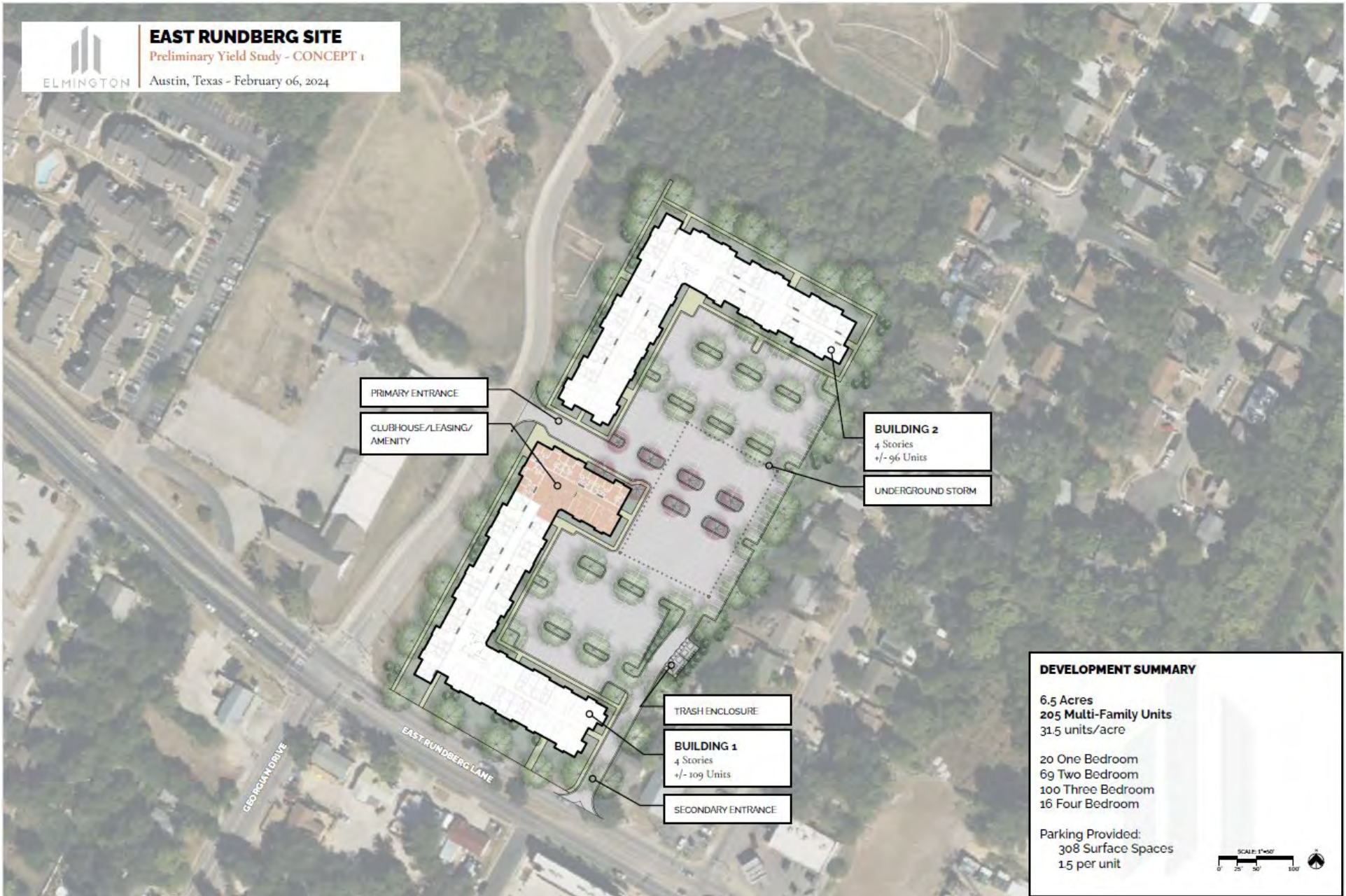
USER:

Elmington Capital Group,
a Tennessee limited liability company

By: _____

Name: _____

Title: _____



DEVELOPMENT SUMMARY

6.5 Acres
205 Multi-Family Units
31.5 units/acre

20 One Bedroom
69 Two Bedroom
100 Three Bedroom
16 Four Bedroom

Parking Provided:
308 Surface Spaces
1.5 per unit

SCALE: 1"=60'
0 25 50 100'

March 15, 2024

VIA E-MAIL

Keith Hoffpauir
Strategic Housing Finance Corporation
502 East Highland Mall Blvd., Ste. 106-B
Austin, Texas 78752

Mr. Hoffpauir,

Hilltop Securities (HTS) has prepared an initial underwriting assessment from the developer provided proforma and sources & uses for the Rundberg Flats development with Elmington Capital. I hereby certify that Hilltop Securities has experience underwriting affordable multifamily residential developments and do not have a financial interest in the proposed development, developer, or public facility user for this proposed development. Below is a summary of the analysis completed.

Elmington is proposing a new construction 205 unit complex at 6700 Decker Lane, Austin, TX. The unit mix will be made of 1BR, 2BR, 3BR and 4BR units and will be restricted to 50% Area Median Income (AMI), 60% AMI and 70% AMI rents and income levels, see below.

50% AMI		60% AMI		70% AMI	
Avg. Rent	Units	Avg. Rent	Units	Avg. Rent	Units
1,117	5	1,340	10	1,340	5
1,341	14	1,610	41	1,610	14
1,548	20	1,858	60	1,858	20
1,727	3	2,073	10	2,073	3
1,440	42	1,749	121	1,729	42

Elmington is seeking an inducement in the amount of \$50 million. Which is needed in order to apply for Private Activity Bond (PAB) volume cap. The Texas PAB program is currently oversubscribed which would put earliest a reservation could be received as August 2024. Once a reservation is received Elmington plans to submit a tax credit application to TDHCA in order to access the 4% tax credit program for the property. Elmington is hoping to close this bond transaction in July 2025 and complete construction in July 2027.

Additionally, Elmington has provided a preliminary proforma and sources and uses. After reviewing the proforma it is evident the property will likely require a tax abatement in order to be feasible. Elmington is not looking for SHFC to provide any action as to providing the tax abatement at this time.

IV.D Tech Ridge II Apartments

SHFC Development Overview

EMBREY Tech Ridge Phase II

Development Location – Howard Lane, Pflugerville

New Construction/Acquisition/Acquisition-Rehab – New Construction

Site Size – 13.5 acres

Year Built – NA

Total Number of Units - 330

Affordability Breakdown – Approximately 30% of the units will be available for families making at or below 80% of the area median income (“AMI”), 20% of the units will be available at or below 60% AMI, 40% of the units will be available at or below 120% AMI and 10% of the units will be available at an unrestricted fair market rate.

Transaction Type – Workforce Housing financed with Investor Equity and Lending

Developer Partner – Embrey

Tax Based Public Benefit Score – 94

Public Benefit Score with Bonus Points - 99

Development Characteristics – 4-Story Garden style

Unit Amenities –

- Stainless Steel Appliances(Microwaves, Ovens, Dishwashers, Refrigerators) – All included
- 9ft Ceilings
- Full Size Washer and Dryer Combos – mix of Side by Side and Stackable
- Shower/Tub Combos
- 42 in upper cabinetry in Kitchens for increased storage space
- Electric Oven Ranges
- Chrome Fixture Finish out in Bathrooms
- Smart Home Entry Locks
- Kitchen Islands
- Granite Countertops
- Prewired for additional Technology
- Ceiling Fans
- ADA available units
- Linen Closets
- Ceiling Fans

Community amenities will include a pool, private patios and clubhouse.

Tenant programs and services - Onsite services at no cost to tenants (subject to the consent of the Corporation).

Location and Neighborhood – The property will be located in the upward-trending Howard Lane Area in Pflugerville. The site will be close to several retail locations with shopping, dining, emergency medical, park and trail areas nearby.

Commissioners Court Precinct – 1 (Commissioner Jeff Travillion)

Financing – Investor Equity and Bank Financing

Current Tax Valuation - \$8,942,061.00

Projected Tax Valuation - \$67,838,047.60

Total Development Cost - \$84,797,559

Per Unit Development Cost - \$256,962

SHFC Role – General Partner, Landowner, General Contractor

SHFC Contribution – Property Tax Exemption, Sales Tax Exemption

Debt Service Coverage Ratio Year 1

Debt Service Coverage Ratio Year 15

Total Present Value of Tax Abatements - \$10,804,162

Value of Rent Savings - \$5,344,413

SHFC Fees – \$2,313,319

Projected Cash Flow and Sale - \$2,514,128

Previous Partnership Activity – The Travis County Facilities Corporation previously partnered with Embrey in the development of The Upland apartments. The property, located at the intersection of North I-35 and Tech Ridge Blvd., consists of 311 units of Class A housing and has recently completed construction. The property enjoyed a very successful lease-up.

Tech Ridge II Apartments – March 28, 2024 SHFC Board Meeting

SHFC-ACTION ITEM IV.D.

What is this resolution?

- This is an initial resolution. This is only a preliminary approval of the transaction and does not obligate the HFC to participate in the deal. It authorizes SHFC staff to conduct a due diligence review and negotiations, including negotiation of a non-binding memorandum of understanding with the developer.
- The Board will have an opportunity to negotiate further deal terms and formally approve or reject this deal at a later date prior to closing. This initial resolution does not bind the HFC to any specific deal terms.

What kind of deal is this?

- This is a workforce housing transaction which does not involve the issuance of bonds or tax credits. The developer, Embrey, would source all debt and equity financing for the project.
- The project consists of the construction, equipping and operation of a proposed mixed-income multifamily development to be named Tech Ridge II Apartments (subject to change with consent of the HFC) to consist of approximately 330 units located on approximately 13.53 acres at 1120 West Howard Lane, Austin, Travis County, Texas 78753.
- SHFC, through newly formed subsidiaries, would serve as general partner and landowner, and as general contractor, primarily to obtain an ad valorem tax exemption for the development, in exchange for typical fees, in order to further the statutory mission of SHFC to help obtain additional decent, safe, and sanitary housing for the residents of Travis County at affordable prices.

What are the unit mixes, income restrictions, amenities, and tenant services for this Development?

- The project is expected to offer 215 one-bedroom units, 110 two-bedroom units, and 5 three-bedroom units, subject to change with consent of the HFC.
- Approximately 30% of the units will be available for families making at or below 80% of the area median income ("AMI"), 20% of the units will be available at or below 60% AMI, 40% of the units will be available at or below 120% AMI and 10% of the units will be available at an unrestricted fair market rate.
- Unit amenities will be subject to the consent of the HFC. Community amenities will include a swimming pool, private patios and a clubhouse.
- Tenant programs and services will include onsite services at no cost to tenants (subject to the consent of the HFC).

Why is this Initial Resolution necessary?

- An initial resolution by the HFC is necessary to allow staff to move forward in the due diligence and negotiations on the project.

Does this resolution obligate the HFC to issue bonds or take any additional actions?

- This initial resolution does not obligate the HFC to ultimately give approval to the development—it is a preliminary approval.

What are the benefits of approving or risks of failing to approve this resolution?

- Approving this initial resolution would allow the developer to continue to proceed towards closing of the transaction and construction of the development, which would result in more affordable housing units in Travis County and more fees and income to the HFC.
- A failure to approve the transaction could reduce market confidence in SHFC and reduce the likelihood of future transactions from this developer, and might result in this developer partnering with another HFC.



**SHFC Action Item IV.D.
March 28, 2024**

Resolution No. SHFC-2024-14: To *Authorize* and direct the officers and staff of Strategic Housing Finance Corporation of Travis County to negotiate and execute a memorandum of understanding and other agreements related to participation in the ownership of the **Tech Ridge II Apartments** located at [] Howard Lane, Austin, Travis County, Texas []; and to authorize additional provisions relating to participation in such multi-family residential development project.

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 Corporation now desires to explore the possibility of partnering on a multi-family residential development project initially anticipated to be known as Tech Ridge II Apartments (the “Project”), as described on Exhibit A attached hereto (the name and structure of the partnership entity being subject to change, but related to or affiliated with Embrey, with such entity being referred to herein as the “Partnership”); and

WHEREAS, the Partnership and the Corporation desire that the Corporation adopt a resolution or take some other similar official action toward the foregoing, as set forth hereinbelow; and

WHEREAS, Travis County, Texas (the “Unit”), has authorized and approved creation of the Corporation to act on its behalf to further certain public purposes of the Unit;

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 initially agrees that it shall participate in the financing, development and operation of the Project, including, but not limited to, acting as the sole member of a to-be-formed entity currently anticipated to be known as SHFC Tech Ridge GP LLC, the general partner of the to-be-formed Partnership entity that will develop and operate the Project, subject to an acceptable due diligence review by Corporation staff and the negotiation and finalization of all appropriate documentation related to the Project and Partnership.

Section 2: The Board of Directors of the Corporation (the “Board of Directors”) hereby finds, determines and declares that the Project is required and suitable for the promotion of the construction of new, improved, or expanded residential development in the Unit.

Section 3: That neither the Partnership nor any other party is entitled to rely on this Resolution as a commitment, and the Corporation reserves the right not to participate in the Project 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 Partnership nor anyone claiming by, through or under the Partnership shall have any claim against the Corporation whatsoever as a result of any decision by the Corporation not to participate in the Project.

Section 4: That any authorized signatory or officer of the Corporation, each acting on behalf of the Corporation, is hereby individually authorized to (i) negotiate the terms of the Corporation’s participation in the ownership of the Project and to execute and deliver a nonbinding Memorandum of Understanding setting forth the terms and conditions upon which the Corporation would participate in the Project (“MOU”), with such terms and provisions 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 the Corporation’s activities under the MOU.

Section 5: That the Board of Directors hereby authorizes the formation of limited liability companies, the sole member of which will be the Corporation, to serve as the general contractor for the Project.

Section 6: That the Board of Directors hereby authorizes the formation of an additional limited liability company, the sole member of which will be the Corporation, to own the real property upon which the Project will be located and to lease that property to the Partnership.



Section 7: That any authorized signatory or officer of the Corporation, including, but not limited to, Dianna Grey as Interim Executive Director or the individual appointed and then acting as Executive Director or Interim Executive Director of the Corporation (the “Executive Director”), may act on behalf of the Corporation in connection with the Corporation’s participation in the Project.

Section 8: That this Resolution shall be effective upon the completion of an acceptable due diligence review of the project by Corporation staff, and thereupon any and all action taken by an authorized signatory or other officer of the Corporation, each acting on behalf of the Corporation, prior to such date, in effecting the purposes of the foregoing resolutions, is hereby approved, ratified and adopted in all respects.

Section 9: That the President, Vice President, Secretary, Executive Director and/or Interim Executive Director of the Corporation are each individually authorized to certify and attest to the adoption and approval of the foregoing resolutions.

[Signature page to follow.]



