

HATC Action Item 4C
June 26, 2017

Resolution No. HATC-2017-15: 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.

WHEREAS, Housing Authority of Travis County, Texas ("HATC") is the sole member of SEA RAD GP, LLC, a Texas limited liability company (the "General Partner"), which is the sole general partner of SEA RAD, LP, a Texas limited partnership (the "Partnership"); 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 is the owner of certain real property located in Travis County, Texas (the "Real Property") on which two multifamily residential projects are constructed and operated, known as "Alexander Oaks Apartments" and "Summit Oaks Apartments" (the "Apartment Complexes").

RESOLVED, that (a) HATC 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 Partnership's redevelopment, rehabilitation and operation of the Apartment Complexes; and (b) the Officer or Director of Real Estate Development of HATC (or in the absence of both of them, any other officer of HATC) is individually authorized, each acting on behalf of HATC, 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 Partnership to redevelop, rehabilitate and operate the Apartment Complexes and for HATC and the Partnership to each execute and deliver the Ground Lease.

2. 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, rehabilitation and operation of the Apartment Complexes (the "Equity Financing"); and

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 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) HATC, 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 Officer (or in his absence, the Director of Real Estate Development or any officer of HATC), acting on behalf of HATC, 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 HATC's obligations thereunder.

3. **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.

4. **Service-Related Agreements**

RESOLVED, that (a) HATC is authorized to enter into any service-related agreements and to execute and deliver such agreements; and (b) the Officer (or in his absence, the Director of Real Estate Development or any officer of HATC), acting on behalf of HATC, is hereby individually authorized to (i) cause HATC to execute and deliver such service-related agreements 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 HATC to perform its obligations thereunder.

5. **Authorization/Ratification**

RESOLVED, that the Officer (or in his absence or unavailability, the Director of Real Estate Development or any officer of HATC), acting on behalf of HATC, acting on behalf of the General Partner, or 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 HATC, the General Partner, and/or 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 Officer (or in his absence or unavailability, the Director of Real Estate Development or any officer of HATC), acting on behalf of HATC, acting on behalf of the General Partner, or 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 Commissioners of HATC hereby:

1. Approves Resolution No. HATC-2017-15,
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, the Partnership, and the Landowner contemplated by the foregoing resolutions.

[Signature page follows.]

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*