

WINROCK NORTH PFC

2640 Fountain View Dr., Houston, TX 77057

BOARD OF DIRECTORS MEETING

TUESDAY, March 23, 2021

4:30 p.m.

PURSUANT TO THE MARCH 16, 2020 NOTICE ISSUED BY THE OFFICE OF THE TEXAS ATTORNEY GENERAL AND IN ACCORDANCE WITH APPLICABLE PORTIONS OF THE TEXAS OPEN MEETING ACT, THIS MEETING IS BEING HELD VIA TELEPHONE CONFERENCE

US Toll-free 1-888-475-4499; Local Number 1-346-248-7799; Meeting ID: 841 0640 0732

AGENDA

- I. Call to Order
- II. Roll Call
- III. Election of Board Officers
- IV. New Business
 - a. **Resolution No. WNPFC 21-01:** Consideration to authorize the Interim President & CEO or designee to facilitate the Purchase and Ground Lease of Land for The Standard at Jensen (f.k.a. The Standard at East River)
- V. Adjournment

WINROCK NORTH PFC

2640 FOUNTAIN VIEW DR. • HOUSTON, TEXAS 77057 • (713) 260-0800

REQUEST FOR BOARD AGENDA ITEM

1. Brief Description of Proposed Item

Consideration to authorize the Interim President & CEO or designee to facilitate the Purchase and Ground Lease of Land for The Standard at Jensen (f.k.a. The Standard at East River)

2. Date of Board Meeting: March 23, 2021

3. Proposed Board Resolution:

Resolution:

Authorizing Winrock North PFC to execute any and all documents, or take any other action, that is necessary or desirable to:

- 1. Purchase certain real property located in Houston, Texas (the "Land") on which a new multifamily development will be constructed consisting of affordable housing units and market rate units and associated amenities (the "Project");
- 2. Ground Lease the Land to Jensen Apartments Tenant, LP (the "Partnership") to facilitate the development, construction and operation of the Project by the Partnership, including the placement of affordable housing units and market rate units at the Project; and
- 3. Execute any such further documentation as necessary or desirable, including any financing documentation, to facilitate the operation of the Project. Pursuant to the Memorandum dated March 19, 2021 to Mark Thiele, Secretary.

4. All Backup attached?

Yes No


If no, what is missing and when will it be submitted: _____

5. Statement regarding availability of funds by VP of Fiscal Operations

Funds Budgeted and Available Yes No Source Third Party Funding

6. Approval of President

Account # _____

Signature  Date: March 19, 2021

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MEMORANDUM

TO: WINROCK NORTH PFC (THE "PFC") BOARD
FROM: MARK THIELE, SECRETARY
SUBJECT: CONSIDERATION TO AUTHORIZE THE INTERIM PRESIDENT & CEO OR DESIGNEE TO FACILITATE THE PURCHASE AND GROUND LEASE OF LAND FOR THE STANDARD AT JENSEN (F.K.A. THE STANDARD AT EAST RIVER)
DATE: MARCH 19, 2021

This memorandum is accompanied by a formal resolution drafted by Counsel Representing HHA which states substantially the following.

BACKGROUND

The PFC acknowledges the passing of Board Resolutions on April 21, 2020 which authorize the Jensen North PFC and Jensen South PFC to take certain actions with respect to the development of the Jensen North Apartments and Jensen South Apartments, respectively.

The Jensen North PFC and Jensen South PFC Board Resolutions are no longer representative of the transaction due to the combination of the development of the Jensen North Apartments and Jensen South Apartments into a single-phase to develop the multifamily housing development of at least 435 units comprising the Project, and the PFC desires be available to help facilitate the transaction.

The PFC desires to enter into an assignment of purchase and sale agreement ("Assignment") to acquire the right to purchase the Land. The PFC desires to purchase the Land pursuant to certain assignments, a special warranty deed, and any other documentation required to consummate the acquisition of the Land (the "Acquisition Documents"). The PFC desires to enter into a long-term ground lease with the Partnership, conveying interests in the Land pursuant to the terms of the Ground Lease (the "Ground Lease").

The Partnership plans to construct the Project and operate it as a mixed-income development with no less than 51% of the units intended for rental to persons of low and moderate income, including approximately 85 of the units which will be Section 8 project-based voucher units restricted pursuant to a HAP Contract, and other documents required by the United States Department of Housing and Urban Development ("HUD") and by the Houston Housing Authority ("HHA") (collectively, the "Affordable Housing Documents").

In connection with the financing of the Project, the Partnership will borrow a loan in the approximate amount of \$12,000,000 (the "Loan") from Regions Bank ("Lender"), pursuant to a loan agreement and evidenced by a promissory note and secured by a deed of trust recorded against the Land (collectively with all other documents contemplated thereby and necessary to evidence the Loan, the "Mortgage Loan Documents").

APPROVALS

The PFC is hereby authorized to execute and deliver all such documents, instruments and other writings of every nature whatsoever as the PFC, in its reasonable judgment, deems necessary to purchase the Land, lease the Land to the Partnership, and otherwise assist and facilitate the development, construction and operation of the Project by the Partnership, including, without limitation, (i) the Acquisition Documents; (ii) the Ground Lease; (iii) Affordable Housing Documents that require execution by the PFC; (iv) Mortgage Loan Documents that require execution by the PFC, including without limitation a subordination agreement subordinating PFC's rights under the Ground Lease to the Lender's rights under the Mortgage Loan Documents; and (v) such other and further documents, leases, instruments, resolutions and other writings of every nature whatsoever as the PFC deems necessary to consummate the transactions contemplated herein, or as may be required by the Lender, HUD, HHA, or the Partnership.