PASSED AND APPROVED this 28th day of March, 2024.

Julio Gonzalez-Altamirano
President, Board of Directors



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 28th day of March, 2024, 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 this _____ day of March, 2024.

By: _____

Dianna Grey

Interim Executive Director



EXHIBIT A

Description of the Project

The Project is a proposed mixed-income multifamily development to be named Tech Ridge II Apartments (subject to change with the consent of the Corporation) to consist of approximately 330 units located on approximately 13.53 acres at 1120 West Howard Lane, Austin, Travis County, Texas 78753, or adjacent thereto.

The Project is expected to offer 215 one-bedroom units, 110 two-bedroom units, and 5 three-bedroom units, subject to change with the consent of the Corporation. Approximately 30% of the units will be available for families making at or below 80% of the area median income ("AMI"), 20% of the units will be available at or below 60% AMI, 40% of the units will be available at or below 120% AMI and 10% of the units will be available at an unrestricted fair market rate.

Community amenities will include a swimming pool, private patios and a clubhouse.

Unit amenities will be subject to the consent of the Corporation.

Tenant programs and services will include onsite services at no cost to tenants (subject to the consent of the Corporation).

March 15, 2024

VIA E-MAIL

Keith Hoffpaur
Strategic Housing Finance Corporation
502 East Highland Mall Blvd., Ste. 106-B
Austin, Texas 78752

Mr. Hoffpaur,

Hilltop Securities (HTS) has prepared an initial underwriting assessment from the developer provided proforma and sources & uses for the Embrey Tech Ridge development. I hereby certify that Hilltop Securities has experience underwriting affordable multifamily residential developments and do not have a financial interest in the proposed development, developer, or public facility user for this proposed development. Below is a summary of the analysis completed.

- **Rent Subsidy-** The developer has restricted, 20% of the units at 60% AMI, 30% of the units at 80% AMI, 40% of the units at 120% AMI and the remaining units will be at an unrestricted fair market rate. The year 1 rent subsidy is estimated at \$601,308, using the current rents. When completing our public benefit analysis, the year 4 rent subsidy was used since the development is expected to be under construction for the first 2.5 years of the property tax abatement. Over a 10-year period the rents subsidy is estimated to be \$5,344,413 using a 3% escalator on future rents. The current estimated rents for the 120% restricted units and the unrestricted units are currently estimated at 74% - 89% AMI depending on unit type. The developer has further provided the 80% AMI rents will include at least a 10% discount to the market rents.

Unit Mix			
	60% AMI	80% AMI	Market Units
1bd/1ba	43	65	107
2bd/2ba	22	33	55
3bd/2ba	1	1	3

- **Estimated GP Revenues-** The proposed General Partner deal terms include the following fees to Strategic Housing Finance Corporation of Travis County (SHFC). A summary of fees received over 10 years is included in the HTS analysis.

- 25% Development Fee
- Annual Lease Payment (10% of the estimated taxes abated)
- Sale or Refinance Fee 1.5% Net Sale Proceeds
- General Contractor Fee (25% of sales tax savings)
- General Partner Management Fee

- **Estimated Property Taxes** – Construction has not begun on the property. As such two property tax estimates have been completed, including a breakout of each taxing entity.

1. Based on the 2023 assessed value per Travis County Appraisal District (\$8,942,061)
2. Based on 80% of the total development cost (\$67,838,048).
3. Based on the assumed taxes during construction and stabilization.

- **Public Benefit Analysis** – Comparing the rent saving generated by the property and the fees to be earned by SHFC over a 10-year period against the estimated property taxes over a 10-year period a Public Benefit Percentage of 80.77% is generated, assuming the property doesn't appreciate from the total development cost. Two additional scenarios are included estimating a sale or refinance at year 4, 8 and 10 based on a 7.00% and a 5.00% Capitalization Rate, these scenarios returned a 82.59% and a 94.15% Public Benefit Percentages, respectively. Including the SHFC bonus adjustments the Public Benefit Percentages increase to 86.27% with the no appreciated assumption, 88.09% assuming a 7.00% Capitalization Rate, and finally 99.65% assuming a sale at year 15 and assuming a 5.00% Capitalization Rate. The sale assumptions used by Hilltop assume SHFC will stay in the partnership at the year 4 and year 8 refinances but leave the partnership at the year 10 sale.

- **15-year Proforma with Property Taxes** – Including the estimated taxes to the operating expenses will likely cause stress issues which would not provide a comfortable Debt Service Coverage (DCR) needed for this project to be financed. Industry minimum DCR is 1.15. If a property tax abatement is not received the transaction will be under the 1.15 DCR from year 3 when lease up begins, until year 9. Additionally, years 3 and 4 will be under a 1.00 DCR, possibly causing a default on required debt payments. Accordingly, Hilltop does not believe the development with the proposed affordability would be feasible without the participation of SHFC and the property tax exemption.

**Strategic Housing Finance Corporation of Travis County
(Embrey Tech Ridge)
Rent Subsidy and Property Tax Abatement Comparison - (Workforce Housing)
Draft as of 3/15/2024**

100% AMI - Travis County		60% AMI			Rent Savings		80% AMI			Rent Savings		Market - Max Allowable AMI - 120%			Rent Savings	
Avg. Rent	Room Type	Sq. Ft.	Avg. Rent	Units	Disc. % to Market	Monthly	Annual	Avg. Rent	Units	Disc. % to Market	Monthly	Annual	Avg. Rent	Units	AMI %	Total Annual
2,191	1bd/1ba	820	1,315	43	19%	13,330	159,960	1,463	65	10%	10,530	126,360	1,625	107	74%	286,320
2,630	2bd/2ba	1,205	1,578	22	33%	16,984	203,808	2,104	33	10%	8,118	97,416	2,350	55	89%	301,224
3,037	3bd/2ba	1,430	1,823	1	32%	877	10,524	2,430	1	10%	270	3,240	2,700	3	89%	13,764
Total/Avg			1,410	66	23.87%	31,191	374,292	1,686	99	10.14%	18,918	227,016	1,886	165		601,308

Unit Mix		# of Units
20.0%	at 60% AMI	66
30.0%	at 80% AMI	99
50.0%	at Market	165
Total		330

	60% AMI	80% AMI
1bd/1ba	65%	66%
2bd/2ba	33%	33%
3bd/2ba	2%	1%



Strategic Housing Finance Corporation of Travis County

(Embrey Tech Ridge)

General Partner Revenue/Property Tax Abatement Analysis - Workforce Housing

Draft as of 3/15/2024



Total Development Cost:
\$84,797,559

General Partner - (Annual Lease Payment 10% of Estimated Taxes)	804,558.53
General Partner - Sale or Refinance Fee (1.5% of Net Sale Proceeds)	
Co-Developer - (25% of Development Fee)	847,975.59
General Contractor - GC Fee (25% of sales tax savings)	410,784.41
General Partner - Partnership Management Fee (\$25,000/year)	250,000.00
Total GP Partnership Related Revenues	\$ 2,313,318.54

10 Year Rent Subsidy	\$ 5,344,413.06
GP Revenues + Rent Subsidy	\$ 7,657,731.60

Estimate of Taxes Abated	\$14,070,283.16
Mil Rate	1.809247%
Cap Rate	6.50%
20% of Estimate of Taxes Abated	\$2,814,056.63

Footnote:

a. Total Cash Flow based off of "Howard Lane_15yr ProForma_2.26.24" numbers =	7,344,909.25
Partnership Expenses =	1,054,558.53
Cash Flow Estimate =	6,290,350.72

Strategic Housing Finance Corporation of Travis County
(Embrey Tech Ridge)
Property Tax Abatement (Workforce Housing)
Draft as of 3/15/2024

Property Tax Abatement Analysis

Total Cost	84,797,559
80% of Total Cost	67,838,048
Mil Rate	1.809247%
Cap Rate	6.50%
Loaded Cap	8.30925%

2023 Assessed Value		Estimated Taxes on Undeveloped Land										
8,942,061.00												
Mil Rate	Taxing Entity	1	2	3	4	5	6	7	8	9	10	Total
0.85950%	AUSTIN ISD	76,857	79,162.72	81,537.61	83,983.73	86,503.25	89,098.34	91,771.29	94,524.43	97,360.17	100,280.97	881,080
0.44580%	CITY OF AUSTIN	39,864	41,059.62	42,291.41	43,560.15	44,866.95	46,212.96	47,599.35	49,027.33	50,498.15	52,013.10	456,993
0.30466%	TRAVIS COUNTY	27,242	28,059.71	28,901.50	29,768.55	30,661.60	31,581.45	32,528.89	33,504.76	34,509.90	35,545.20	312,304
0.10069%	TRAVIS CO. HEALTHCARE DIST.	9,004	9,274.06	9,552.28	9,838.85	10,134.01	10,438.03	10,751.18	11,073.71	11,405.92	11,748.10	103,220
0.09860%	AUSTIN COMM COLL DIST	8,817	9,081.38	9,353.82	9,634.43	9,923.47	10,221.17	10,527.81	10,843.64	11,168.95	11,504.02	101,076
Total		161,784	166,637	171,637	176,786	182,089	187,552	193,179	198,974	204,943	211,091	1,854,672

80% of Total Cost		Estimated Taxes at Stabilization										
67,838,047.60												
Mil Rate	Taxing Entity	1	2	3	4	5	6	7	8	9	10	Total
0.85950%	AUSTIN ISD	583,068.02	600,560.06	618,576.86	637,134.17	656,248.19	675,935.64	696,213.71	717,100.12	738,613.12	760,771.52	6,684,221
0.44580%	CITY OF AUSTIN	302,422.02	311,494.68	320,839.52	330,464.70	340,378.64	350,590.00	361,107.70	371,940.93	383,099.16	394,592.14	3,466,929
0.30466%	TRAVIS COUNTY	206,672.00	212,872.16	219,258.33	225,836.08	232,611.16	239,589.50	246,777.18	254,180.50	261,805.91	269,660.09	2,369,263
0.10069%	TRAVIS CO. HEALTHCARE DIST.	68,307.49	70,356.71	72,467.41	74,641.44	76,880.68	79,187.10	81,562.71	84,009.59	86,529.88	89,125.78	783,069
0.09860%	AUSTIN COMM COLL DIST	66,888.31	68,894.96	70,961.81	73,090.67	75,283.39	77,541.89	79,868.15	82,264.19	84,732.12	87,274.08	766,800
Total		1,227,359	1,264,179	1,302,104	1,341,167	1,381,402	1,422,844	1,465,529	1,509,495	1,554,780	1,601,424	14,070,283

Estimated Taxes During Construction and Stabilization												
Mil Rate	Taxing Entity	1	2	3	4	5	6	7	8	9	10	Total
0.85950%	AUSTIN ISD	76,857.01	153,714.03	318,567.08	637,134.17	656,248.19	675,935.64	696,213.71	717,100.12	738,613.12	760,771.52	5,431,155
0.44580%	CITY OF AUSTIN	39,863.71	79,727.42	165,232.35	330,464.70	340,378.64	350,590.00	361,107.70	371,940.93	383,099.16	394,592.14	2,816,997
0.30466%	TRAVIS COUNTY	27,242.44	54,484.87	112,918.04	225,836.08	232,611.16	239,589.50	246,777.18	254,180.50	261,805.91	269,660.09	1,925,106
0.10069%	TRAVIS CO. HEALTHCARE DIST.	9,003.94	18,007.88	37,320.72	74,641.44	76,880.68	79,187.10	81,562.71	84,009.59	86,529.88	89,125.78	636,270
0.09860%	AUSTIN COMM COLL DIST	8,816.87	17,633.74	36,545.33	73,090.67	75,283.39	77,541.89	79,868.15	82,264.19	84,732.12	87,274.08	623,050
Total		161,784	323,568	670,584	1,341,167	1,381,402	1,422,844	1,465,529	1,509,495	1,554,780	1,601,424	11,432,577

Strategic Housing Finance Corporation of Travis County
 (Embrey Tech Ridge)
 Public Benefit Comparison - (Workforce Housing)
 Draft as of 3/15/2024

Year	Total	1	2	3	4	5	6	7	8	9	10
Property Taxes	11,432,577	161,784	323,568	670,584	1,341,167	1,381,402	1,422,844	1,465,529	1,509,495	1,554,780	1,601,424
Rent Savings	5,344,413			309,674	657,065	676,777	697,081	717,993	739,533	761,719	784,571
Sale or Refinance 1.5% Net Sale Proceeds	1,576,168				525,389				525,389		525,389
Developer Fee	847,976	847,976									
Annual Lease Payment	804,559				105,000	108,150	111,395	114,736	118,178	121,724	125,375
General Contractor Fee	410,784	205,392	205,392								
Partnership Management Fee	250,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Total	9,233,900	1,078,368	230,392	334,674	1,312,455	809,927	833,475	857,730	1,408,101	908,443	1,460,335

Public Benefit Percentage %	80.77%	Total rent savings + HFC/PFC revenue	÷	Total Property Taxes Abated
		9,233,900		11,432,577

2.50%	Public Benefit Ratio - Bonus Architecture
1.00%	Public Benefit Ratio - Local Public Sector Workers Performance
1.00%	Public Benefit Ratio - Decarbonization
1.00%	Public Benefit Ratio - Service Access

Adjusted Public Benefit Ratio	86.27%
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New Construction

Property Taxes based off of 80% of the total development cost multiplied by the Mill Rate of 1.809247%

Sale or Refinance Fee Included with a 7.00% Capitalization Rate

Year	Total	1	2	3	4	5	6	7	8	9	10
Property Taxes	10,804,162	161,784	323,568	632,089	1,264,179	1,302,104	1,341,167	1,381,402	1,422,844	1,465,529	1,509,495
Rent Savings	5,344,413			309,674	657,065	676,777	697,081	717,993	739,533	761,719	784,571
Sale or Refinance 1.5% Net Sale Proceeds	1,264,911				405,552				542,816		316,544
Developer Fee	847,976	847,976									
Annual Lease Payment	804,559				105,000	108,150	111,395	114,736	118,178	121,724	125,375
General Contractor Fee	410,784	205,392	205,392								
Partnership Management Fee	250,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Total	8,922,643	1,078,368	230,392	334,674	1,192,617	809,927	833,475	857,730	1,425,527	908,443	1,251,490

Public Benefit Percentage %	82.59%	Total rent savings + HFC/PFC revenue	÷	Total Property Taxes Abated
		8,922,643		10,804,162

2.50%	Public Benefit Ratio - Bonus Architecture
1.00%	Public Benefit Ratio - Local Public Sector Workers Performance
1.00%	Public Benefit Ratio - Decarbonization
1.00%	Public Benefit Ratio - Service Access

Adjusted Public Benefit Ratio	88.09%
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New Construction

Property Taxes based off of 80% of the total development cost multiplied by the Mill Rate of 1.809247%

