



Strategic Housing Finance Corporation
Resolution SHFC-2016-09

Resolution No. SHFC-2016-09: To Authorize the debt financing, equity financing, property acquisition, ground lease and other matters necessary for the Corporation to participate in the development and operation of the Colorado Creek Apartments transaction and authorizing the execution and delivery of documents and instruments necessary to carry out the contemplated transaction, and to take other actions related to the subject.

WHEREAS, SHFC is the sole member of Austin Colorado Creek GP, LLC, a Texas limited liability company (the "General Partner"), which is the sole general partner of Austin Colorado Creek Apartments, L.P., a Texas limited partnership (the "Partnership");

WHEREAS, Patrick Howard is the Executive Vice President of SHFC (the "EVP") and Robert Onion is the Asset Manager of SHFC (the "Asset Manager");

1. Property Acquisition and Ground Lease.

WHEREAS, SHFC is the sole member of SHFC CC Land LLC, a Texas limited liability company (the "Landowner");

WHEREAS, SHFC by and through the Landowner will acquire certain real property located in Austin, Texas (the "Real Property") from GCRE/TX Austin Master, LLC on which a multifamily residential project is to be constructed, developed and operated, to be known as "Colorado Creek Apartments" (the "Apartment Complex"); and

WHEREAS, in connection with the acquisition of the Real Property, the Landowner and/or SHFC will be required to enter into various documents to evidence such acquisition (collectively, the "Acquisition Documents");

RESOLVED, that the prior actions of the EVP and Asset Manager (or any officer of SHFC), acting on behalf of SHFC, acting on behalf of the Landowner, with respect to the acquisition of the Real Property, are hereby ratified and approved;

RESOLVED, that (a) the Landowner is authorized to acquire the Real Property and the Partnership is authorized to acquire and develop the Apartment Complex; (b) the Landowner and the Partnership are each authorized to execute and deliver the Ground Lease and any other documents deemed necessary or desirable in order to facilitate the Landowner's acquisition of the Real Property and the Partnership's development of the Apartment Complex; and (c) the EVP or Asset Manager of SHFC (or in the absence of both of them, any other authorized officer of the SHFC) is individually authorized, each acting on behalf of SHFC, acting on its own behalf or on behalf of the Landowner, acting on its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, as applicable, to (i) execute and deliver the Ground Lease, and such other documents and instruments in connection therewith as may be necessary or desirable, and (ii) do all things necessary or desirable for the Landowner to acquire the Real Property and for the Partnership to develop the Apartment Complex and for the Landowner and the Partnership to each execute and deliver the Ground Lease.



2. Equity Financing.

WHEREAS, pursuant to a letter of intent dated _____, [42 Equity entity] (the "Equity Provider") agreed to provide equity financing to the Partnership for the development of the Apartment Complex (the "Equity Financing");

WHEREAS, in connection with the Equity Financing, the General Partner will enter into an Amended and Restated Agreement of Limited Partnership for the Partnership (the "Partnership Agreement") with the Equity Provider and _____, a _____, as limited partners; and

WHEREAS, the Partnership Agreement calls for the Partnership and/or the General Partner and/or SHFC to enter into certain documents associated with the Equity Financing, including but not limited to a [Purchase Option and Right of First Refusal Agreement, an Amended and Restated Development Services Agreement, a Guaranty, a Pledge and Security Agreement, and a Partnership Management Agreement] (collectively, with the Partnership Agreement, the "Equity Documents");

RESOLVED, that (a) the Partnership is authorized to obtain the Equity Financing from the Equity Provider and to execute and deliver the Equity Documents; (b) the General Partner, acting on its own behalf or on behalf of the Partnership, is authorized to execute and deliver the Equity Documents; (c) SHFC, acting on its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, is hereby authorized to execute and deliver the Equity Documents and do all things necessary to facilitate the Equity Financing; and (d) the EVP (or in his absence, the Asset Manager or any officer of SHFC), acting on behalf of SHFC, acting on its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, is hereby individually authorized to (i) execute and deliver the Equity Documents and such other documents and instruments in connection therewith as may be necessary or desirable and (ii) do all things necessary or desirable to cause the Partnership to obtain the Equity Financing and perform the Partnership's and/or the General Partner's and/or SHFC's obligations thereunder.

3. Bond Financing.

WHEREAS, the Austin Housing Finance Corporation (the "Issuer") has agreed to issue its Multifamily Housing Revenue Bonds (Austin Colorado Creek Apartments) Series 2016 in the aggregate principal amount of up to \$25,000,000.00 (the "Bonds");

WHEREAS, in connection with the Bonds, IBC Bank, N.A. (the "Lender") has agreed to originate a mortgage loan to the Partnership in an amount of up to \$25,000,000.00 (the "Construction Loan");

WHEREAS, in connection with the Construction Loan, the Partnership will execute a promissory note (the "Construction Note") payable to the Lender;



WHEREAS, to secure the Partnership's obligations under the Construction Note, the Partnership and/or the General Partner and/or SHFC will execute, for the benefit of the Lender, certain other documents, including but not limited to a [Loan Agreement, a Multifamily Leasehold Deed of Trust, Assignment of Leases and Rents and Security Agreement, a Regulatory Agreement, and certain other documents evidencing, governing and/or securing the Partnership's obligations under the Construction Note (collectively, together with the Construction Note, the "Construction Loan Documents");

WHEREAS, the proceeds from the sale of the Bonds will be loaned by the Issuer to the Partnership to finance a portion of the development of the Apartment Complex (the "Bond Financing") pursuant to a Loan Agreement between the Issuer and the Partnership (the "Loan Agreement"); and

