



STRATEGIC HOUSING FINANCE CORPORATION

May 5, 2016

Strategic Housing Finance Corporation  
Resolution 2016-11

**Resolution No. SHFC-2016-11:** To Amend previously-approved Resolution No. SHFC-2016-01 thereby authorizing the extension of time for the disposition of properties located at 7032 Timarou Terrace, Austin TX 78754, 616 Timothy Drive, Pflugerville, TX 78660, and 5616 Signal Point, Austin, TX 78724, for ~~30 days, 30 days, and 90 days~~ respectively. up to

**WHEREAS,** The Board wishes to terminate the Lease to Purchase Program by offering to sale the remaining houses to the tenants remaining in the program; and

**WHEREAS,** addition time is needed to complete the closing of the remaining houses in the program; and

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

1. Approves Resolution No. SHFC-2016-11,
2. Authorizes the Executive Vice President to execute all necessary documents and extensions.

Passed and approved the 5 day of May 2016.

Acting President, Board of Directors

**Attested and approved as to form:**

Patrick B. Howard, Executive Vice President



**Resolution No. SHFC-2016-11:** To Amend previously-approved Resolution No. SHFC-2016-01 thereby authorizing the extension of time for the disposition of properties located at 7032 Timarou Terrace, Austin TX 78754, 616 Timothy Drive, Pflugerville, TX 78660, and 5616 Signal Point, Austin, TX 78724, for 30 days, 30 days, and 90 day, respectively.

**Background Information:**

On September 11, 2015, the Board approved a resolution to terminate the existing Lease to Purchase program by offering the four remaining houses to the tenants for an agreed amount. On January 14, 2016, the Board granted a 150 day extension to the previous resolution which expired on April 28<sup>th</sup>, 2016. Of the four tenants, one has closed, another is set to close this month, and the remaining two tenants have been unsuccessful in obtaining mortgage financing to purchase the homes.

**Requested Action:** Consideration and appropriate action regarding Resolution No. SHFC-2016-11, To Amend previously-approved Resolution No. SHFC-2016-01 thereby authorizing the extension of time for the disposition of properties located at 7032 Timarou Terrace, Austin TX 78754, 616 Timothy Drive, Pflugerville, TX 78660, and 5616 Signal Point, Austin, TX 78724, for 30 days, 30 days, and 90 day, respectively.

**Alternate Option:**

The Board of Directors could elect to Not Authorize the extension or limit the extension to 30 days for each of the houses listed, and elect to have the houses sold to a third party investors (tenant occupied) at a price as determined by a broker price opinion.

**Fiscal Impact:**

There is approximately \$100,000 in equity in two of the three remaining houses. Sale of the other home is eminent. If the tenants are unable to purchase the homes within the prescribed extension period, sales proceeds can be assigned to other needed housing programs or units.

**Attachments:**

- A. Resolution No. SHFC-2016-01
- B. Board Action requested *dated September 11, 2015*

**Prepared by:** Robert Onion, Asset Manager

**Approval:**

Patrick B. Howard, Executive Vice President



**Resolution No. SHFC-2016-01: To Amend the previously-approved Resolution, dated *September 11, 2015* regarding SHFC Lease/Purchase Program**

**Background Information:**

On September 11, 2015, the SHFC Board approved a resolution to terminate the existing Lease to Purchase program by offering the four (4) remaining houses to the occupied tenants. (See Exhibit below). Each tenant was notified by certified letter that the offer to purchase the house they are occupying would need to be accomplished within 120 days from receipt of the notice delivered to them on July 30, 2015. The 120-day deadline ended on **November 30, 2015**. Each of the four (4) tenants has expressed an interest in purchasing the homes and the majority of them are in a position to submit earnest money contracts to purchase the homes.

**Requested Action:**

Consideration and appropriate action regarding Resolution No. SHFC-2016-01: To Amend the previously-approved Resolution, dated *September 11, 2015* regarding SHFC Lease/Purchase Program. This would allow for a 120-day extension (March 29, 2016) and (one 30-day extension – April 28, 2016) for existing tenants to purchase their existing rental homes for a price of 110% of the principle balance as of 6/16/15. This additional 10% will cover any anticipated seller closing cost.

**Alternate Option:**

The Board of Directors could elect to:

- A) Not Amend the previously-approved Resolution, dated *September 11, 2015* regarding SHFC Lease/Purchase Program; and
- B) Elect to have the houses sold to a third party (tenant occupied) based upon a market value to be determined by an appraisal report.

**Fiscal Impact:**

Selling the homes would result in cost savings associated with staff time (maintenance/finance/booking) utilized to manage this program.