* 1.5% of net sale proceeds

Sale or Refinance Fee Included with a 5.00% Capitalization Rate

Year	Total	1	2	3	4	5	6	7	8	9	10
Property Taxes	10,804,162	161,784	323,568	632,089	1,264,179	1,302,104	1,341,167	1,381,402	1,422,844	1,465,529	1,509,495
Rent Savings	5,344,413			309,674	657,065	676,777	697,081	717,993	739,533	761,719	784,571
Sale or Refinance 1.5% Net Sale Proceeds	2,514,128				815,523				1,007,693		690,912
Developer Fee	847,976	847,976									
Annual Lease Payment	804,559				105,000	108,150	111,395	114,736	118,178	121,724	125,375
General Contractor Fee	410,784	205,392	205,392								
Partnership Management Fee	250,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Total	10,171,860	1,078,368	230,392	334,674	1,602,589	809,927	833,475	857,730	1,890,404	908,443	1,625,858

Public Benefit Percentage %	94.15%	Total rent savings + HFC/PFC revenue	÷	Total Property Taxes Abated
		10,171,860		10,804,162

2.50%	Public Benefit Ratio - Bonus Architecture
1.00%	Public Benefit Ratio - Local Public Sector Workers Performance
1.00%	Public Benefit Ratio - Decarbonization
1.00%	Public Benefit Ratio - Service Access

Adjusted Public Benefit Ratio	99.65%
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New Construction

Property Taxes based off of 80% of the total development cost multiplied by the Mill Rate of 1.809247%

* 1.5% of net sale proceeds

10 Year Pro Forma with Property Taxes
Strategic Housing Finance Corporation of Travis County
(Embrey Tech Ridge)
Property Tax Abatement (Workforce Housing)
Draft as of 3/15/2024

Proforma Year	1	2	3	4	5	6	7	8	9	10	Total
Effective Gross Income from Operations	\$ -	\$ -	\$ 3,243,269	\$ 7,381,094	\$ 7,689,619	\$ 7,881,880	\$ 8,078,927	\$ 8,280,900	\$ 8,487,922	\$ 8,700,121	59,743,732
Operating Expenses	\$ -	\$ 384,131	\$ 1,944,887	\$ 2,066,646	\$ 2,110,834	\$ 2,149,122	\$ 2,190,637	\$ 2,254,712	\$ 2,295,776	\$ 2,337,699	17,734,444
Estimated Property Taxes (1.809247% MIL Rate)	161,784	323,568	670,584	1,341,167	1,381,402	1,422,844	1,465,529	1,509,495	1,554,780	1,601,424	11,432,577
Operating Expenses With Taxes	161,784	707,699	2,615,470	3,407,813	3,492,236	3,571,966	3,656,167	3,764,207	3,850,556	3,939,123	29,167,021
Total Developer's Estimated Debt Service	\$ -	\$ 2,982,190	\$ 2,982,190	\$ 4,100,000	\$ 4,100,000	\$ 4,100,000	\$ 4,100,000	\$ 4,100,000	\$ 4,100,000	\$ 4,100,000	34,664,379
Net Operating Income	\$ (161,784)	\$ (707,699)	\$ 627,799	\$ 3,973,282	\$ 4,197,382	\$ 4,309,914	\$ 4,422,760	\$ 4,516,693	\$ 4,637,366	\$ 4,760,997	\$ 30,576,711
Additional Income Needed to Achieve 1.15 DCR	\$ 161,783.97	\$ 4,137,216.98	\$ 2,801,718.88	\$ 741,718.19	\$ 517,617.62	\$ 405,085.89	\$ 292,239.76	\$ 198,307.23	\$ 77,633.83	\$ (45,997.48)	\$ 9,287,325
DCR		-0.24	0.21	0.97	1.02	1.05	1.08	1.10	1.13	1.16	
CF Available for Waterfall after Hard Debt	(161,784)	(3,689,889)	(2,354,390)	(126,718)	97,382	209,914	322,760	416,693	537,366	660,997	(4,087,668)
Expenses Total	-	-	-	-	-	-	-	-	-	-	-
Annual Cash Flow	(161,784)	(3,689,889)	(2,354,390)	(126,718)	97,382	209,914	322,760	416,693	537,366	660,997	(4,087,668)
Cumulative Net Cash Flow	(161,784)	(3,851,673)	(6,206,063)	(6,332,781)	(6,235,399)	(6,025,485)	(5,702,724)	(5,286,032)	(4,748,665)	(4,087,668)	

10 Year Pro Forma
Strategic Housing Finance Corporation of Travis County
(Embrey Tech Ridge)
Property Tax Abatement (Workforce Housing)

Year	1	2	3	4	5	6	7	8	9	10	Total
Effective Gross Income from Operations			\$3,243,269	\$7,381,094	\$7,689,619	\$7,881,880	\$8,078,927	\$8,280,900	\$8,487,922	\$8,700,121	59,743,732
Operating Expenses		384,131	1,944,887	2,066,646	2,110,834	2,149,122	2,190,637	2,254,712	2,295,776	2,337,699	17,734,444
Total Debt Service		2,982,190	2,982,190	4,100,000	4,100,000	4,100,000	4,100,000	4,100,000	4,100,000	4,100,000	34,664,379
Net Operating Income	-	(384,131)	1,298,383	5,314,449	5,578,784	5,732,758	5,888,290	6,026,188	6,192,146	6,362,421	\$ 42,009,288
DCR		-0.13	0.44	1.30	1.36	1.40	1.44	1.47	1.51	1.55	
CF Available for Waterfall after Hard Debt	-	(3,366,321)	(1,683,807)	1,214,449	1,478,784	1,632,758	1,788,290	1,926,188	2,092,146	2,262,421	7,344,909
Partnership Management Fee	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	250,000
Annual Lease Payment				105,000	108,150	111,395	114,736	118,178	121,724	125,375	804,559
Expenses Total	25,000	25,000	25,000	130,000	133,150	136,395	139,736	143,178	146,724	150,375	1,054,559
Developer Fee Total				3,391,902.00							
Cashflow Available	(25,000)	(3,391,321)	(1,708,807)	1,084,449	1,345,634	1,496,364	1,648,553	1,783,010	1,945,423	2,112,046	6,290,351

IV.E Ovation Apartments

Note: This item will not be taken up for action at the 3/28/24 board meeting.

Ovation Apartments – March 28, 2024 SHFC Board Meeting

SHFC ACTION ITEM IV.E.

What is this resolution?

- This is an initial resolution. This is only a preliminary approval of the transaction and does not obligate the HFC to participate in the deal. It authorizes SHFC staff to conduct a due diligence review and negotiations, including negotiation of a non-binding memorandum of understanding with the developer.
- The Board will have an opportunity to negotiate further deal terms and formally approve or reject this deal at a later date prior to closing. This initial resolution does not bind the HFC to any specific deal terms.

What kind of deal is this?

- This is a workforce housing transaction which does not involve the issuance of bonds or tax credits. The developers, Ascenda Capital and Post Investment Group, would source all debt and equity financing for the project.
- The project consists of the acquisition, equipping and operation of a proposed mixed-income multifamily development to be named Ovation Apartments (subject to change with consent of the HFC) to consist of approximately 196 units located at 2425 E. Riverside Drive, Austin, Travis County, Texas 78741.
- SHFC, through newly formed subsidiaries, would serve as general partner and landowner, and as general contractor, primarily to obtain an ad valorem tax exemption for the development, in exchange for typical fees, in order to further the statutory mission of SHFC to help obtain additional decent, safe, and sanitary housing for the residents of Travis County at affordable prices.

What are the unit mixes, income restrictions, amenities, and tenant services for this Development?

- The project is expected to offer 28 one-bedroom units, 112 two-bedroom units, and 56 three-bedroom units, subject to change with consent of the HFC.
- Approximately 10% of the units will be available for families making at or below 50% of the area median income ("AMI"), 40% of the units will be available at or below 60% AMI, 15% of the units will be available at or below 80% AMI, 25% of the units will be available at or below 120% AMI and 10% of the units will be available at an unrestricted fair market rate.
- Unit amenities will be subject to the consent of the HFC. Community amenities will include a clubhouse with full kitchen, swimming pool, bar area and lounge area, 24-hour fully equipped fitness center and a controlled access gated-community.
- The developer is currently looking at providers for appropriate tenant services and programs to be brought to the property at no cost to tenants (subject to the consent of the HFC).

Why is this Initial Resolution necessary?

- An initial resolution by the HFC is necessary to allow staff to move forward in the due diligence and negotiations on the project.

Does this resolution obligate the HFC to issue bonds or take any additional actions?

- This initial resolution does not obligate the HFC to ultimately give approval to the development—it is a preliminary approval.

What are the benefits of approving or risks of failing to approve this resolution?

- Approving this initial resolution would allow the developer to continue to proceed towards closing of the transaction, which would result in more affordable housing units in Travis County and more fees and income to the HFC.
- A failure to approve the transaction could reduce market confidence in SHFC and reduce the likelihood of future transactions from this developer, and might result in this developer partnering with another HFC.



SHFC Action Item IV.E.
March 28, 2024

Resolution No. SHFC-2024-15: To Authorize and direct the officers and staff of Strategic Housing Finance Corporation of Travis County to negotiate and execute a memorandum of understanding and other agreements related to participation in the ownership of the **Ovation Apartments** located at 2425 E. Riverside Drive, Austin, Travis County, Texas 78741; and to authorize additional provisions relating to participation in such multi-family residential development project.

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 Corporation now desires to explore the possibility of partnering on a multi-family residential development project initially anticipated to be known as Ovation Apartments (the “Project”), as described on Exhibit A attached hereto (the name and structure of the partnership entity being subject to change, but related to or affiliated with Ascenda Capital and Post Investment Group, with such entity being referred to herein as the “Partnership”); and

WHEREAS, the Partnership and the Corporation desire that the Corporation adopt a resolution or take some other similar official action toward the foregoing, as set forth hereinbelow; and

WHEREAS, Travis County, Texas (the “Unit”), has authorized and approved creation of the Corporation to act on its behalf to further certain public purposes of the Unit;



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 initially agrees that it shall participate in the financing, development and operation of the Project, including, but not limited to, acting as the sole member of a to-be-formed entity currently anticipated to be known as SHFC Ovation GP LLC, the general partner of the to-be-formed Partnership entity that will develop and operate the Project, subject to an acceptable due diligence review by Corporation staff and the negotiation and finalization of all appropriate documentation related to the Project and Partnership.

Section 2: The Board of Directors of the Corporation (the “Board of Directors”) hereby finds, determines and declares that the Project is required and suitable for the promotion of the construction of new, improved, or expanded residential development in the Unit.

Section 3: That neither the Partnership nor any other party is entitled to rely on this Resolution as a commitment, and the Corporation reserves the right not to participate in the Project 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 Partnership nor anyone claiming by, through or under the Partnership shall have any claim against the Corporation whatsoever as a result of any decision by the Corporation not to participate in the Project.

Section 4: That any authorized signatory or officer of the Corporation, each acting on behalf of the Corporation, is hereby individually authorized to (i) negotiate the terms of the Corporation’s participation in the ownership of the Project and to execute and deliver a nonbinding Memorandum of Understanding setting forth the terms and conditions upon which the Corporation would participate in the Project (“MOU”), with such terms and provisions 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 the Corporation’s activities under the MOU.

Section 5: That the Board of Directors hereby authorizes the formation of limited liability companies, the sole member of which will be the Corporation, to serve as the general contractor for the Project.



of TRAVIS COUNTY

Section 6: That the Board of Directors hereby authorizes the formation of an additional limited liability company, the sole member of which will be the Corporation, to own the real property upon which the Project will be located and to lease that property to the Partnership.

Section 7: That any authorized signatory or officer of the Corporation, including, but not limited to, Dianna Grey as Interim Executive Director or the individual appointed and then acting as Executive Director or Interim Executive Director of the Corporation (the “Executive Director”), may act on behalf of the Corporation in connection with the Corporation’s participation in the Project.

Section 8: That this Resolution shall be effective upon the completion of an acceptable due diligence review of the project by Corporation staff, and thereupon any and all action taken by an authorized signatory or other officer of the Corporation, each acting on behalf of the Corporation, prior to such date, in effecting the purposes of the foregoing resolutions, is hereby approved, ratified and adopted in all respects.

Section 9: That the President, Vice President, Secretary, Executive Director and/or Interim Executive Director of the Corporation are each individually authorized to certify and attest to the adoption and approval of the foregoing resolutions.

[Signature page to follow.]



PASSED AND APPROVED this 28th day of March, 2024.

Julio Gonzalez-Altamirano
President, Board of Directors



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 28th day of March, 2024, 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 this _____ day of March, 2024.

By: _____
Dianna Grey
Interim Executive Director



EXHIBIT A

Description of the Project

The Project is a proposed mixed-income multifamily development to be named Ovation Apartments (subject to change with the consent of the Corporation) to consist of approximately 196 units located at 2425 E. Riverside Drive, Austin, Travis County, Texas 78741, or adjacent thereto.

The Project is expected to offer 28 one-bedroom units, 112 two-bedroom units, and 56 three-bedroom units, subject to change with the consent of the Corporation. Approximately 10% of the units will be available for families making at or below 50% of the area median income ("AMI"), 40% of the units will be available at or below 60% AMI, 15% of the units will be available at or below 80% AMI, 25% of the units will be available at or below 120% AMI and 10% of the units will be available at an unrestricted fair market rate.

Community amenities will include a clubhouse with full kitchen, swimming pool, bar area and lounge area, 24-hour fully equipped fitness center and a controlled access gated-community.

Unit amenities will be subject to the consent of the Corporation.

The developer is currently looking at providers for appropriate tenant services and programs to be brought to the property at no cost to tenants (subject to the consent of the Corporation).

IV.F Avonmora Apartments

Note: This item will not be taken up for action at the 3/28/24 board meeting.

Avonmora Apartments – March 28, 2024 SHFC Board Meeting

SHFC ACTION ITEM IV.F.

What is this resolution?

- This is an initial resolution. This is only a preliminary approval of the transaction and does not obligate the HFC to participate in the deal. It authorizes SHFC staff to conduct a due diligence review and negotiations, including negotiation of a non-binding memorandum of understanding with the developer.
- The Board will have an opportunity to negotiate further deal terms and formally approve or reject this deal at a later date prior to closing. This initial resolution does not bind the HFC to any specific deal terms.

What kind of deal is this?

- This is a workforce housing transaction which does not involve the issuance of bonds or tax credits. The developers, Ascenda Capital and Post Investment Group, would source all debt and equity financing for the project.
- The project consists of the acquisition, equipping and operation of a proposed mixed-income multifamily development to be named Avonmora Apartments (subject to change with consent of the HFC) to consist of approximately 252 units located at 4501 E. Riverside Drive, Austin, Travis County, Texas 78741.
- SHFC, through newly formed subsidiaries, would serve as general partner and landowner, and as general contractor, primarily to obtain an ad valorem tax exemption for the development, in exchange for typical fees, in order to further the statutory mission of SHFC to help obtain additional decent, safe, and sanitary housing for the residents of Travis County at affordable prices.

