



STRATEGIC HOUSING FINANCE CORPORATION

March 24, 2017

**Strategic Housing Finance Corporation
Action Item 4A
Resolution SHFC-2017-04**

Resolution No. SHFC-2017-04, To Approve the prescription of the form and substance of an Agreement to Issue Bonds; authorize the execution of such Agreement; and authorize additional provisions relating up to Twenty Million Dollars (\$20,000,000) in Multifamily Housing Revenue Bonds (Manchaca Commons) Series 2017 located at 12040 Manchaca Rd., Austin, Texas.

Background Information:

On March 15th, 2017, a representative of LDG Development contacted staff about the possibility of inducing Tax Exempt Bonds on a to be built affordable multifamily development in South Austin. The representative indicated that it was necessary to induce the bonds and make application with the Texas Bond Review Board prior to April 1, 2017. Due to the downward pricing in the Tax Credit market, developers are seeking alternative sources to fund shortfalls in development budgets. The representative will be requesting direct loan funds in the amount of \$3 million dollars from the Texas Department of Housing and Community Affairs and stands a better chance of receiving funds (first come, first served) if they file an application before April 1, 2017. Many of the 9% tax credit applications will be requesting funds for the 9% 2017 Tax Credit round.

The proposed Manchaca Commons site is located 12040 Manchaca Rd. in Austin Texas. (See Location Map). The property will consist of 4.19 acres of land together with proposed improvements to consist of 240 units containing 24 one bedroom units, 96 two bedroom units, and 120 three bedroom units. Three of the 1 bedroom units and 6 of the two bedroom units will be set aside at 50% of Area Median Income (AMI). The balance of the units (231) will be set aside at 60% of AMI.

Requested Action:

Consideration and appropriate action regarding Resolution No. SHFC-2017-04, To Approve the prescription of the form and substance of an Agreement to Issue Bonds; authorize the execution of such Agreement; and authorize additional provisions relating up to Twenty Million Dollars (\$20,000,000) in Multifamily Housing Revenue Bonds (Manchaca Commons) Series 2017 located at 12040 Manchaca Rd., Austin, Texas.

Alternate Option:

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

Fiscal Impact:

N/A

Attachments:

- A. Resolution No. SHFC-2017-04
- B. Description of the Project
- C. Site Plan /Location Map
- D. Agreement to Issue Bonds

Prepared by:

Robert Onion, Director of Real Estate Development

Approval:

Patrick B. Howard, Executive Vice President



Resolution No. SHFC-2017-04: To Approve the prescription of the form and substance of an Agreement to Issue Bonds; authorize the execution of such agreement; and authorize additional provisions relating to up to Twenty Million Dollars (\$20,000,000) in Multifamily Housing Revenue Bonds (Manchaca Commons) Series 2017 located at 12040 Manchaca Rd., Austin, Texas.

WHEREAS, Strategic Housing Finance Corporation of Travis County (the "Corporation") is authorized by the Texas Housing Finance Corporations Act, Local Government Code, Chapter 394, Vernon's Annotated Texas Civil Statutes, as amended (the "Act"), to issue revenue bonds for the purpose of paying all or part of the cost of a Residential Development as defined in the Act, and to sell or lease the project to others or loan the proceeds of the bonds to others to finance all or part of the cost of the Residential Development; and

WHEREAS, the Act authorizes the Corporation: (a) to make loans to any person to provide financing for rental residential developments located within Travis County, Texas (the "County"), and intended to be occupied substantially (at least 90 percent) by persons of low and moderate income, as determined by the Corporation; (b) to issue its revenue bonds for the purpose of obtaining moneys to make such loans and provide such financing, to establish necessary reserve funds and to pay administrative costs and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues, receipts or resources of the Corporation, including the revenues and receipts to be received by the Corporation from or in connection with such loans, and to mortgage, pledge or grant security interests in such loans or other property of the Corporation in order to secure the payment of the principal or redemption price of and interest on such bonds; and

WHEREAS, the Corporation now desires to authorize, issue and sell its tax-exempt multifamily housing revenue bonds, to the extent authorized by law, to provide funds to defray all or part of the cost of acquiring, developing and/or constructing a certain Residential Development by LDG Manchaca Commons, LP, a Texas limited partnership and/or its assigns (the "User"); and

WHEREAS, the User and the Corporation desire that the Corporation take some official action toward the issuance of such bonds prior to the commencement of acquisition, development and construction of such Residential Development; and

WHEREAS, the County, has authorized and approved creation of the Corporation to act on its behalf to further certain public purposes of the County.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE STRATEGIC HOUSING FINANCE CORPORATION OF TRAVIS COUNTY, THAT:

Section 1: The Corporation hereby authorizes and agrees that it will issue and sell its multifamily housing revenue bonds (the "Bonds") from time to time in one or more series pursuant to the provisions of Texas law to pay all or part of the cost of acquiring, developing, constructing and equipping the project described in the Agreement to Issue Bonds attached hereto (the "Project"), together with certain costs of authorization, sale and issuance of the Bonds.



