

HATC Action Item 4B
June 26, 2017

Resolution No. HATC-2017-14: To Authorize SEA RAD GP, LLC (the "General Partner"), to participate in the redevelopment, rehabilitation, and operation of Alexander Oaks and Summit Oaks Apartments including approval of the debt financing, equity financing, ground lease and other matters necessary, and To Authorize 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, The General Partner is the sole general partner of SEA RAD, LP, a Texas limited partnership (the "Partnership"); and

WHEREAS, Housing Authority of Travis County, Texas, a housing authority created pursuant to Chapter 392 of the Texas Local Government Code ("HATC"), is the sole member of the General Partner; and

WHEREAS, Patrick Howard is the CEO/Executive Director of HATC (the "Officer") and Robert Onion is the Director of Real Estate Development of HATC (the "Director of Real Estate Development");

1. Ground Lease.

WHEREAS, HATC owns certain tracts of real property located in Travis County, Texas (the "Land") that it will lease to the Partnership pursuant to a Ground Lease (herein so called) in order for the Partnership to redevelop, rehabilitate and operate thereon two multi-family residential projects known as "Alexander Oaks Apartments" and "Summit Oaks Apartments" (the "Apartment Complexes").

RESOLVED, that (a) the Partnership is authorized to enter into the Ground Lease with HATC; (b) the General Partner, individually and as the general partner of the Partnership, is authorized to execute and deliver the Ground Lease and any other documents deemed necessary or desirable in order to facilitate the Partnership's execution and performance of its obligations under the Ground Lease; and (c) the Officer (or in his absence, the Director of Real Estate Development or any officer of HATC) is individually authorized, each acting on behalf of HATC, acting 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 any other documents deemed necessary or desirable in order to facilitate the Partnership's execution and performance of its obligations under the Ground Lease, and (ii) do all things necessary or desirable for the Partnership to execute and perform its obligations under the Ground Lease.

2. Debt Financing

WHEREAS, in order to finance the redevelopment and rehabilitation of the Apartment Complexes, the Partnership is obtaining a loan from International Bank of Commerce a Texas state banking corporation in the approximate principal amount not to exceed \$9,000,000 (the "Project Loan"); and

WHEREAS, in conjunction with the Project Loan, the Partnership and/or the General Partner will execute and/or accept delivery of certain documents, including but not limited to a Real Estate Lien Note, Construction Loan Agreement, and a Leasehold Interest Deed of Trust, Assignment of Rents, Security Agreement and Financing Statement, with Joinder of Fee Owner Addendum (collectively, the "Project Loan Documents").

RESOLVED, that (a) the Partnership is authorized to (i) obtain the Project Loan and (ii) execute and deliver the Project Loan Documents; (b) the General Partner, individually and as the general partner of the Partnership, is authorized to execute and deliver the Project Loan Documents; and (c) the Officer or Director of Real Estate Development (or any other officer of HATC) is individually authorized, each acting on behalf of HATC, acting 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 Project Loan Documents 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 Partnership to obtain the Project Loan.

FURTHER RESOLVED, that the actions of the Officer or Director of Real Estate Development (or any other officer of HATC), each acting on behalf of HATC, acting on behalf of the General Partner, acting on its own behalf or as the general partner of the Partnership, pursuant to these resolutions shall be binding on the Partnership and the General Partner, as applicable, when any such document is executed by such person, without the necessity of any attest of such signature by any other person and without the placement of a corporate seal upon any such document.

3. Equity Financing

WHEREAS, 42 Equity Partners or a fund or subsidiary thereof (the "Equity Provider") has agreed to provide equity financing to the Partnership for the redevelopment and rehabilitation of the Apartment Complexes (the "Equity Financing");

WHEREAS, in connection with the Equity Financing, the General Partner will enter into an Amended and Restated Limited Partnership Agreement for the Partnership (the "Partnership Agreement"); and

WHEREAS, the Partnership Agreement calls for the Partnership and/or the General Partner and/or HATC to enter into certain documents associated with the Equity Financing (collectively, with the Partnership Agreement, the "Equity Documents");

RESOLVED, that (a) the Partnership is authorized to execute and deliver the Equity Documents; (b) the General Partner, individually and as the general partner of the Partnership, is authorized to execute and deliver the Equity Documents; and (c) the Officer (or in his absence, the Director of Real Estate Development or any officer of HATC), is individually authorized, each acting on behalf of HATC, acting 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 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 for the Partnership to obtain the Equity Financing.