What are the unit mixes, income restrictions, amenities, and tenant services for this Development?

- The project is expected to offer 20 one-bedroom units, 137 two-bedroom units, 83 three-bedroom units, and 12 four-bedroom units, subject to change with consent of the HFC.
- Approximately 10% of the units will be available for families making at or below 50% of the area median income ("AMI"), 40% of the units will be available at or below 60% AMI, 15% of the units will be available at or below 80% AMI, 25% of the units will be available at or below 120% AMI, and 10% of the units will be available at an unrestricted fair market rate.
- Unit amenities will be subject to the consent of the HFC. Community amenities will include a clubhouse with full kitchen, swimming pool, bar area and lounge area, 24-hour fully equipped fitness center and a controlled access gated-community.
- The developer is currently looking at providers for appropriate tenant services and programs to be brought to the property at no cost to tenants (subject to the consent of the HFC).

Why is this Initial Resolution necessary?

- An initial resolution by the HFC is necessary to allow staff to move forward in the due diligence and negotiations on the project.

Does this resolution obligate the HFC to issue bonds or take any additional actions?

- This initial resolution does not obligate the HFC to ultimately give approval to the development—it is a preliminary approval.

What are the benefits of approving or risks of failing to approve this resolution?

- Approving this initial resolution would allow the developer to continue to proceed towards closing of the transaction, which would result in more affordable housing units in Travis County and more fees and income to the HFC.
- A failure to approve the transaction could reduce market confidence in SHFC and reduce the likelihood of future transactions from this developer, and might result in this developer partnering with another HFC.



**SHFC Action Item IV.F.
March 28, 2024**

Resolution No. SHFC-2024-16: To *Authorize* and direct the officers and staff of Strategic Housing Finance Corporation of Travis County to negotiate and execute a memorandum of understanding and other agreements related to participation in the ownership of the **Avonmora Apartments** located at 4501 E. Riverside Drive, Austin, Travis County, Texas 78741; and to authorize additional provisions relating to participation in such multi-family residential development project.

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 Corporation now desires to explore the possibility of partnering on a multi-family residential development project initially anticipated to be known as Avonmora Apartments (the “Project”), as described on Exhibit A attached hereto (the name and structure of the partnership entity being subject to change, but related to or affiliated with Ascenda Capital and Post Investment Group, with such entity being referred to herein as the “Partnership”); and

WHEREAS, the Partnership and the Corporation desire that the Corporation adopt a resolution or take some other similar official action toward the foregoing, as set forth hereinbelow; and

WHEREAS, Travis County, Texas (the “Unit”), has authorized and approved creation of the Corporation to act on its behalf to further certain public purposes of the Unit;



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 initially agrees that it shall participate in the financing, development and operation of the Project, including, but not limited to, acting as the sole member of a to-be-formed entity currently anticipated to be known as SHFC Avonmora GP LLC, the general partner of the to-be-formed Partnership entity that will develop and operate the Project, subject to an acceptable due diligence review by Corporation staff and the negotiation and finalization of all appropriate documentation related to the Project and Partnership.

Section 2: The Board of Directors of the Corporation (the "Board of Directors") hereby finds, determines and declares that the Project is required and suitable for the promotion of the construction of new, improved, or expanded residential development in the Unit.

Section 3: That neither the Partnership nor any other party is entitled to rely on this Resolution as a commitment, and the Corporation reserves the right not to participate in the Project 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 Partnership nor anyone claiming by, through or under the Partnership shall have any claim against the Corporation whatsoever as a result of any decision by the Corporation not to participate in the Project.

Section 4: That any authorized signatory or officer of the Corporation, each acting on behalf of the Corporation, is hereby individually authorized to (i) negotiate the terms of the Corporation's participation in the ownership of the Project and to execute and deliver a nonbinding Memorandum of Understanding setting forth the terms and conditions upon which the Corporation would participate in the Project ("MOU"), with such terms and provisions 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 the Corporation's activities under the MOU.



Section 5: That the Board of Directors hereby authorizes the formation of limited liability companies, the sole member of which will be the Corporation, to serve as the general contractor for the Project.

Section 6: That the Board of Directors hereby authorizes the formation of an additional limited liability company, the sole member of which will be the Corporation, to own the real property upon which the Project will be located and to lease that property to the Partnership.

Section 7: That any authorized signatory or officer of the Corporation, including, but not limited to, Dianna Grey as Interim Executive Director or the individual appointed and then acting as Executive Director or Interim Executive Director of the Corporation (the “Executive Director”), may act on behalf of the Corporation in connection with the Corporation’s participation in the Project.

Section 8: That this Resolution shall be effective upon the completion of an acceptable due diligence review of the project by Corporation staff, and thereupon any and all action taken by an authorized signatory or other officer of the Corporation, each acting on behalf of the Corporation, prior to such date, in effecting the purposes of the foregoing resolutions, is hereby approved, ratified and adopted in all respects.

Section 9: That the President, Vice President, Secretary, Executive Director and/or Interim Executive Director of the Corporation are each individually authorized to certify and attest to the adoption and approval of the foregoing resolutions.

[Signature page to follow.]



PASSED AND APPROVED this 28th day of March, 2024.

Julio Gonzalez-Altamirano
President, Board of Directors



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 28th day of March, 2024, 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 this _____ day of March, 2024.

By: _____
Dianna Grey
Interim Executive Director



EXHIBIT A

Description of the Project

The Project is a proposed mixed-income multifamily development to be named Avonmora Apartments (subject to change with the consent of the Corporation) to consist of approximately 252 units located at 4501 E. Riverside Drive, Austin, Travis County, Texas 78741, or adjacent thereto.

The Project is expected to offer 20 one-bedroom units, 137 two-bedroom units, 83 three-bedroom units, and 12 four-bedroom units, subject to change with the consent of the Corporation. Approximately 10% of the units will be available for families making at or below 50% of the area median income (“AMI”), 40% of the units will be available at or below 60% AMI, 15% of the units will be available at or below 80% AMI, 25% of the units will be available at or below 120% AMI and 10% of the units will be available at an unrestricted fair market rate.

Community amenities will include a clubhouse with full kitchen, swimming pool, bar area and lounge area, 24-hour fully equipped fitness center and a controlled access gated-community.

Unit amenities will be subject to the consent of the Corporation.

The developer is currently looking at providers for appropriate tenant services and programs to be brought to the property at no cost to tenants (subject to the consent of the Corporation).

IV.G Fort Branch at Trumans Landing

Note: This item will not be taken up for action at the 3/28/24 board meeting.

Fort Branch at Trumans Landing – March 28, 2024 SHFC Board Meeting

SHFC ACTION ITEM IV.G

What is this resolution?

- This is an initial resolution. This is only a preliminary approval of the transaction and does not obligate the HFC to participate in the deal. It authorizes SHFC staff to conduct a due diligence review and negotiations, including negotiation of a non-binding memorandum of understanding with the developer.
- The Board will have an opportunity to negotiate further deal terms and formally approve or reject this deal at a later date prior to closing. This initial resolution does not bind the HFC to any specific deal terms.

What kind of deal is this?

- This is a workforce housing transaction which does not involve the issuance of bonds or tax credits. The developers, Ascenda Capital and Post Investment Group, would source all debt and equity financing for the project.
- The project consists of the acquisition, equipping and operation of a proposed mixed-income multifamily development to be named Fort Branch at Trumans Landing (subject to change with consent of the HFC) to consist of approximately 250 units located at 5800 Techni Center Drive, Austin, Travis County, Texas 78721.
- SHFC, through newly formed subsidiaries, would serve as general partner and landowner, and as general contractor, primarily to obtain an ad valorem tax exemption for the development, in exchange for typical fees, in order to further the statutory mission of SHFC to help obtain additional decent, safe, and sanitary housing for the residents of Travis County at affordable prices.

What are the unit mixes, income restrictions, amenities, and tenant services for this Development?

- The project is expected to offer 148 two-bedroom units and 102 three-bedroom units, subject to change with consent of the HFC.
- Approximately 10% of the units will be available for families making at or below 50% of the area median income ("AMI"), 40% of the units will be available at or below 60% AMI, 15% of the units will be available at or below 80% AMI, 25% of the units will be available at or below 120% AMI, and 10% of the units will be available at an unrestricted fair market rate.
- Unit amenities will be subject to the consent of the HFC. Community amenities will include community rooms, business center, clubhouse, fitness center, swimming pool, outdoor common areas, barbeque areas, playground, security and gated entry.
- The developer is currently looking at providers for appropriate tenant services and programs to be brought to the property at no cost to tenants (subject to the consent of the HFC).

Why is this Initial Resolution necessary?

- An initial resolution by the HFC is necessary to allow staff to move forward in the due diligence and negotiations on the project.

Does this resolution obligate the HFC to issue bonds or take any additional actions?

- This initial resolution does not obligate the HFC to ultimately give approval to the development—it is a preliminary approval.

What are the benefits of approving or risks of failing to approve this resolution?

- Approving this initial resolution would allow the developer to continue to proceed towards closing of the transaction, which would result in more affordable housing units in Travis County and more fees and income to the HFC.
- A failure to approve the transaction could reduce market confidence in SHFC and reduce the likelihood of future transactions from this developer, and might result in this developer partnering with another HFC.



SHFC Action Item IV.G.
March 28, 2024

Resolution No. SHFC-2024-17: To *Authorize* and direct the officers and staff of Strategic Housing Finance Corporation of Travis County to negotiate and execute a memorandum of understanding and other agreements related to participation in the ownership of the **Fort Branch at Trumans Landing Apartments** located at 5800 Techni Center Drive, Austin, Travis County, Texas 78721; and to authorize additional provisions relating to participation in such multi-family residential development project.

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 Corporation now desires to explore the possibility of partnering on a multi-family residential development project initially anticipated to be known as Fort Branch at Trumans Landing (the “Project”), as described on Exhibit A attached hereto (the name and structure of the partnership entity being subject to change, but related to or affiliated with Ascenda Capital and Post Investment Group, with such entity being referred to herein as the “Partnership”); and

WHEREAS, the Partnership and the Corporation desire that the Corporation adopt a resolution or take some other similar official action toward the foregoing, as set forth hereinbelow; and

WHEREAS, Travis County, Texas (the “Unit”), has authorized and approved creation of the Corporation to act on its behalf to further certain public purposes of the Unit;



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 initially agrees that it shall participate in the financing, development and operation of the Project, including, but not limited to, acting as the sole member of a to-be-formed entity currently anticipated to be known as SHFC Fort Branch GP LLC, the general partner of the to-be-formed Partnership entity that will develop and operate the Project, subject to an acceptable due diligence review by Corporation staff and the negotiation and finalization of all appropriate documentation related to the Project and Partnership.

Section 2: The Board of Directors of the Corporation (the “Board of Directors”) hereby finds, determines and declares that the Project is required and suitable for the promotion of the construction of new, improved, or expanded residential development in the Unit.

Section 3: That neither the Partnership nor any other party is entitled to rely on this Resolution as a commitment, and the Corporation reserves the right not to participate in the Project 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 Partnership nor anyone claiming by, through or under the Partnership shall have any claim against the Corporation whatsoever as a result of any decision by the Corporation not to participate in the Project.

Section 4: That any authorized signatory or officer of the Corporation, each acting on behalf of the Corporation, is hereby individually authorized to (i) negotiate the terms of the Corporation’s participation in the ownership of the Project and to execute and deliver a nonbinding Memorandum of Understanding setting forth the terms and conditions upon which the Corporation would participate in the Project (“MOU”), with such terms and provisions 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 the Corporation’s activities under the MOU.



Section 5: That the Board of Directors hereby authorizes the formation of limited liability companies, the sole member of which will be the Corporation, to serve as the general contractor for the Project.

Section 6: That the Board of Directors hereby authorizes the formation of an additional limited liability company, the sole member of which will be the Corporation, to own the real property upon which the Project will be located and to lease that property to the Partnership.

Section 7: That any authorized signatory or officer of the Corporation, including, but not limited to, Dianna Grey as Interim Executive Director or the individual appointed and then acting as Executive Director or Interim Executive Director of the Corporation (the “Executive Director”), may act on behalf of the Corporation in connection with the Corporation’s participation in the Project.

Section 8: That this Resolution shall be effective upon the completion of an acceptable due diligence review of the project by Corporation staff, and thereupon any and all action taken by an authorized signatory or other officer of the Corporation, each acting on behalf of the Corporation, prior to such date, in effecting the purposes of the foregoing resolutions, is hereby approved, ratified and adopted in all respects.

Section 9: That the President, Vice President, Secretary, Executive Director and/or Interim Executive Director of the Corporation are each individually authorized to certify and attest to the adoption and approval of the foregoing resolutions.

[Signature page to follow.]



PASSED AND APPROVED this 28th day of March, 2024.

Julio Gonzalez-Altamirano
President, Board of Directors



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 28th day of March, 2024, 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 this _____ day of March, 2024.

By: _____
Dianna Grey
Interim Executive Director



EXHIBIT A

Description of the Project

The Project is a proposed mixed-income multifamily development to be named Fort Branch at Trumans Landing (subject to change with the consent of the Corporation) to consist of approximately 250 units located at 5800 Techni Center Drive, Austin, Travis County, Texas 78721, or adjacent thereto.

The Project is expected to offer 148 two-bedroom units and 102 three-bedroom units, subject to change with the consent of the Corporation. Approximately 10% of the units will be available for families making at or below 50% of the area median income ("AMI"), 40% of the units will be available at or below 60% AMI, 15% of the units will be available at or below 80% AMI, 25% of the units will be available at or below 120% AMI and 10% of the units will be available at an unrestricted fair market rate.

Community amenities will include community rooms, business center, clubhouse, fitness center, swimming pool, outdoor common areas, barbeque areas, playground, security and gated entry.

Unit amenities will be subject to the consent of the Corporation.

The developer is currently looking at providers for appropriate tenant services and programs to be brought to the property at no cost to tenants (subject to the consent of the Corporation).

IV.H 10601 North Lamar Apartments

SHFC Development Overview

Placemkr North Lamar

Development Summary

Development Location – 10601 North Lamar, Austin, Texas 78753

New Construction/Acquisition/Acquisition-Rehab – New Construction

Year Built – NA

Unit Total/Affordable Unit Total – 332

Affordability Mix – Approximately 20% of the units will be available for families making at or below 60% of the area median income (“AMI”), 30% of the units will be available at or below 80% AMI, 40% of the units will be available at or below 120% AMI and 10% of the units will be available at an unrestricted fair market rate.

