



STRATEGIC HOUSING FINANCE CORPORATION  
OF TRAVIS COUNTY

March 2, 2017

**Resolution No. SHFC-2017-03**, To Approve a Memorandum of Understanding (MOU) between Strategic Housing Finance Corporation of Travis County and Pedcor Investments, A Limited Liability Company ("Pedcor") related to participation in Heights on Parmer Apartments, Phase II.

WHEREAS, Strategic Housing Finance Corporation of Travis County ("SHFC") has been approached by Pedcor about an opportunity to acquire, finance, construct, and own an approximately 80-unit affordable housing development for families to be known as Heights on Parmer Apartments, Phase II and to be located 1524 East Parmer Lane in Austin, Travis County, Texas, adjacent to the existing Heights on Parmer Apartment (the "Property"); and

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

WHEREAS, it is anticipated that the Property will be owned by Pedcor Investments-2016-CLVIII, L.P., a Texas limited partnership or another Texas limited partnership formed as agreed to by SHFC and Pedcor (the "Partnership") and that its sole general partner will be a Texas limited liability company which will be wholly controlled by SHFC (the "General Partner"); and

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

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

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; and

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; and



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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) or the Director of Real Estate Development of SHFC, acting on behalf of SHFC, acting on behalf of the General Partner, are hereby authorized to execute such documents and take such actions as may be necessary or appropriate to organize the Partnership; and

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) or the Director of Real Estate Development of SHFC, acting on behalf of SHFC, shall be authorized parties 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; and

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 of or participating in the development of the Property; and

RESOLVED, that the Executive Vice President of SHFC (or in his absence, any other officer of SHFC) or the Director of Real Estate Development of SHFC, are 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) or the Director of Real Estate Development 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; and

RESOLVED, that any and all action taken by the Executive Vice President of SHFC, any officer of SHFC and the Director of Real Estate Development 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.



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

1. Approves Resolution SHFC-2017-03,
2. Authorizes the Executive Vice President to execute and deliver all relevant policies, procedures and documents.

Passed and approved the 2th day of March 2017.

John Hernandez, Vice President, Board of Directors

Attested and approved as to form:

Patrick B. Howard, Executive Vice President

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 2th 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 \_\_\_\_ day of March, 2017.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



## STRATEGIC HOUSING FINANCE CORPORATION

March 2, 2017

### Strategic Housing Finance Corporation Action Item 6A Resolution SHFC-2017-03

**Resolution No. SHFC-2017-03**, To Approve a Memorandum of Understanding (MOU) between Strategic Housing Finance Corporation and the developer Pedcor Investments, A Limited Liability Company related to the participation in Heights of Parmer Phase II Apartments.

#### **Background Information:**

On January 5, 2017 the Board approved Resolution No. SHFC-2017-01 which approved the issuance of Tax Exempt Multifamily Housing Revenue Bonds for (Heights of Parmer Phase II) Series 2017 in the aggregate amount of Twelve Million five hundred thousand Dollars (\$12,500,000). 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 Construction; 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 XXXXX. (XXX) during this period. Total deferred developer fee is estimated at XXX of total fee.
- Construction Administration Fee - XXXXX payable based upon the percentage completion of the development until the fee is fully paid. Total paid to SHFC at Closing including bond issuer's fee will be approximately - XXXXX.
- Cash flow or proceeds from sale or refinance – XXX to Pedcor Investments, A limited Liability Company; XXX to Strategic Housing Finance Corporation.
- Number of Designated Units below XXX of AMI –None. All 80 units will be reserved for residents with incomes at or below XXX of AMFI.

#### **Requested Action:**

Consideration and appropriate action regarding **Resolution No. SHFC-2017-03**, To Approve a Memorandum of Understanding (MOU) between Strategic Housing Finance Corporation and the developer Pedcor Investments, A Limited Liability Company related to the participation in Heights of Parmer Phase II 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 80 units of Affordable Housing in Travis County.

#### **Fiscal Impact:**

N/A

#### **Attachments:**

- A. Memorandum of Understanding
- B. Resolution No. SHFC-2017-03



**STRATEGIC HOUSING FINANCE CORPORATION**

**March 2, 2017**

**Prepared by:**

Robert Onion, Director of Real Estate Development

**Approval:**

Patrick Howard

Patrick B. Howard, Executive Vice President