4. Authorization/Ratification

RESOLVED, that the Officer (or in his absence, the Director of Real Estate Development or any officer of HATC), is individually authorized, each acting on behalf of HATC, acting on behalf of the General Partner, 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 the General Partner, acting on behalf of the Partnership, as such individual 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 Officer (or in his absence, the Director of Real Estate Development or any officer of HATC), each acting on behalf of HATC, acting on behalf of the General Partner, acting on behalf of the Partnership, prior to the date this consent is 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 Commissioners of HATC hereby:

1. Approves Resolution No. HATC-2017-14,
2. Authorizes the Officer (or in his absence, the Director of Real Estate Development or any other officer of HATC) to execute all relevant documents, instruments, agreements, policies, and procedures and to take all actions on behalf of HATC, the General Partner, and the Partnership, contemplated by the foregoing resolutions.

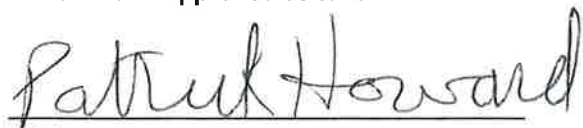
Passed and approved the 26th day of June, 2017.

Housing Authority of Travis County, Texas



John Hernandez, Chair, Board of Commissioners

Attested and approved as to form:



Patrick B. Howard, CEO/Executive Director

HATC Action Item 4A, 4B, and 4C

June 26, 2017

Background Information:

On January 2, 2016 and March 1, 2016, staff filed a pre-application and full application respectively for Low Income Housing Tax Credit for two of HATC public housing properties (Alexander Oaks and Summit Oaks). In July, the application was awarded Low Income Housing Tax Credits in the amount of \$901,883. Subsequent to the award, SEA RAD Oaks (the Development) received and accepted a Letter of Interest from 42 Equity Partners to provide equity together with conventional loan from IBC Bank. After an exhaustive due diligence process, staff is happy to report that we are ready to close the transaction which will provide approximately \$10.3 million dollars to the rehabilitation of the two properties.

Source of Funds	Construction Period	Permanent Period
Debt	\$8,100,000	\$1,120,000
Equity	\$1,230,000	\$8,206,315
Seller's Note	\$1,000,000	\$1,000,000
Totals	\$10,330,000	\$10,326,315

Resolution No. HATC-2017-13: To Authorize the debt financing, equity financing, property acquisition, ground lease and other matters necessary for the Housing Authority of Travis County, Texas to participate in the redevelopment, rehabilitation and operation of *Alexander Oaks* and *Summit Oaks Apartments*, and To Authorize 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. HATC-2017-14: To Authorize SEA RAD, LP (the "Partnership"), to participate in the redevelopment, rehabilitation, and operation of Alexander Oaks and Summit Oaks Apartments including approval of the debt financing, equity financing, ground lease and other matters necessary, and To Authorize 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. HATC-2017-15: To Authorize SEA RAD GP, LLC (the "General Partner"), to participate in the redevelopment, rehabilitation, and operation of Alexander Oaks and Summit Oaks Apartments including approval of the debt financing, equity financing, ground lease and other matters necessary, and To Authorize the execution and delivery of documents and instruments necessary to carry out the contemplated transaction, and to take other actions related to the subject.

Requested Action:

Consideration and appropriate action regarding Resolution No. HATC-2017-13-14-15.

Alternate Option:

The Board of Commissioners could elect to Not to Approve Resolution No. HATC-2017-13-14-15.

Fiscal Impact:

HATC will receive a Seller's Note for the purchase of the property by the Partnership and a Developer Fee for administering the development process.

Attachments:

- A. Resolution No HATC-2017-13
- B. Resolution No HATC-2017-14
- C. Resolution No HATC-2017-15

Prepared by:

Robert Onion, *Director of Real Estate Development*

Approval:



Patrick B. Howard, *CEO/Executive Director*