Transaction Type – Workforce Housing

Developer Partner – PlaceMKR

Tax-based Public Benefit Score – 88

Public Benefit Score with Bonus Points - 93.5

Development Characteristics

4-Story Wrap

2 Courtyards

6 floor parking

Unit Amenities

- Clubhouse with full kitchen, pool, bar area, lounge area
- 24-hour fully equipped fitness center
- Controlled-access, gated community

Tenant programs and services – The developer is proposing to qualify for bonus scoring under Service Provision, and is currently looking at providers for appropriate services to be brought to the property.

Location and Neighborhood - There are 9 Public Schools within a 1.5-mile radius, 3 Fire Stations within a 2-mile radius, and many other non-profits located in the neighborhood. This site is an ideal choice for catering to public employees by providing them with an affordably priced, luxurious, and eco-friendly property to live in. As part of their mission to provide affordable products to this area, they will market to staff members of the 9 public schools and 3 fire stations in our immediate area.

(.16 mi) Aged & Disabled Medical - Aging and disability resource center is a State of Texas Health and Human Services office that’s purpose is to provide older adults and Texans with disabilities resources for treatment and care.

(.17 mi) Long Term Care Regulatory – Under The Texas Department of Aging and Disabilities, the Long Term Care Regulatory office helps connect elderly Texans with nursing care, assisted living facilities and, group homes.

(.24 mi) Sun Academy – Sun Academy is an after-school program offered to kids to gain confidence and passion in their education, while providing low-cost service for needy families.

Project Connect aims to expand the transportation network in Austin through new light rails, a downtown subway system, and bus system to improve accessibility to essential employee, healthcare, and education centers.

Commissioners Court Precinct: 2 (Commissioner Brigid Shea)

Financing

Transaction Type – Workforce Housing financed with Investor Equity and Bank Financing

Current Tax Evaluation - \$10,206,832 (\$68,102,867 upon completion based upon 80% of Total Development Cost)

Total Development Cost - \$85,128,584

Per Unit Development Cost – \$256,411

SHFC Role – General Partner, Landowner, General Contractor

SHFC Contribution – Property Tax Exemption, Sales Tax Exemption

Debt Service Coverage Ratio Year 1: 1.36

Debt Service Coverage Ratio Year 15: 2.61

Total Present Value of Tax Abatements - \$23,743,441

Value of Rent Reductions (Year 3) - \$776,451

Value of Rent Reductions (Years 1-15) – 12,126,457

SHFC Fees - \$4,916,803

Projected Cash Flow & Sale - \$3,853,444

Previous Partnership Activity

No previous activity. This is a new partnering relationship with the SHFC.

Concept Sketch

10601 North Lamar



10601 North Lamar – March 28, 2024 SHFC Board Meeting

SHFC ACTION ITEM IV.H.

What is this resolution?

- This is an initial resolution. This is only a preliminary approval of the transaction and does not obligate the HFC to participate in the deal. It authorizes SHFC staff to conduct a due diligence review and negotiations, including negotiation of a non-binding memorandum of understanding with the developer.
- The Board will have an opportunity to negotiate further deal terms and formally approve or reject this deal at a later date prior to closing. This initial resolution does not bind the HFC to any specific deal terms.

What kind of deal is this?

- This is a workforce housing transaction which does not involve the issuance of bonds or tax credits. The developer, PlaceMKR, would source all debt and equity financing for the project.
- The project consists of the construction, equipping and operation of a proposed mixed-income multifamily development to be named 10601 North Lamar (subject to change with consent of the HFC) to consist of approximately 332 units located at 10601 North Lamar, Austin, Travis County, Texas 78753.
- SHFC, through newly formed subsidiaries, would serve as general partner and landowner, and as general contractor, primarily to obtain an ad valorem tax exemption for the development, in exchange for typical fees, in order to further the statutory mission of SHFC to help obtain additional decent, safe, and sanitary housing for the residents of Travis County at affordable prices.

What are the unit mixes, income restrictions, amenities, and tenant services for this Development?

- The project is expected to offer 64 studio units, 215 one-bedroom units, and 53 two-bedroom units, subject to change with consent of the HFC.
- Approximately 20% of the units will be available for families making at or below 60% of the area median income ("AMI"), 30% of the units will be available at or below 80% AMI, 40% of the units will be available at or below 120% AMI and 10% of the units will be available at an unrestricted fair market rate.
- Unit amenities will be subject to the consent of the HFC. Community amenities will include a clubhouse with full kitchen, swimming pool, bar area and lounge area, 24-hour fully equipped fitness center and a controlled access gated-community.
- The developer is currently looking at providers for appropriate tenant services and programs to be brought to the property at no cost to tenants (subject to the consent of the HFC).

Why is this Initial Resolution necessary?

- An initial resolution by the HFC is necessary to allow staff to move forward in the due diligence and negotiations on the project.

Does this resolution obligate the HFC to issue bonds or take any additional actions?

- This initial resolution does not obligate the HFC to ultimately give approval to the development—it is a preliminary approval.

What are the benefits of approving or risks of failing to approve this resolution?

- Approving this initial resolution would allow the developer to continue to proceed towards closing of the transaction and construction of the development, which would result in more affordable housing units in Travis County and more fees and income to the HFC.
- A failure to approve the transaction could reduce market confidence in SHFC and reduce the likelihood of future transactions from this developer, and might result in this developer partnering with another HFC.



**SHFC Action Item IV.H.
March 28, 2024**

Resolution No. SHFC-2024-18: To *Authorize* and direct the officers and staff of Strategic Housing Finance Corporation of Travis County to negotiate and execute a memorandum of understanding and other agreements related to participation in the ownership of the **10601 North Lamar Apartments** located at 10601 North Lamar, Austin, Travis County, Texas 78753; and to authorize additional provisions relating to participation in such multi-family residential development project.

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 Corporation now desires to explore the possibility of partnering on a multi-family residential development project initially anticipated to be known as 10601 North Lamar (the “Project”), as described on Exhibit A attached hereto (the name and structure of the partnership entity being subject to change, but related to or affiliated with PlaceMKR, with such entity being referred to herein as the “Partnership”); and

WHEREAS, the Partnership and the Corporation desire that the Corporation adopt a resolution or take some other similar official action toward the foregoing, as set forth hereinbelow; and

WHEREAS, Travis County, Texas (the “Unit”), has authorized and approved creation of the Corporation to act on its behalf to further certain public purposes of the Unit;



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 initially agrees that it shall participate in the financing, development and operation of the Project, including, but not limited to, acting as the sole member of a to-be-formed entity currently anticipated to be known as SHFC 10601 North Lamar GP LLC, the general partner of the to-be-formed Partnership entity that will develop and operate the Project, subject to an acceptable due diligence review by Corporation staff and the negotiation and finalization of all appropriate documentation related to the Project and Partnership.

Section 2: The Board of Directors of the Corporation (the “Board of Directors”) hereby finds, determines and declares that the Project is required and suitable for the promotion of the construction of new, improved, or expanded residential development in the Unit.

Section 3: That neither the Partnership nor any other party is entitled to rely on this Resolution as a commitment, and the Corporation reserves the right not to participate in the Project 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 Partnership nor anyone claiming by, through or under the Partnership shall have any claim against the Corporation whatsoever as a result of any decision by the Corporation not to participate in the Project.

Section 4: That any authorized signatory or officer of the Corporation, each acting on behalf of the Corporation, is hereby individually authorized to (i) negotiate the terms of the Corporation’s participation in the ownership of the Project and to execute and deliver a nonbinding Memorandum of Understanding setting forth the terms and conditions upon which the Corporation would participate in the Project (“MOU”), with such terms and provisions 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 the Corporation’s activities under the MOU.



Section 5: That the Board of Directors hereby authorizes the formation of limited liability companies, the sole member of which will be the Corporation, to serve as the general contractor for the Project.

Section 6: That the Board of Directors hereby authorizes the formation of an additional limited liability company, the sole member of which will be the Corporation, to own the real property upon which the Project will be located and to lease that property to the Partnership.

Section 7: That any authorized signatory or officer of the Corporation, including, but not limited to, Dianna Grey as Interim Executive Director or the individual appointed and then acting as Executive Director or Interim Executive Director of the Corporation (the "Executive Director"), may act on behalf of the Corporation in connection with the Corporation's participation in the Project.

Section 8: That this Resolution shall be effective upon the completion of an acceptable due diligence review of the project by Corporation staff, and thereupon any and all action taken by an authorized signatory or other officer of the Corporation, each acting on behalf of the Corporation, prior to such date, in effecting the purposes of the foregoing resolutions, is hereby approved, ratified and adopted in all respects.

Section 9: That the President, Vice President, Secretary, Executive Director and/or Interim Executive Director of the Corporation are each individually authorized to certify and attest to the adoption and approval of the foregoing resolutions.

[Signature page to follow.]



PASSED AND APPROVED this 28th day of March, 2024.

Julio Gonzalez-Altamirano
President, Board of Directors



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 28th day of March, 2024, 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 this _____ day of March, 2024.

By: _____
Dianna Grey
Interim Executive Director



EXHIBIT A

Description of the Project

The Project is a proposed mixed-income multifamily development to be named 10601 North Lamar (subject to change with the consent of the Corporation) to consist of approximately 332 units located at 10601 North Lamar, Austin, Travis County, Texas 78753, or adjacent thereto.

The Project is expected to offer 64 studio units, 215 one-bedroom units, and 53 two-bedroom units, subject to change with the consent of the Corporation. Approximately 20% of the units will be available for families making at or below 60% of the area median income ("AMI"), 30% of the units will be available at or below 80% AMI, 40% of the units will be available at or below 120% AMI, and 10% of the units will be available at an unrestricted fair market rate.

Community amenities will include a clubhouse with full kitchen, swimming pool, bar area and lounge area, 24-hour fully equipped fitness center and a controlled access gated-community.

Unit amenities will be subject to the consent of the HFC.

The developer is currently looking at providers for appropriate tenant services and programs to be brought to the property at no cost to tenants (subject to the consent of the HFC).

March 11, 2024

VIA E-MAIL

Keith Hoffpaur
 Strategic Housing Finance Corporation
 502 East Highland Mall Blvd., Ste. 106-B
 Austin, Texas 78752

Mr. Hoffpaur,

Hilltop Securities (HTS) has prepared an initial underwriting assessment from the developer provided proforma and sources & uses for the 10601 North Lamar development. I hereby certify that Hilltop Securities has experience underwriting affordable multifamily residential developments and do not have a financial interest in the proposed development, developer, or public facility user for this proposed development. Below is a summary of the analysis completed.

- **Rent Subsidy-** The developer has restricted, 20% of the units at 60% AMI, 30% of the units at 80% AMI, 40% of the units at 120% AMI and the remaining units will be at an unrestricted fair market rate. The year 1 rents subsidy is estimated at \$731,880, using the current rents. When completing our public benefit analysis, the year 3 rent subsidy was used since the development is expected to be under construction for the first 2 years of the property tax abatement. Over a 15-year period the rents subsidy is estimated to be \$12,126,457 using a 3% escalator on future rents. The current estimated rents for the 120% restricted units and the unrestricted units are currently estimated at 76% - 94% AMI depending on unit type. The developer has further provided the 80% AMI rents will include at least a 10% discount to the market rents.

Unit Mix			
	60% AMI	80% AMI	Market Units
Efficiency	13	19	32
1bd/1ba	43	65	107
2bd/2ba	11	16	26

- **Estimated GP Revenues-** The proposed General Partner deal terms include the following fees to Strategic Housing Finance Corporation of Travis County (SHFC). A summary of fees received over 15 years is included in the HTS analysis.

- 25% Development Fee
- 5% Cashflow Distribution
- Annual Lease Payment (15% of the estimated taxes abated)
- Sale or Refinance Fee 1.5% Net Sale Proceeds
- General Contractor Fee (25% of sales tax savings)

- General Partner Management Fee

- **Estimated Property Taxes** – Construction has not begun on the property. As such two property tax estimates have been completed, including a breakout of each taxing entity.
 1. Based on the 2023 assessed value per Travis County Appraisal District (\$10,206,832)
 2. Based on stabilized value per the developer presentation (\$85,128,584).
 3. Based on the assumed taxes during construction and stabilization provided by developer.

- **Public Benefit Analysis** – Comparing the rent saving generated by the property and the fees to be earned by SHFC over a 15-year period against the estimated property taxes over a 15-year period a Public Benefit Percentage of 81.37% is generated, using the developers conservative Sale or Refinance Fee. Two additional scenarios are included estimating a sale or refinance at year 15 based on a 7.00% and a 5.00% Capitalization Rate, these scenarios returned a 83.75% and a 88.01% Public Benefit Percentages, respectively. Including the SHFC bonus adjustments the Public Benefit Percentages increase to 86.87% including the developer sale assumptions, 89.25% assuming a sale at year 15 and -assuming a 7.00% Capitalization Rate, and finally 93.51% assuming a sale at year 15 and assuming a 5.00% Capitalization Rate. The sale assumptions used by Hilltop assume SHFC will stay in the partnership at the year 5 refinance but leave the partnership at the year 15 sale.

- **15-year Proforma with Property Taxes** – Including the estimated taxes to the operating expenses will likely cause stress issues which would not provide a comfortable Debt Service Coverage (DCR) needed for this project to be financed. Industry minimum DCR is 1.15. If a property tax abatement is not received the transaction will be under the 1.15 DCR from year 3 when lease up begins, until year 11. Additionally, years 3 will be under a 1.00 DCR, possibly causing a default on required debt payments. Accordingly, Hilltop does not believe the development with the proposed affordability would be feasible without the participation of SHFC and the property tax exemption.