WHEREAS, in connection with the Bond Financing and the execution of the Loan Agreement, the Partnership and/or the General Partner and/or SHFC will be required to enter into certain other documents, including but not limited to a Regulatory and Land Use Restriction Agreement (collectively with the Loan Agreement and the Construction Loan Documents, the "Financing Documents");

RESOLVED, that (a) the Partnership is authorized to borrow the proceeds of the Bonds from the Issuer and the Construction Loan from the Lender and to execute and deliver the Financing Documents; (b) the General Partner, acting on its own behalf or on behalf of the Partnership, is authorized to execute and deliver the Financing Documents and do all things necessary to facilitate the Bond Financing; (c) SHFC, acting on its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, is hereby authorized to execute and deliver the Financing Documents and do all things necessary to facilitate the Bond Financing; and (d) the EVP (or in his absence, any officer of SHFC), acting on behalf of SHFC, acting on its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, is hereby individually authorized to (i) execute and deliver the Financing Documents and such other documents and instruments in connection therewith as may be necessary or desirable and (ii) do all things necessary or desirable to cause the Partnership to obtain the Bond Financing and perform the Partnership's and/or the General Partner's and/or SHFC's obligations thereunder.

4. Service-Related Agreements.

WHEREAS, pursuant to a Memorandum of Understanding dated _____ (the "MOU") _____ agreed to share a portion of the development fee with SHFC as compensation for SHFC's undertaking of certain responsibilities with respect to the Apartment Complex;

WHEREAS, in connection with the MOU, SHFC will enter into a Development Fee Sharing Agreement with _____ (the "Fee Sharing Agreement") to outline the terms under which _____ will compensate SHFC for undertaking certain responsibilities with respect to the Apartment Complex; and

[Add recitals for any additional agreements, if applicable.]



RESOLVED, that (a) SHFC is authorized to enter into the Fee Sharing Agreement and to execute and deliver the Fee Sharing Agreement; (b) SHFC is authorized to enter into the _____ Agreement and to execute and deliver the _____ Agreement; and (c) the EVP (or in his absence, the Asset Manager or any officer of SHFC), acting on behalf of SHFC, is hereby individually authorized to (i) cause SHFC to execute and deliver the Fee Sharing Agreement, the _____ Agreement and such other documents and instruments in connection therewith as may be necessary or desirable and (ii) do all things necessary or desirable to cause SHFC to perform its obligations thereunder.

5. Authorization/Ratification.

RESOLVED, that the EVP (or in his absence or unavailability, the Asset Manager or any officer of SHFC), acting on behalf of SHFC, acting on behalf of the General Partner, acting on behalf of the Partnership, is individually authorized to (a) sign, certify to, acknowledge, deliver, accept, file, and record any and all instruments and documents, and (b) take, or cause to be taken, any and all such action, in the name and on behalf of SHFC, the General Partner, and the Partnership as such person shall deem to be necessary, desirable, or appropriate in order to effect the purposes of the foregoing resolutions.

FURTHER RESOLVED, that any and all action taken by the EVP (or in his absence or unavailability, the Asset Manager or any officer of SHFC), acting on behalf of SHFC, acting on behalf of the General Partner, acting on behalf of the Partnership, prior to the date these resolutions are actually executed in effecting the purposes of the foregoing resolutions is hereby approved, ratified, and adopted in all respects.

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

1. Approves Resolution SHFC-2016-09,
2. Authorizes the Executive Vice President to execute all relevant policies and procedures.

Passed and approved the 26th day of February 2016.

Wilmer Roberts, Vice-President, Board of Directors

Attested and approved as to form:

Patrick B. Howard, Executive Vice President



Subject: Colorado Creek Apartments: Resolution Nos. SHFC-2016-07/08/09

Background Information:

At your 18 February 2016 Board Meeting, the SHFC Board approved an *Assignment and Assumption of Rights* via Resolution SHFC No. 2016-05 to allow SHFC to act on behalf of the Travis County Facilities Corporation/Housing Authority of Travis County in relation to participation in the Colorado Creek Apartments development as per a *Memorandum of Understanding*.

Requested Action:

Consideration and appropriate action regarding:

- **Resolution No. SHFC-2016-07:** To Authorize Austin Colorado Creek GP, LLC, to participate in the development and operation of the Colorado Creek Apartments development including approval of the debt financing, equity financing, ground lease and other matters necessary and authorizing the execution and delivery of documents and instruments necessary to carry out the contemplated transaction, and to take other actions related to the subject;
- **Resolution No. SHFC-2016-08:** To Authorize Austin Colorado Creek Apartments, L.P., to participate in the development and operation of the Colorado Creek Apartments development including approval of the debt financing, equity financing, ground lease and other matters necessary and authorizing the execution and delivery of documents and instruments necessary to carry out the transaction, and to take other actions related to the subject.
- **Resolution No. SHFC-2016-09:** To Authorize the debt financing, equity financing, property acquisition, ground lease and other matters necessary for the Strategic Housing Finance Corporation to participate in the development and operation of the Colorado Creek Apartments transaction and authorizing the execution and delivery of documents and instruments necessary to carry out the contemplated transaction, and to take other actions related to the subject;

Alternate Option:

The Board of Directors could elect to not Approve **Resolution Nos. SHFC-2016-07/08/09.**

Fiscal Impact:

N/A

Attachments:

NA

Prepared and Approved by:

Patrick B. Howard, Executive Vice President/Portfolio Manager