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The Bonds will be issued and sold as more fully provided in the Agreement to Issue Bonds, and subject to the terms thereof, in a maximum aggregate principal amount now estimated to be not more than \$20,000,000.

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

Section 3: The Corporation will enter into a financing agreement with the User providing for financing of all or part of the cost of the Project.

Section 4: The Board of Directors of the Corporation (the "Board of Directors") hereby finds, determines and declares that (i) the Project is required and suitable for the promotion of the construction of new, improved, or expanded residential development in the County, (ii) the User has the business experience, financial resources and responsibility to provide reasonable assurance that the Bonds and the interest thereon to be paid from, or by reason of, payments made by the User under the financing agreement will be paid as the same become due, and (iii) the Project is in furtherance of the public purposes set forth in the Act.

Section 5: That neither the User nor any other party is entitled to rely on this Resolution as a commitment to loan funds, and the Corporation reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Corporation shall not be subject to any liability or damages of any nature. Neither the User nor any one claiming by, through or under the User, nor any investment banking firm or potential purchaser of the Bonds shall have any claim against the Corporation whatsoever as a result of any decision by the Corporation not to issue the Bonds.

Section 6: The Corporation hereby authorizes the filing of one or more Applications For Allocation of Private Activity Bonds with the Texas Bond Review Board ("BRB") for the year 2017 for the aggregate amount of up to \$20,000,000 of qualified residential mortgage bonds, and the President of the Corporation, the Executive Vice President of the Corporation, and/or the Director of Real Estate Development of the Corporation are designated as the authorized officers, acting together or individually, to execute and deliver such Application to the BRB and to take any other actions consistent with this Resolution, including the execution of documents necessary to obtain a carryforward of a volume cap reservation or any additional applications to the BRB, as may be determined necessary by the officer executing any such document.

Section 7: This Resolution is a Declaration of Official Intent under U.S. Treasury Regulations for purposes of Sections 103 and 141 to 150 of the Internal Revenue Code of 1986, as amended. Based upon the representations of the User, the Corporation reasonably expects that certain of the costs of the Project may be reimbursed with the proceeds of the Bonds.



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

1. Approves Resolution SHFC-2017-04,
2. Authorizes the Executive Vice President to execute all relevant policies and procedures.

Passed and approved the 24th day of March 2017.

Ann Denton, 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 24th day of March, 2017, is hereby certified to be a true and correct copy of an official copy thereof on file among the official records of such Corporation.

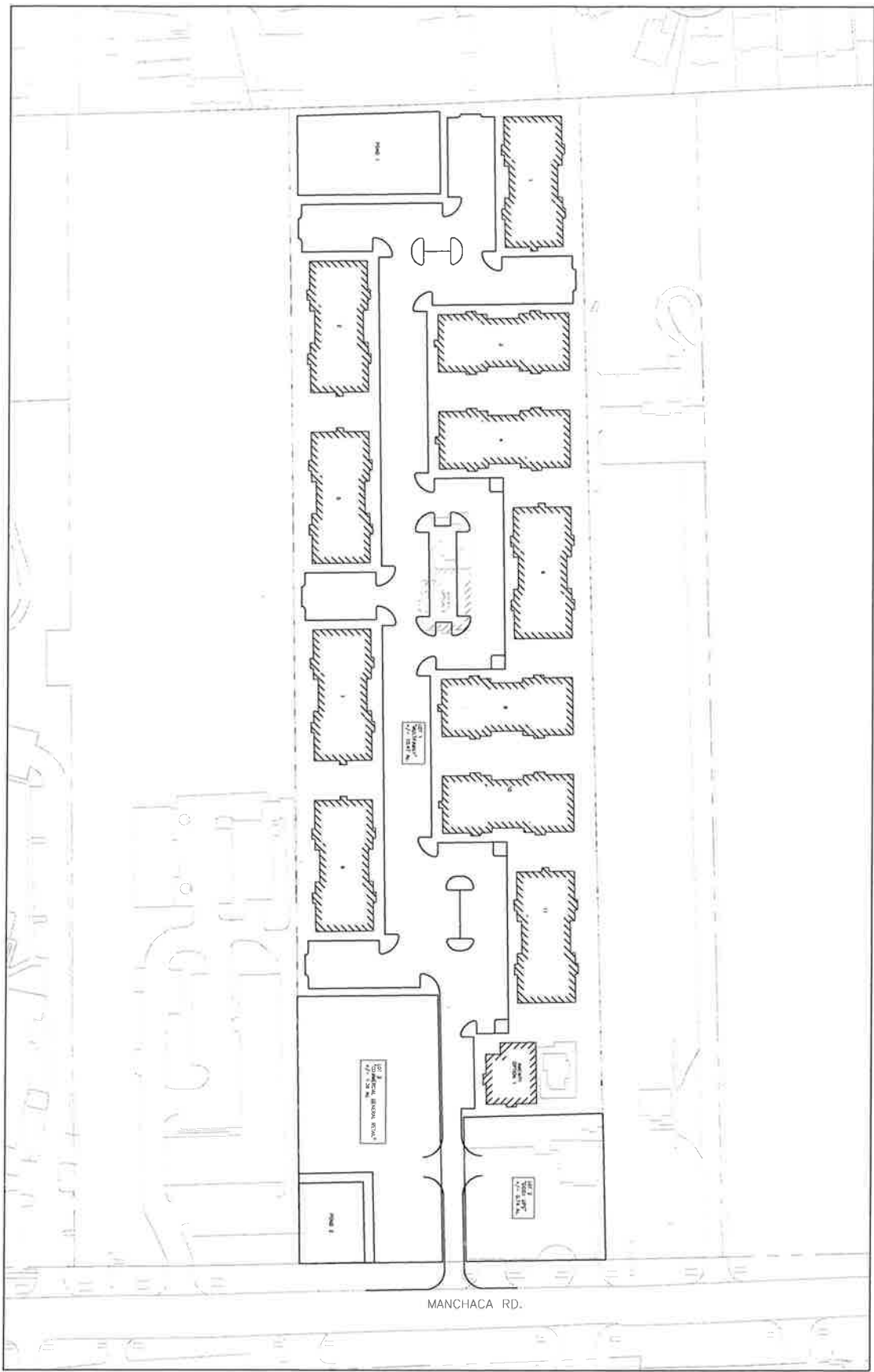
WITNESS my hand and seal of office this 24 day of March, 2017.