Strategic Housing Finance Corporation of Travis County
(10601 N Lamar)
Rent Subsidy and Property Tax Abatement Comparison - (Workforce Housing)
Draft as of 3/11/2024

100% AMI - Travis County			60% AMI			Rent Savings		80% AMI			Rent Savings		Market - Max Allowable AMI - 120%			Rent Savings
	Avg. Rent	Room Type	Sq. Ft.	Avg. Rent	Units	Disc. % to Market	Monthly	Annual	Avg. Rent	Units	Disc. % to Market	Monthly	Annual	Avg. Rent	Units	AMI %
2,045	Efficiency	493	1,227	13	21%	4,199	50,388	1,395	19	10%	2,945	35,340	1,550	32	76%	85,728
2,191	1bd/1ba	746	1,314	43	31%	25,628	307,536	1,719	65	10%	12,415	148,980	1,910	107	87%	456,516
2,630	2bd/2ba	1,135	1,578	11	36%	9,867	118,404	2,104	16	15%	5,936	71,232	2,475	26	94%	189,636
Total/Avg			1,340	67	0.300201	39,694	476,328	1,719	100	10.80%	21,296	255,552	1,929	165		731,880

Unit Mix	# of Units		60% AMI	80% AMI	Market Units
20.2% at 60% AMI	67				
30.1% at 80% AMI	100	Efficiency	19%	19%	19%
49.7% at Market	165	1bd/1ba	64%	65%	65%
Total	332	2bd/2ba	16%	16%	16%

	Units	Avg. Rent	Disc. to Market
Market Rate		1,929.21	
Affordable Rate	167	1,567.16	19%



Strategic Housing Finance Corporation of Travis County

(10601 N Lamar)

General Partner Revenue/Property Tax Abatement Analysis - Workforce Housing

Draft as of 3/11/2024



Total Development Cost:

\$85,128,584

	Sale Proceeds per PLACEMKR	Sale Proceeds with 7% Cap Rate	Sale Proceeds with 5% Cap Rate
General Partner - (Annual GLP 15% of Estimated Taxes)	\$ 3,561,516.15	\$ 3,561,516.15	\$ 3,561,516.15
General Partner - 5% Cashflow Distribution	1,665,308.00	1,665,308.00	1,665,308.00
General Partner - Sale or Refinance Fee (1.5% of Net Sale Proceeds)	611,174.00	1,176,341.74	2,188,136.31
Co-Developer (25% of Development Fee)	575,884.00	575,884.00	575,884.00
General Contractor - GC Fee (25% of sales tax savings)	629,403.00	629,403.00	629,403.00
General Partner - Partnership Management Fee (\$10,000/year)	150,000.00	150,000.00	150,000.00
Total GP Partnership Related Revenues	\$ 7,193,285.15	\$ 7,758,452.89	\$ 8,770,247.46
15 Year Rent Subsidy	\$ 12,126,456.70	\$ 12,126,456.70	\$ 12,126,456.70
GP Revenues + Rent Subsidy	\$ 19,319,741.85	\$ 19,884,909.58	\$ 20,896,704.16
Estimate of Taxes Abated	\$23,743,441.00		
Mil Rate	1.809247%		
Cap Rate	6.50%		
30% of Estimate of Taxes Abated	\$7,123,032.30		

Footnote:

Total Cash Flow based off of "24-02-29 - 10601 N Lamar - SHFC

a.	Presentation" numbers =	32,592,154.00
	Partnership Expenses =	1,105,000.00

**Strategic Housing Finance Corporation of Travis County
(10601 North Lamar Apts)
Property Tax Abatement (Workforce Housing)
Draft as of 3/11/2024**

Property Tax Abatement Analysis

Total Cost	85,128,584
NOI/TC	1.002437642 (assumed Cap)
Mil Rate	1.81%
Cap Rate	6.50%
Loaded Cap	8.30925%

2023 Assessed Value		Estimated Taxes on Undeveloped Land															
10,206,832.00																	
Mil Rate	Taxing Entity	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total
0.85950%	AUSTIN ISD	87,728	90,359.55	93,070.34	95,862.45	98,738.32	101,700.47	104,751.49	107,894.03	111,130.85	114,464.78	117,898.72	121,435.68	125,078.75	128,831.12	132,696.05	1,631,640
0.44580%	CITY OF AUSTIN	45,502	46,867.12	48,273.13	49,721.33	51,212.97	52,749.36	54,331.84	55,961.79	57,640.64	59,369.86	61,150.96	62,985.49	64,875.05	66,821.30	68,825.94	846,289
0.30466%	TRAVIS COUNTY	31,096	32,028.49	32,989.35	33,979.03	34,998.40	36,048.35	37,129.80	38,243.70	39,391.01	40,572.74	41,789.92	43,043.62	44,334.92	45,664.97	47,034.92	578,345
0.10069%	TRAVIS CO. HEALTHCARE DIST.	10,277	10,585.79	10,903.36	11,230.46	11,567.38	11,914.40	12,271.83	12,639.98	13,019.18	13,409.76	13,812.05	14,226.41	14,653.21	15,092.80	15,545.59	191,150
0.09860%	AUSTIN COMM COLL DIST	10,064	10,365.85	10,676.83	10,997.13	11,327.05	11,666.86	12,016.87	12,377.37	12,748.69	13,131.15	13,525.09	13,930.84	14,348.77	14,779.23	15,222.61	187,178
1.80925%	Total	184,667	190,207	195,913	201,790	207,844	214,079	220,502	227,117	233,930	240,948	248,177	255,622	263,291	271,189	279,325	3,434,602

Stabilized Value per Developer Presentation		Estimated Taxes on Stabilized Property															
85,128,584.00																	
Mil Rate	Taxing Entity	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total
0.85950%	AUSTIN ISD	731,680.18	753,630.58	776,239.50	799,526.69	823,512.49	848,217.86	873,664.40	899,874.33	926,870.56	954,676.68	983,316.98	1,012,816.49	1,043,200.98	1,074,497.01	1,106,731.92	13,608,457
0.44580%	CITY OF AUSTIN	379,503.23	390,888.32	402,614.97	414,693.42	427,134.23	439,948.25	453,146.70	466,741.10	480,743.33	495,165.63	510,020.60	525,321.22	541,080.86	557,313.28	574,032.68	7,058,348
0.30466%	TRAVIS COUNTY	259,348.49	267,128.94	275,142.81	283,397.09	291,899.01	300,655.98	309,675.66	318,965.93	328,534.90	338,390.95	348,542.68	358,998.96	369,768.93	380,862.00	392,287.86	4,823,600
0.10069%	TRAVIS CO. HEALTHCARE DIST.	85,717.67	88,289.20	90,937.88	93,666.02	96,476.00	99,370.28	102,351.39	105,421.93	108,584.58	111,842.12	115,197.39	118,653.31	122,212.91	125,879.29	129,655.67	1,594,256
0.09860%	AUSTIN COMM COLL DIST	83,936.78	86,454.89	89,048.53	91,719.99	94,471.59	97,305.74	100,224.91	103,231.66	106,328.61	109,518.46	112,804.02	116,188.14	119,673.78	123,264.00	126,961.92	1,561,133
1.80925%	Total	1,540,186	1,586,392	1,633,984	1,683,003	1,733,493	1,785,498	1,839,063	1,894,235	1,951,062	2,009,594	2,069,882	2,131,978	2,195,937	2,261,816	2,329,670	28,645,793

		Estimated Taxes During Construction and Stabilized Property (per Developer's Presentation)															
Mil Rate	Taxing Entity	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total
0.85950%	AUSTIN ISD	105,071.76	334,152.59	649,317.99	702,654.83	740,826.33	763,051.04	785,942.26	809,520.89	833,806.41	858,820.66	884,585.04	911,122.82	938,456.32	966,610.24	995,608.35	11,279,548
0.44580%	CITY OF AUSTIN	54,497.95	173,316.14	336,784.13	364,448.54	384,247.10	395,774.47	407,647.54	419,877.15	432,473.41	445,447.65	458,810.95	472,575.39	486,752.56	501,355.26	516,395.81	5,850,404
0.30466%	TRAVIS COUNTY	37,243.33	118,442.42	230,154.71	249,060.27	262,590.40	270,468.08	278,582.01	286,939.60	295,547.75	304,414.21	313,546.55	322,953.02	332,641.55	342,620.88	352,899.43	3,998,104
0.10069%	TRAVIS CO. HEALTHCARE DIST.	12,309.35	39,146.59	76,068.79	82,317.30	86,789.16	89,392.83	92,074.58	94,836.86	97,681.95	100,612.41	103,630.76	106,739.71	109,941.88	113,240.16	116,637.34	1,321,420
0.09860%	AUSTIN COMM COLL DIST	12,053.61	38,333.27	74,488.37	80,607.06	84,986.01	87,535.58	90,161.61	92,866.50	95,652.49	98,522.07	101,477.70	104,522.06	107,657.70	110,887.46	114,214.06	1,293,966
1.80925%	Total	221,176	703,391	1,366,814	1,479,088	1,559,439	1,606,222	1,654,408	1,704,041	1,755,162	1,807,817	1,862,051	1,917,913	1,975,450	2,034,714	2,095,755	23,743,441

Strategic Housing Finance Corporation of Travis County
 (10601 North Lamar Apts)
 Public Benefit Comparison - (Workforce Housing)
 Draft as of 3/11/2024

Sale or Refinance Fee As Presented by PLACEMKR

Year	Total	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Property Taxes	23,743,441	221,176	703,391	1,366,814	1,479,088	1,559,439	1,606,222	1,654,408	1,704,041	1,755,162	1,807,817	1,862,051	1,917,913	1,975,450	2,034,714	2,095,755
Rent Savings	12,126,457			776,451	799,745	823,737	848,450	873,903	900,120	927,124	954,937	983,586	1,013,093	1,043,486	1,074,790	1,107,034
Sale or Refinance 1.5% Net Sale Proceeds	611,174				313,551											297,623
5% Cashflow	1,665,308			23,182	115,655	105,703	110,981	117,212	123,414	129,864	137,430	145,839	154,447	163,259	172,282	166,040
Developer Fee	575,884	235,073	324,517	15,784	510											
Annual Lease Payment	3,561,516	33,176	105,509	205,022	221,863	233,916	240,933	248,161	255,606	263,274	271,173	279,308	287,687	296,318	305,207	314,363
General Contractor Fee	629,403	275,301	352,310	1,792												
Partnership	150,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Total	19,319,742	553,550	792,336	1,032,232	1,461,324	1,173,356	1,210,364	1,249,276	1,289,140	1,330,262	1,373,540	1,418,732	1,465,227	1,513,062	1,562,280	1,895,060

Public Benefit Percentage %	81.37%	Total rent savings + HFC/PFC revenue	÷	Total Property Taxes Abated
		19,319,742		23,743,441

- 2.50% Public Benefit Ratio - Bonus Architecture
- 1.00% Public Benefit Ratio - Local Public Sector Workers Performance
- 1.00% Public Benefit Ratio - Decarbonization
- 1.00% Public Benefit Ratio - Service Access

Adjusted Public Benefit Ratio	86.87%
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Sale or Refinance Fee Included with a 7.00% Capitalization Rate (Assumes SHFC leaves Partnership at Y15 Sale)

Year	Total	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Property Taxes	23,743,441	221,176	703,391	1,366,814	1,479,088	1,559,439	1,606,222	1,654,408	1,704,041	1,755,162	1,807,817	1,862,051	1,917,913	1,975,450	2,034,714	2,095,755
Rent Savings	12,126,457			776,451	799,745	823,737	848,450	873,903	900,120	927,124	954,937	983,586	1,013,093	1,043,486	1,074,790	1,107,034
Sale or Refinance 1.5% Net Sale Proceeds	1,176,342				619,146											557,195
5% Cashflow	1,665,308			23,182	115,655	105,703	110,981	117,212	123,414	129,864	137,430	145,839	154,447	163,259	172,282	166,040
Developer Fee	575,884	235,073	324,517	15,784	510											
Annual Lease Payment	3,561,516	33,176	105,509	205,022	221,863	233,916	240,933	248,161	255,606	263,274	271,173	279,308	287,687	296,318	305,207	314,363
General Contractor Fee	629,403	275,301	352,310	1,792												
Partnership Management Fee	150,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Total	19,884,910	553,550	792,336	1,032,232	1,766,920	1,173,356	1,210,364	1,249,276	1,289,140	1,330,262	1,373,540	1,418,732	1,465,227	1,513,062	1,562,280	2,154,633

Public Benefit Percentage %	83.75%	Total rent savings + HFC/PFC revenue	÷	Total Property Taxes Abated
		19,884,910		23,743,441

- 2.50% Public Benefit Ratio - Bonus Architecture
- 1.00% Public Benefit Ratio - Local Public Sector Workers Performance
- 1.00% Public Benefit Ratio - Decarbonization
- 1.00% Public Benefit Ratio - Service Access

Adjusted Public Benefit Ratio	89.25%
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Sale or Refinance Fee Included with a 5.00% Capitalization Rate (Assumes SHFC leaves Partnership at Y15 Sale)

Year	Total	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Property Taxes	23,743,441	221,176	703,391	1,366,814	1,479,088	1,559,439	1,606,222	1,654,408	1,704,041	1,755,162	1,807,817	1,862,051	1,917,913	1,975,450	2,034,714	2,095,755
Rent Savings	12,126,457			776,451	799,745	823,737	848,450	873,903	900,120	927,124	954,937	983,586	1,013,093	1,043,486	1,074,790	1,107,034
Sale or Refinance 1.5% Net Sale Proceeds	2,188,136				1,137,434											1,050,703
5% Cashflow	1,665,308			23,182	115,655	105,703	110,981	117,212	123,414	129,864	137,430	145,839	154,447	163,259	172,282	166,040
Developer Fee	575,884	235,073	324,517	15,784	510											
Annual Lease Payment	3,561,516	33,176	105,509	205,022	221,863	233,916	240,933	248,161	255,606	263,274	271,173	279,308	287,687	296,318	305,207	314,363
General Contractor Fee	629,403	275,301	352,310	1,792												
Partnership Management Fee	150,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Total	20,896,704	553,550	792,336	1,032,232	2,285,207	1,173,356	1,210,364	1,249,276	1,289,140	1,330,262	1,373,540	1,418,732	1,465,227	1,513,062	1,562,280	2,648,140

Public Benefit Percentage %	88.01%	Total rent savings + HFC/PFC revenue	÷	Total Property Taxes Abated
		20,896,704		23,743,441

- 2.50% Public Benefit Ratio - Bonus Architecture
- 1.00% Public Benefit Ratio - Local Public Sector Workers Performance
- 1.00% Public Benefit Ratio - Decarbonization
- 1.00% Public Benefit Ratio - Service Access

Adjusted Public Benefit Ratio	93.51%
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**Strategic Housing Finance Corporation of Travis County
(10601 North Lamar Apts)
15 Year Proforma with Property Taxes - (Workforce Housing)
Draft as of 3/11/2024**

