



Resolution No. SHFC-2017-02, To Approve a Memorandum of Understanding (MOU) between Strategic Housing Finance Corporation and the developer Rise Residential Development, LLC related to the participation in Creekview Apartments.

WHEREAS, Strategic Housing Finance Corporation of Travis County ("SHFC") has been approached by Rise Residential Development, LLC ("Rise") about an opportunity to acquire, finance, construct, and own an approximately 264-unit affordable housing development for families to be known as Lowden Lane Apartments and to be located on approximately 13.5 acres of land at Springdale and Old Manor Road near Highway 183 in Austin, Travis County, Texas (the "Property");

WHEREAS, it is contemplated that SHFC and its affiliates will control the Property and that Rise and its affiliates will provide development services, guarantees, and other assistance in connection with the acquisition, financing, and construction of the Property;

WHEREAS, it is anticipated that the Property will be owned by Austin Creek View II Apartments, L.P., a to-be-formed Texas limited partnership or another Texas limited partnership formed as agreed to by SHFC and Rise (the "Partnership") and that its sole general partner will be a Texas limited liability company, (the "General Partner") which general partner will be wholly controlled by SHFC;

WHEREAS, the Board of SHFC has reviewed a proposed Memorandum of Understanding (the "MOU") with Rise, describing the terms of the transaction, a copy of which has been provided to the Board and is to be attached to this Resolution;

WHEREAS, the Board of SHFC desires to give preliminary approval for SHFC, acting through its duly authorized representatives, to pursue the proposed transaction;

RESOLVED, that the MOU is hereby approved and that the Executive Vice President of SHFC (or in his absence, any other officer of SHFC), acting on behalf of SHFC, is hereby authorized to execute and deliver the MOU;

RESOLVED, that SHFC shall cause the General Partner to be organized as its wholly-owned subsidiary and that the Executive Vice President of SHFC (or in his absence, any other officer of SHFC), acting on behalf of SHFC, is hereby authorized to execute such documents and take such actions as may be necessary or appropriate to organize the General Partner;

RESOLVED, that SHFC shall cause the partnership to be organized and that the Executive Vice President of SHFC (or in his absence, any other officer of SHFC), acting on behalf of SHFC, acting on behalf of the General Partner, is hereby authorized to execute such documents and take such actions as may be necessary or appropriate to organize the Partnership;

RESOLVED, that the General Partner shall be member-managed by SHFC, and the Executive Vice President of SHFC (or in his absence, any other officer of SHFC), acting on behalf of SHFC, shall be an authorized



STRATEGIC HOUSING FINANCE CORPORATION

February 2, 2017

party to sign documents on behalf of the General Partner, both in their individual capacity and in their capacity as general partner of the Partnership, respectively;

RESOLVED, that, other than as described in these resolutions, this Board shall retain the right to approve the final terms of the transaction for financing the development of the Property;

RESOLVED, that the Executive Vice President of SHFC (or in his absence, any other officer of SHFC) is 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, or the Partnership, as applicable, as such person shall deem to be necessary, desirable, or appropriate in order to effect the purposes of the foregoing resolutions; and

RESOLVED, that the Executive Vice President of SHFC (or in his absence, any other officer of SHFC), acting on behalf of SHFC, acting on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, be and hereby is severally authorized to (a) sign, certify to, acknowledge, deliver, accept, file, and record any and all instruments and documents in connection with obtaining financing for the development of the Property, including but not limited to applications relating to bonds and/or low-income housing tax credits, and (b) take, or cause to be taken, any and all such action, including in the name and on behalf of the General Partner and the Partnership, as shall be deemed necessary, desirable, or appropriate in order to effect the development of the Project.

RESOLVED, that any and all action taken by the Executive Vice President of SHFC and other SHFC staff prior to the date of approval of these resolutions in effecting the purposes of the foregoing resolutions is hereby ratified, approved, confirmed, and adopted.

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

1. Approves Resolution SHFC-2017-02,
2. Authorizes the Executive Vice President to execute all relevant policies and procedures.



STRATEGIC HOUSING FINANCE CORPORATION

February 2, 2017

Strategic Housing Finance Corporation Action Item 6A Resolution SHFC-2017-02

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Background Information:

On November 3, 2016 the Board approved Resolution No. SHFC-2016-20 which approved the issuance of Tax Exempt Multifamily Housing Revenue Bonds for (Austin Creekview Apartment Homes) Series 2016 in the aggregate amount of Twenty Five Million Dollars (\$25,000,000). Subsequent to this approval, a Memorandum of Understanding (MOU) has been negotiated between the parties and this resolution is requesting the Board's approval.

Staff has prepared a synopsis of the transaction outlining six (6) key components to the Memorandum of Understanding transaction. They are as follows.

- Development Fee Sharing – XXX to Rise Residential Development, LLC; XXX to Strategic Housing Finance Corporation.
- Cash portion of the Developer's Fee available in budget (Non deferred). Of the total developer fee of XXXXX there is an estimated XXXXX available within the budget to be disbursed during the construction/conversion period. SHFC would receive XXX. (XXX) during this period. Total deferred developer fee is estimated at XXX of total fee.
- Construction Administration Fee - XXXXX payable XXXXX at closing and XXXXX at XXX completion and XXXXX a completion/stabilization.
- Total paid to SHFC at Closing including bond issuer's fee - XXXXX.
- Cash flow or proceeds from sale or refinance – XXX to Rise Residential Development, LLC; XXX to Strategic Housing Finance Corporation.
- Number of Designated Units below XXX of AML – 7 units@ XXX; 7 units @ XXX; 6 units@ XXX out of a total of 264 units.

Requested Action:

Consideration and appropriate action regarding **Resolution No. SHFC-2017-02**, To Approve a Memorandum of Understanding (MOU) between Strategic Housing Finance Corporation and the developer Rise Residential Development, LLC related to the participation in Creekview Apartments.

Alternate Option:

The Board of Directors could elect to Not Approve the Memorandum of Understanding (MOU) Agreement and not move forward with the development of 264 units of Affordable Housing in Travis County.

Fiscal Impact:

N/A

Attachments:

- A. Memorandum of Understanding
- B. Resolution No. SHFC-2017-02



STRATEGIC HOUSING FINANCE CORPORATION

February 2, 2017

Prepared by:

Robert Onion, Director of Real Estate Development

Approval:

A handwritten signature in blue ink that reads 'Patrick B. Howard'. The signature is written in a cursive style and is positioned above a horizontal line.

Patrick B. Howard, Executive Vice President