



Strategic Housing Finance Corporation
Resolution SHFC-2016-12

Resolution No. SHFC-2016-12: Approve Agreement to Issue Bonds and approve the filing of an application with the Texas Bond Review Board for volume cap related to the issuance of multifamily revenue bonds to finance the purchase and rehabilitation of a residential development currently known as **Marquis Shoreline Apartments**.

WHEREAS; one of SHFC's strategic goals is to participate in future affordable housing development projects involving Strategic Housing Finance Corporation (SHFC) and or other affordable housing partners; and

WHEREAS, Strategic Housing Finance Corporation of Travis County, a housing finance corporation created pursuant to Chapter 394 of the Texas Local Government Code ("SHFC"), has the authority to issue Tax Exempt Bonds under the Texas Local Government Code; and

WHEREAS, this Tax Exempt Bond financing project has the potential to create additional affordable housing in Travis County, Austin, Texas.

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

1. Approves Resolution SHFC-2016-12,
2. Authorizes the Executive Vice President to execute all relevant policies and procedures.

Passed and approved the 5th day of May 2016.

Ann Denton, Acting President, Board of Directors

Attested and approved as to form:

Patrick B. Howard, Executive Vice President



Resolution No. SHFC-2016-12, To Approve Agreement to Issue Bonds and approve the filing of an application with the Texas Bond Review Board for volume cap related to the issuance of multifamily revenue bonds to finance the purchase and rehabilitation of a residential development currently known as **Marquis Shoreline Apartments**.

Background Information:

On Wednesday April 27th, 2016, SHFC staff was contacted by Terry Senger of **Teachers Insurance and Annuity Association of America ("TIAA")** about the opportunity to issue bonds to finance the purchase of a multifamily complex located at 3501 Shoreline Drive in Travis County, Austin, Texas. The potential applicant is requesting up to \$30 million in Tax Exempt Bonds in which the transaction will be first closed with \$20 million Tax Exempt Bonds and \$10 million in Taxable Bonds until such time as additional Tax Exempt Bonds volume cap is available by the Texas Bond Review Board (TBRB). TBRB limits the amount of Multifamily Tax Exempt Bonds per transaction to \$20 million until after August 2016 when other volume cap categories collapse.

The purchasing entity is TCAS Global Investments LLC or its assignee but, the ultimate purchaser will be a "to be formed" single purpose entity, and a wholly owned subsidiary of CASA Partners VII LP (CASA VII). CASA VII is the most recent in a series of funds that specializes in value-add multifamily assets, including properties financed with tax-exempt bonds that maintain an affordability component. The sponsor is **Teachers Insurance and Annuity Association of America ("TIAA")** which is a New York life insurance company founded in 1918 by the Carnegie Foundation for the Advancement of Teaching. TIAA is one of the largest real estate managers of worldwide real estate with a current equity and debt global portfolio of approximately \$92 billion in gross real estate assets under management ("AUM"). With its companion organization, the College Retirement Equities Fund ("CREF") TIAA forms the principal retirement system for the nation's education and research communities and is one of the largest retirement systems in the United States.

TIAA currently has ten properties located within the Austin metropolitan area, and include seven (7) properties in Travis County. TIAA intends to hire Pinnacle Property Management Services, LLC, (Pinnacle") as the third party management company that will operate the property.

Marquis Shoreline Apartments is located at 3501 Shoreline Drive which is east of IH 35, west of Loop 1 and south of I-45 in Austin, Texas 78728. The property consists of a three story garden style apartment complex with 280 apartment units along with related amenities. The property was built in 2001 and average unit size is 919 square feet. Applicant anticipates affordable set-asides to be 20% at 50% of AMI and 80% at 120 % of AMI. Purchase price is reported to be \$37.3 million. Purchase of the property is subject to completion of Purchaser's due diligence and acceptable financing period.

Requested Action:

Consideration and appropriate action regarding **Resolution No. SHFC-2016-12**, To Approve Agreement to Issue Bonds and approve the filing of an application with the Texas Bond Review Board for volume cap related to the issuance of multifamily revenue bonds to finance the purchase and rehabilitation of a residential development currently known as **Marquis Shoreline Apartments**.