15 Year Pro Forma with Property Taxes

Proforma Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total
Effective Gross Income from Operations	\$ -	\$ -	\$ 4,008,896	\$ 8,219,278	\$ 8,432,427	\$ 8,647,768	\$ 8,868,627	\$ 9,095,148	\$ 9,327,477	\$ 9,565,762	\$ 9,810,157	\$ 10,060,819	\$ 10,317,911	\$ 10,581,596	\$ 10,852,046	117,787,912
Operating Expenses	\$ -	\$ -	\$ 1,827,514	\$ 2,394,454	\$ 2,478,455	\$ 2,551,386	\$ 2,626,477	\$ 2,703,793	\$ 2,783,398	\$ 2,865,362	\$ 2,949,754	\$ 3,036,645	\$ 3,126,111	\$ 3,218,226	\$ 3,313,071	35,874,646
Estimated Property Taxes (1.809247% MIL Rate)	221,176	703,391	1,366,814	1,479,088	1,559,439	1,606,222	1,654,408	1,704,041	1,755,162	1,807,817	1,862,051	1,917,913	1,975,450	2,034,714	2,095,755	23,743,441
Operating Expenses With Taxes	221,176	703,391	3,194,328	3,873,542	4,037,894	4,157,608	4,280,885	4,407,834	4,538,560	4,673,179	4,811,805	4,954,558	5,101,561	5,252,940	5,408,826	59,618,087
Total Developer's Estimated Debt Service	\$ -	\$ -	\$ 1,753,993	\$ 4,240,472	\$ 4,287,119	\$ 4,317,270	\$ 4,351,953	\$ 4,385,311	\$ 4,399,035	\$ 4,398,988	\$ 4,398,988	\$ 4,398,988	\$ 4,398,988	\$ 4,398,988	\$ 3,013,850	52,743,943
Net Operating Income	\$ (221,176)	\$ (703,391)	\$ 814,568	\$ 4,345,736	\$ 4,394,533	\$ 4,490,160	\$ 4,587,742	\$ 4,687,314	\$ 4,788,917	\$ 4,892,583	\$ 4,998,352	\$ 5,106,261	\$ 5,216,351	\$ 5,328,656	\$ 5,443,220	\$ 58,169,825
Additional Income Needed to Achieve 1.15 DCR			\$ 1,202,524.05	\$ 530,807.00	\$ 535,653.70	\$ 474,700.80	\$ 417,004.15	\$ 355,793.80	\$ 269,973.55	\$ 166,252.75	\$ 60,483.85	\$ (47,424.85)	\$ (157,514.30)	\$ (269,819.70)	\$ (1,977,292.25)	\$ 1,561,143
DCR			0.46	1.02	1.03	1.04	1.05	1.07	1.09	1.11	1.14	1.16	1.19	1.21	1.81	
CF Available for Waterfall after Hard Debt	(221,176)	(703,391)	(939,425)	105,264	107,414	172,890	235,789	302,003	389,882	493,595	599,364	707,273	817,363	929,668	2,429,370	5,425,882
Replacement Reserves	-	-	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	1,105,000
Other Fees (Asset Man Fee ect.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Fees (Asset Man Fee ect.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Fees (Asset Man Fee ect.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Expenses Total	-	-	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	1,105,000
Annual Cash Flow	(221,176)	(703,391)	(1,024,425)	20,264	22,414	87,890	150,789	217,003	304,882	408,595	514,364	622,273	732,363	844,668	2,344,370	4,320,882
Cumulative Net Cash Flow	(221,176)	(924,567)	(1,948,992)	(1,928,728)	(1,906,314)	(1,818,424)	(1,667,636)	(1,450,633)	(1,145,751)	(737,156)	(222,791)	399,482	1,131,844	1,976,512	4,320,882	

**Strategic Housing Finance Corporation of Travis County
(10601 North Lamar Apts)
15 Year Proforma with Property Taxes - (Workforce Housing)
Draft as of 3/11/2024**

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total
Effective Gross Income from Operations			4,008,896	8,219,278	8,432,427	8,647,768	8,868,627	9,095,148	9,327,477	9,565,762	9,810,157	10,060,819	10,317,911	10,581,596	10,852,046	117,787,912
Operating Expenses*includes GLP & Mgt Fee			1,622,492	2,172,591	2,244,539	2,310,453	2,378,316	2,448,187	2,520,124	2,594,189	2,670,446	2,748,958	2,829,793	2,913,019	2,998,708	32,451,815
Total Debt Service			1,753,993	4,240,472	4,287,119	4,317,270	4,351,953	4,385,311	4,399,035	4,398,988	4,398,988	4,398,988	4,398,988	4,398,988	3,013,850	52,743,943
Net Operating Income	-	-	2,386,404	6,046,687	6,187,888	6,337,315	6,490,311	6,646,961	6,807,353	6,971,573	7,139,711	7,311,861	7,488,118	7,668,577	7,853,338	\$ 85,336,097
DCR			1.36	1.43	1.44	1.47	1.49	1.52	1.55	1.58	1.62	1.66	1.70	1.74	2.61	
CF Available for Waterfall after Hard Debt	-	-	632,411	1,806,215	1,900,769	2,020,045	2,138,358	2,261,650	2,408,318	2,572,585	2,740,723	2,912,873	3,089,130	3,269,589	4,839,488	32,592,154
Replacement Reserves			85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	1,105,000
Expenses Total	-	-	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	1,105,000
Annual Cash Flow	-	-	547,411	1,721,215	1,815,769	1,935,045	2,053,358	2,176,650	2,323,318	2,487,585	2,655,723	2,827,873	3,004,130	3,184,589	4,754,488	31,487,154
Cumulative Net Cash Flow	-	-	547,411	2,268,626	4,084,395	6,019,440	8,072,798	10,249,448	12,572,766	15,060,351	17,716,074	20,543,947	23,548,077	26,732,666	31,487,154	

IV.I Forest Park Apartments & Silver Springs Apartments



**SHFC Action Item IV.I.
March 28, 2024**

Resolution No. SHFC-2024-19: To Adopt a Resolution approving the marketing of Forest Park and Silver Springs Apartments.

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 Corporation is a participant in the ownership of the Forest Park and Silver Springs Apartment Developments (the “Properties”) in Travis County, Texas; and

WHEREAS, the Corporation has been approached by its partners about participating in the sale of certain partnership interests in the entities that own the Properties and/or the Properties;

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 the marketing of certain interests in the entities that own the Properties and/or the Properties for sale materially upon the terms provided in the underwriting prepared by and recommended by Hilltop Securities Inc. (the “Terms”).

Section 2: That the President, Vice President, Secretary, Executive Secretary and Interim Executive Director of the Corporation are each individually authorized to take any and all action necessary or convenient to the negotiation of agreements to consent to the sale of ownership interests in the entities that own the Properties or the Properties on the Terms, and to certify and attest to the adoption and approval of the foregoing resolutions.



PASSED AND APPROVED this 28th day of March, 2024.

Julio Gonzalez-Altamirano
President, Board of Directors



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 28th day of March, 2024, 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 this _____ day of March, 2024.

By: _____
Dianna Grey
Interim Executive Director

VI. Director's Report



SHFC Discussion Item V
Finance
March 28, 2024

Subject: SHFC February 2024 Monthly Finance Report

The SHFC Monthly Finance Report presented is for the period ending February 29, 2024. It reflects financial activity for a 2-month period for the fiscal year beginning January 1, 2024.

Alternate Option:
N/A

Fiscal Impact:
N/A – For information and discussion purposes only.

Attachment:
A. SHFC Finance Report

Prepared by:
Subra Narayanaier, Director of Finance, HATC

Approval:

Dianna Grey, Interim Executive Director



**Strategic Finance Housing Corp
Finance Report - February 2024**

Schedule

No

Report

1-3

SHFC - Operating Statement & Balance Sheet

Strategic Housing Finance Corp

Operating Budget

Schedule 1

Budget Line Item	FY 2024 Approved Budget	FYTD Budget Feb 2024	MTD Actual Feb 2024	FYTD Actual Feb 2024	Incr/(Decr) Chg \$ & %	
Revenues						
Other Revenues - Fees	3,717,577	619,596	58,639	58,639	(560,957)	(91%)
Interest Income	200,000	33,333	37,017	75,680	42,347	127%
Total Revenues	\$ 3,917,577	\$ 652,930	\$ 95,656	\$ 134,319	\$ (518,611)	(79%)
Expenses						
Salaries & Benefits - HATC staff up to 3/31/24	83,353	55,569	23,760	47,463	(8,106)	(15%)
SHFC staff	438,750	73,125	16,666	16,666	(56,459)	(77%)
Administrative Expenses - SHFC Direct	439,333	73,222	5,423	6,007	(67,215)	(92%)
Administrative Expenses - Allocated 3 mths	13,019	8,679	3,935	8,061	(618)	(7%)
Insurance	2,615	436	108	216	(220)	(50%)
Total Expenses	\$ 977,070	211,031	\$ 49,892	\$ 78,413	\$ (132,618)	(63%)
Excess Rev over Expenses	2,940,507	441,899	45,764	55,906	(385,993)	(87%)
Provision for Reserve	\$ 2,940,507	\$ 441,899	\$ 45,764	\$ 55,906	\$ (385,993)	(87%)

SHFC Revenues by Real Estate Partnerships

Schedule 2

SHFC Partnerships	FY 2024 Approved Budget	FYTD Budget Feb 2024	MTD Actual Feb 2024	FYTD Actual Jan 2024
Elmington -Wildhorse Flats	1,376,092	229,349		-
Elmington - Yager Flats	297,102	49,517		-
LDG - Norwood at Paddock	184,686	30,781		-
LDG - Manchaca Commons	240,759	40,127		-
LDG - Commons at Manor Apts	179,161	29,860	17,992	17,992
LDG - Villages at Fiskville	44,423	7,404		-
NRP - Decker Lofts	604,000	100,667		-
NRP - Del Valle 959 Apts	29,354	4,892		-
Cambridge Villa	65,000	10,833		-
Versa - Southpark Ranch Apts	150,000	25,000		-
Delphi - Silver Springs	110,000	18,333		-
Delphi - Forest Park	200,000	33,333		-
Pedcor - Heights at Parmer & W.Cannon	150,000	25,000		-
Other & New Ventures	87,000	14,500	40,647	40,647
	3,717,577	619,596	58,639	58,639

SHFC Balance Sheet

Feb 29, 2024

Schedule 3

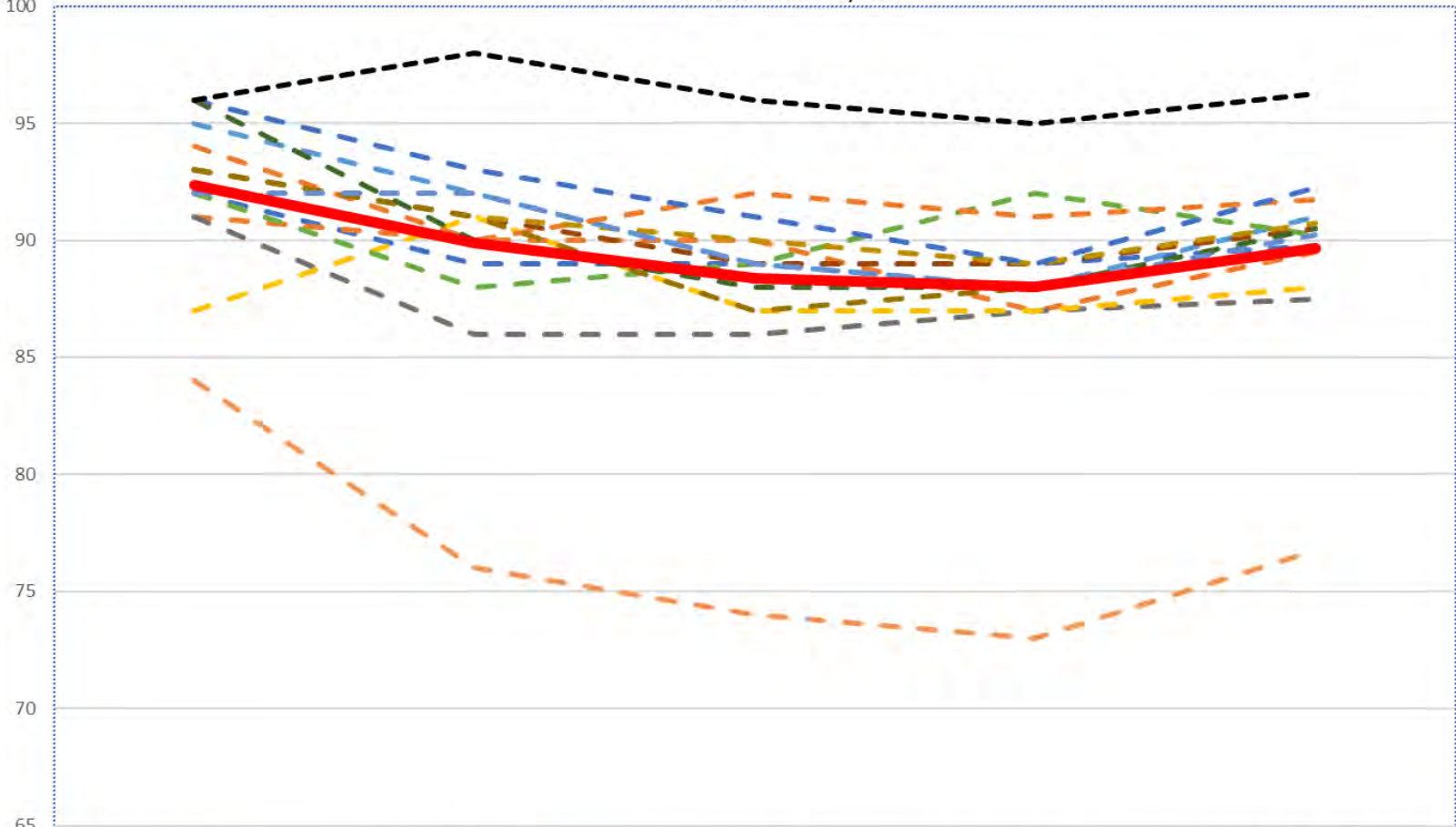
Assets	Amount
Cash - IBC Bank	75,872
Cash - Texpool	4,291,438
Cash - TexPool - Restricted -Proceeds Rosemont Sale	4,205,363
Note Receivable - SEA OAKS & SEA RAD R4R	1,561,000
Uncollectible Allowance NR - R4R	(1,561,000)
Note Receivable - SEA RAD LP	837,968
Uncollectible Allowance to N/R SEA RAD LP	(837,968)
Furniture & Equipment	5,940
Accumulated Depreciation	(5,151)
Total Assets	8,573,462
Liabilities	
Other Current Liabilities	70,334
Long Term Liabilities	22,210
Liabilities	92,544
Equity 12/31/2023	8,425,014
Provision for Reserves 02/29/2024	55,906
Equity 02/29/2024	8,480,920
Total Liabilities + Equity	8,573,464