By: 
Patrick Howard, Executive Vice President

Attachment B

Description of the Project

The Project is a proposed multifamily development to be named Manchaca Commons Apartments to consist of approximately 240 units located at 12040 Manchaca Road, Austin, Travis County, Texas, 78702. The Project is expected to offer a variety of floor plans, including 1, 2 and 3-bedroom units. Units will be reserved for occupants at 60% and 50% of area median income



0 30' 60' 120'
SCALE: 1" = 60'



MANCHACA RD.

20' x 10' BATH ROOM ROOM

20' x 10' BATH ROOM ROOM

MANCHACA RD MULTIFAMILY

CONCEPTUAL LAYOUT

BGE, INC.
4000 ADRIAN AVE. SUITE 200
AUSTIN, TX 78731
TEL: 512-475-0200
WWW.BGE.COM
PHOTO: ARCHITECTURE BY J. COOK



DESIGNED BY	
REVIEWED BY	
ISSUED BY	
REV	

DESCRIPTION

DATE APR

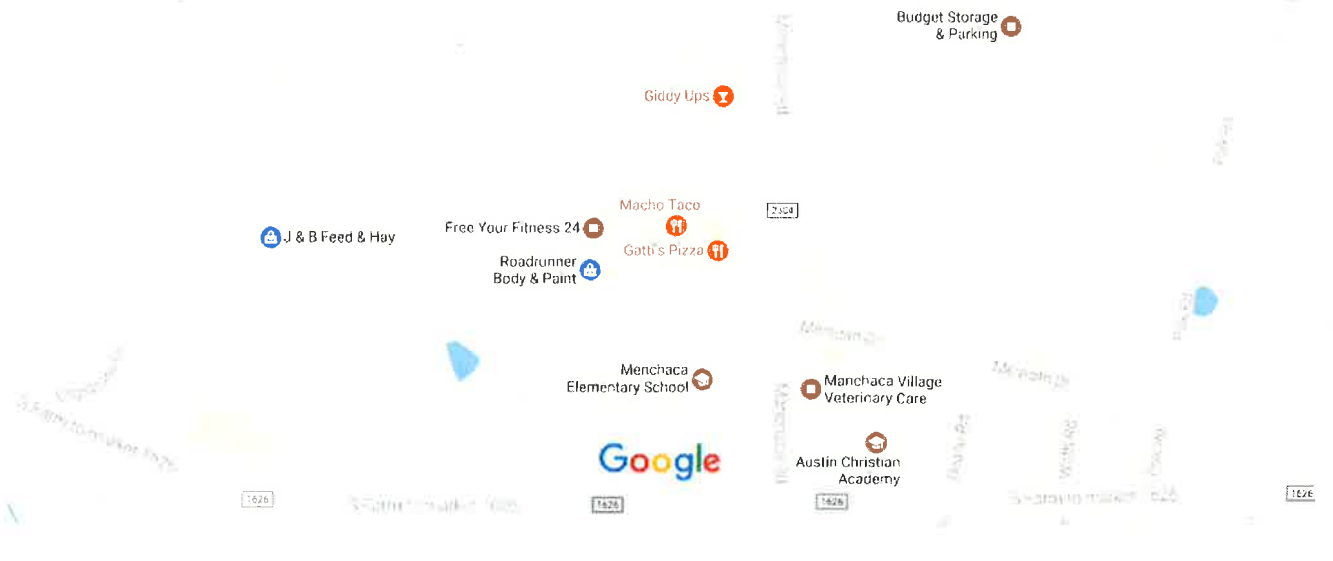
SHEET 1 OF 1




Manchaca Rd.

Imagery Date: 2/3/2016 30°08'38.32" N 97°50'02.65" W elev 718 ft eye alt 337

1995



Map data ©2017 Google 200 ft 

Google Maps 12040 Manchaca Rd



Imagery ©2017 Google, Map data ©2017 Google 200 ft