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:

NA

Attachments:

- A. Location Map
- B. Property Photos

Prepared by:

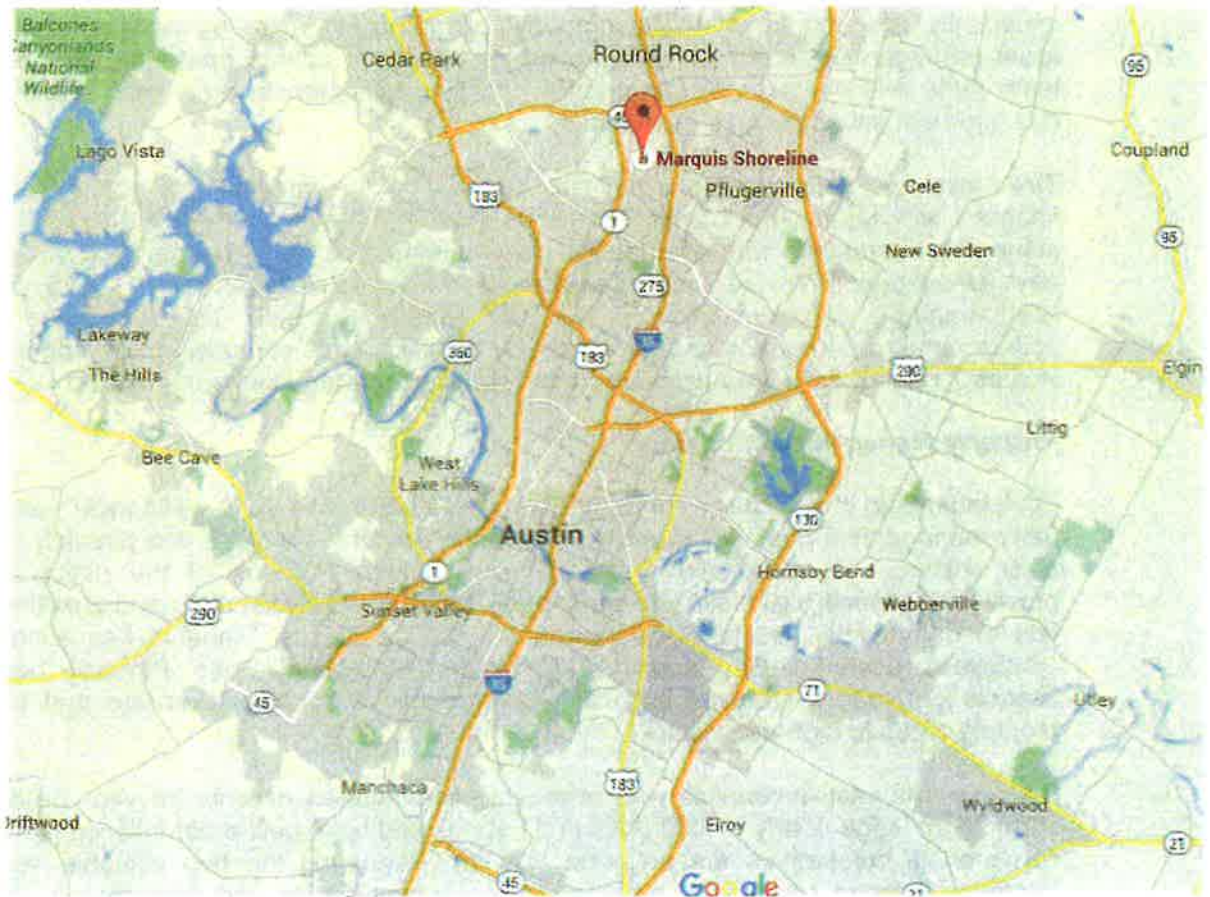
Robert Onion, Asset Manager

Approval:

Patrick B. Howard, Executive Vice President

Marquee Shoreline Exhibit

Location



Property Photos