SHFC Portfolio Occupancy Rates 2/24

STABILIZED OCCUPANCY										
PROPERTY NAME	ADDRESS	# UNITS	Nov-23	Dec-23	Jan-24	Feb-24	4 MONTH AVG.	4 MONTH TREND LINE	DEVELOPER	YEAR ORIG.
CAMBRIDGE VILLAS	15711 Dessau Rd., Pflugerville, TX	208	92	89	89	89	89.75		Centerline Corporate Partners	2006
COLORADO CREEK	2917 Fallwell Ln., Austin, TX	240	91	90	90	87	89.5		Rise Residential	2016
COMMONS AT MANOR VILLAGE	12219 E. US HWY 290, Manor, TX	172	91	86	86	87	87.5		LDG Development, LLC	2018
CREEKVIEW	Old Manor & Springdale, Austin, TX	264	87	91	87	87	88		Rise Residential	2017
FOREST PARK	1088 Park Plaza Dr., Austin, TX	228	95	92	89	88	91		Delphi Affordable Housing C	2013
HEIGHTS ON PARMER	1500 E. Parmer Ln, Austin, TX	252	92	88	89	92	90.25		PEDCOR Investments	2015
HEIGHTS ON PARMER PHASE 2	1500 E. Parmer Ln, Austin, TX	80	94	90	92	91	91.75		PEDCOR Investments	2017
MANCHACA COMMONS	12040 Manchaca Rd., Austin, TX	240	93	91	89	89	90.5		LDG Development, LLC	2018
PADDOCK AT NORWOOD	1044 Norwood Park Blvd., Austin, TX	228	93	91	90	89	90.75		LDG Development, LLC	2013
RESIDENCES AT DECKER	9000 Decker Lane, Austin, TX	262	93	91	87	88	89.75		The NRP Group LLC	2019
SILVER SPRINGS	12151 N. IH-35, Austin, TX	360	96	93	91	89	92.25		Delphi Affordable Housing Group	2013
SOUTHPARK RANCH	9401 South 1st St., Austin, TX	192	96	90	88	88	90.5		VERSA Development, LLC	2006
THE BECKETT	14011 FM 969, Del Valle, TX	302	92	92	89	88	90.25		The NRP Group LLC	2018
VILLAGES AT FISKVILLE	10127 Middle Fiskville Rd, Austin, TX	172	84	76	74	73	76.75		LDG Development, LLC	2021
WILLIAM CANNON PLACE	2112 E. Wm. Cannon Dr., Austin, TX	252	96	98	96	95	96.25		PEDCOR Investments	2014
AVERAGE PROJECT OCCUPANCY		3452	92.3	89.9	88.4	88.0	89.7			
WEIGHTED PORTFOLIO OCCUPANCY						88.2%	89.9%			

SHFC Portfolio Occupancy Rates

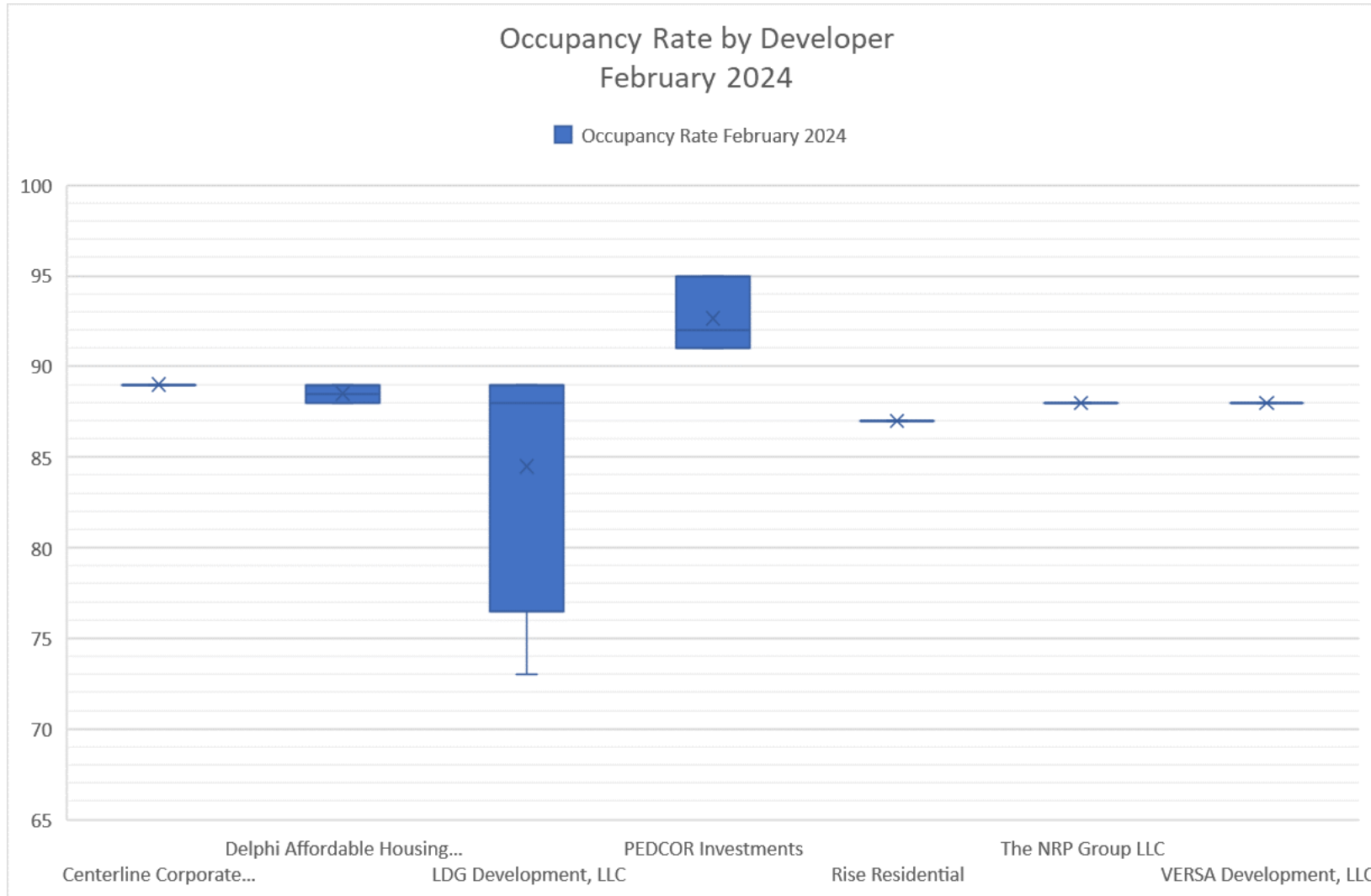
November 2023 - February 2024



- Nov-23
 - Dec-23
 - Jan-24
 - Feb-24
 - 4 MONTH AVG. OCCUPANCY
- CAMBRIDGE VILLAS APTS.
 - COLORADO CREEK APTS.
 - COMMONS AT MANOR VILLAGE APTS
 - CREEKVIEW APT. HOMES
 - FOREST PARK APTS.
 - HEIGHTS ON PARMER APTS.
 - HEIGHTS ON PARMER APTS. PHASE 2
 - MANCHACA COMMONS APTS.
 - PADDOCK AT NORWOOD APTS.
 - RESIDENCES AT DECKER
 - SILVER SPRINGS APTS.
 - SOUTHPARK RANCH APTS.
 - THE BECKETT
 - VILLAGES AT FISKVILLE
 - - - WILLIAM CANNON PLACE APTS.
 - AVERAGE OCCUPANCY/PROJECT

SHFC Portfolio

Occupancy Rate by Developer



SHFC PORTFOLIO AND PIPELINE REPORT

3/24

CATEGORY A: *Rise Residential*

#	PROJECT NAME	# OF UNITS PROPOSED	AFFORDABILITY BREAKDOWN	STATUS / EXPLANATION
1	<i>Manchester Apartments</i>	280	100% @ 60%	Under Construction
2	<i>Bellingham Apartments</i>	280	48 @ 50% & 232 @ 60%	Completed,,
3	<i>Colorado Creek Apartments</i>	240	100% @ 60%	Completed
4	<i>Creekview Apartment Homes</i>	264	4 @ 30%, 6 @ 40%, 6 @ 50%, 248 @ 60%	Completed
5	<i>Lakeway Apartments</i>	180	100% @ 60%	Under Construction

CATEGORY B: *Centerline Corporate Partners*

#	PROJECT NAME	# OF UNITS PROPOSED	AFFORDABILITY BREAKDOWN	STATUS / EXPLANATION
6	<i>Cambridge Villas Apartments</i>	208	21 @ 30%, 179 @ 60%, 8 MR	Completed

CATEGORY C: *LDG Development*

#	PROJECT NAME	# OF UNITS PROPOSED	AFFORDABILITY BREAKDOWN	STATUS / EXPLANATION
7	<i>Commons at Manor Village Apartments</i>	172	100% @ 60%	Completed
8	<i>Manchaca Commons Apartments</i>	240	100% @ 60%	Completed
9	<i>Paddock at Norwood Apartments</i>	228	100% @ 60%	Completed
10	<i>Villas at Fiskville Apartments</i>	172	100% @ 60%	Completed

Projects in Pre-development phase

Initial Discussions only

CATEGORY D: *Elmington Capital Group*

#	PROJECT NAME	# OF UNITS PROPOSED	AFFORDABILITY BREAKDOWN	STATUS / EXPLANATION
11	<i>Daffan Flats Apartments</i>	247	13 @ 30%, 234 @ 60%	Completed .
12	<i>Wildhorse Flats Apartments</i>	310	100% @ 60%	Finalizing Construction / In Lease-up
13	<i>Yager Flats Apartments</i>	300	100% @ 60%	Under Construction
14	<i>Blue Ridge Apartments</i>	375	100% @ 60%	Closed Transaction 3/24.

CATEGORY E: *Delphi Affordable Housing Group*

#	PROJECT NAME	# OF UNITS PROPOSED	AFFORDABILITY BREAKDOWN	STATUS / EXPLANATION
15	<i>Forest Park Apartments</i>	228	100% @ 60%	General Disposition Terms have been initially agreed to.. Making recommendation to Board at 3/24 mtg.
16	<i>Silver Spring Apartments</i>	360	100% @ 60%	General Disposition Terms have been initially agreed to.. Making recommendation to Board at 3/24 mtg.

CATEGORY F: *PEDCOR Investments*

#	PROJECT NAME	# OF UNITS PROPOSED	AFFORDABILITY BREAKDOWN	STATUS / EXPLANATION
17	<i>Heights on Parmer Apartments</i>	252	100% @ 60%	Completed
18	<i>Heights on Parmer Apartments II</i>	80	100% @ 60%	Completed
19	<i>Santiago Estates</i>	300	100% @ 60%	Pre-Construction Phase
20	<i>William Cannon Place Apartments</i>	252	100% @ 60%	Completed

CATEGORY G: *Versa Development*

#	PROJECT NAME	# OF UNITS PROPOSED	AFFORDABILITY BREAKDOWN	STATUS / EXPLANATION
21	<i>South Park Ranch Apartments</i>	192	100% @ 60%	Discussing disposition of property with VERSA (Limited Partner).

Projects in Pre-development phase

Initial Discussions only

CATEGORY H: *The NRP Group*

#	PROJECT NAME	# OF UNITS PROPOSED	AFFORDABILITY BREAKDOWN	STATUS / EXPLANATION
22	<i>Residences at Decker Apts.</i>	262	46 @ 40%, 165 @ 60%, 46 @ 80%, 5 MR	Completed
23	<i>The Beckett</i>	302	9 @ 30%, 7 @ 40%, 286 @ 60%	Completed

CATEGORY I: *Broadway Homes*

#	PROJECT NAME	# OF UNITS PROPOSED	AFFORDABILITY BREAKDOWN	STATUS / EXPLANATION
24	<i>Broadway Homes / Oak Hill Lofts</i>	80	50-70% AMFI	Application withdrawn by Broadway Homes on 10/3/23..

CATEGORY J: *Potential Workforce Housing Deals*

#	PROJECT NAME	# OF UNITS PROPOSED	AFFORDABILITY BREAKDOWN	STATUS / EXPLANATION
25	<i>Cambrian Development / North Lamar</i>	326	97 Units @ 80%, 34 units @ 60%, 16 units @ 50%, 16 units @ 30%, 163 units @ market	MOU being routed for finalization.
26	<i>Cambrian Development / Burleson</i>	315	94 units @ 80%, 32 units @ 60%, 17 units @ 50%, 15 units @ 30%, 157 units @ market	MOU being routed for finalization.
27	<i>Terra Apartments / Bridge Partners</i>	372	N/A	Developer chose not to go forward with the acquisition
28	<i>Tech Ridge Phase 2 / Embrey</i>	311	94 units @ 80%, 62 units @ 60%, 155 units @ market	To be presented to the Board for approval at 3/24 mtg.
29	<i>Sabina / G1 Capital</i>	299	89 units @ 80%, 60 units @ 60%, 150 units @ market	Developer chose not to go forward with the acquisition.
30	<i>Ovation Apartments / Ascenda Capital</i>	196	59 units @ 80%, 98 units @ 70%, 20 units @ 60%, 19 units @ 50%	General transaction terms have been reached.. Anticipated to be presented to the Board for approval at 3/24 mtg.
31	<i>Avonmora Apartments / Ascenda Capital</i>	252	75 units @ 80%, 126 units @ 70%, 26 units @ 60%, 25 units @ 50%	General transaction terms have been reached.. Anticipated to be presented to the Board for approval at 3/24 mtg.
32	<i>Fort Branch Apartments / Ascenda Capital</i>	250	75 units @ 80%, 125 units @ 70	General transaction terms have been reached.. Anticipated to be presented to the Board for approval at 3/24 mtg.

Projects in Pre-development phase

Initial Discussions only

33	<i>Banyan Braker Lane / Banyon Residential</i>	214	86 @120%, 86 @ 80%, 11 @ 50%, 11 @ 30%, 21 @ market	MOU being routed for finalization.
34	<i>Langdon at Walnut Park / Langdon Street Capital</i>	277	137 @ 120%, 84 @ 80%, 56 @ 60%	MOU being routed for finalization.
35	<i>Broadway Homes</i>			Requesting SHFC to serve as Issuer Only . Currently completing SHFC Bond Application.
36	<i>Manifold Real Estate / Berkman</i>	322	10% @ 80%, 20% @ 60%, 20% @ 50%	Berkman being submitted to Hilltop 2/20/24.
37	<i>Manifold Real Estate / Block 32</i>	380	10% @ 80%, 20% @ 60%, 20% @ 50%	Developer to submit development package.
38	<i>PlaceMKR / 10601 N. Lamar</i>	332	Request breakdown from Braxton	To be presented to the Board for approval at 3/24 mtg.
39	<i>Lone Star Acquisition Group / The Grand at Manor Farms</i>	271		Discussion Stage
40	<i>G1 Capital / Beacon at Pflugerville</i>	258		Discussion Stage
41	<i>Richman Capital / Wayfinder- Metro Center</i>			Discussion Stage. .
42	<i>Heartwood Real Estate Group / 5800 Springdale</i>	348		Developer is preparing development package for submission to SHFC.
43	<i>Heartwood Real Estate Group / 600 Cumberland</i>	110		Underwriting Analysis being performed by Hilltop Securities.
44	<i>Loyola Flats / Elmington Development</i>	208	100% @ 60% AMFI - Income Averaged to include some units reserved for 50% AMFI	Inducement Resolution to be presented to the Board at 3/24 mtg.
45	<i>Rundberg Flats / Elmington Development</i>	205	100% @ 60% AMFI - Income Averaged to include some units reserved for 50% AMFI	Inducement Resolution to be presented to the Board at 3/24 mtg.
46	<i>South First/Slaughter / Wayfinder</i>	269		Discussion Stage. Workforce Structure. Developer putting package together for submission within 15 days.
47	<i>Presidium Pecan District / OTH Capital</i>	272		Potential acquisition. Discussion Stage