All of the documents, instruments, or other writings executed by PFC in consummation of the transactions herein described (collectively and together with the Acquisition Documents, the Ground Lease, the Affordable Housing Documents, and the Mortgage Loan Documents, the "Transaction Documents") shall be in form and substance approved by the Executing Officer (as such term is hereinafter defined), both individually and in a representative capacity as identified in these resolutions, his/her approval of each such instrument to be conclusively evidenced by his execution thereof.

The PFC is to review, execute and approve all other documents necessary to effectuate the foregoing transactions, all on such terms and containing such provisions as the Executing Officer shall deem appropriate, subject to any applicable required governmental or third-party approvals, and the approval of the terms of each such instrument herein described by the Executing Officer shall be conclusively evidenced by his/her execution and delivery thereof.

Any officer of PFC (each an "Executing Officer"), acting alone without the joinder of any other officer, is hereby authorized and directed for and on behalf, and as the act and deed of PFC, to execute and deliver all other documents and other writings of every nature whatsoever in connection with the operation and financing of the Project, including but not limited to, the Transaction Documents, as the Executing Officer deems necessary in order to carry into effect the intent and purposes of these resolutions, and any other instruments approved by the Executing Officer (acting individually or in a representative capacity as identified in these resolutions), executing same, his/her approval of each such instrument to be conclusively evidenced by his/her execution thereof, and to take such other action in the consummation of the transactions herein contemplated as the Executing Officer acting shall deem to be necessary or advisable, without the necessity of attestation by the secretary or other officer or director, and any and all acts heretofore taken by the Executing Officer to such end are hereby expressly ratified and confirmed as the acts and deeds of PFC, effective as of the date such action was taken.

Action by any of any of the officers of PFC, and any person or persons designated and authorized so to act by any such officer or manager, to do and perform, or cause to be done and performed, in the name and on behalf of PFC, or the execution and delivery, or causing to be executed and delivered, such other security agreements, financing statements, notices, requests, demands, directions, consents, approvals, waivers, acceptances, appointments, applications, certificates,

agreements, supplements, amendments, further assurances or other instruments or communications, in the name and on behalf of PFC or otherwise, as they, or any of them, may deem to be necessary or advisable in order to carry into effect the intent of the foregoing resolutions or to comply with the requirements of the instruments approved or authorized by the foregoing resolutions is hereby approved, ratified and confirmed.

RECOMMENDATION

Accordingly, I recommend that the Board approve the attached formal resolution and the following:

Resolution:

Authorizing Winrock North PFC to execute any and all documents, or take any other action, that is necessary or desirable to:

1. Purchase certain real property located in Houston, Texas (the "Land") on which a new multifamily development will be constructed consisting of affordable housing units and market rate units and associated amenities (the "Project");
2. Ground Lease the Land to Jensen Apartments Tenant, LP (the "Partnership") to facilitate the development, construction and operation of the Project by the Partnership, including the placement of affordable housing units and market rate units at the Project; and
3. Execute any such further documentation as necessary or desirable, including any financing documentation, to facilitate the operation of the Project. Pursuant to the Memorandum dated March 19, 2021 to Mark Thiele, Secretary.

**CERTIFICATE AS TO
RESOLUTIONS AND INCUMBENCY
(WINROCK NORTH PFC)**

I certify that I am the duly qualified and acting secretary of Winrock North PFC, a Texas nonprofit public facility corporation ("PFC"), and as follows:

1. Attached hereto as Exhibit A is a true and complete copy of a resolution adopted by PFC pertaining to The Standard at Jensen. The resolution has not been amended or modified in any manner and remains in full force and effect as of the date hereof.

2. I further certify that the following individuals are officers of PFC, authorized to act on behalf of PFC:

<u>NAME</u>	<u>TITLE</u>
LaRence Snowden	President
_____	Vice-President
Mark Thiele	Secretary
Mark Thiele	Treasurer

IN WITNESS WHEREOF, I have hereunto set my hand as of _____, 2021.

By: _____
Mark Thiele
Secretary

RESOLUTION NO. WNPFC 21-01

Resolution of the Board of Directors of Winrock North PFC (“PFC”) authorizing PFC to execute any and all documents, or take any other action, that is necessary or desirable to:

- 1. Purchase certain real property located in Houston, Texas (the “Land”) on which a new multifamily development will be constructed consisting of affordable housing units and market rate units and associated amenities (the “Project”);**
- 2. Ground Lease the Land to Jensen Apartments Tenant, LP (the “Partnership”) to facilitate the development, construction and operation of the Project by the Partnership, including the placement of affordable housing units and market rate units at the Project; and**
- 3. Execute any such further documentation as necessary or desirable, including any financing documentation, to facilitate the operation of the Project.**

WHEREAS, the PFC acknowledges the passing of Board Resolutions on April 21, 2020 which authorize the Jensen North PFC and Jensen South PFC to take certain actions with respect to the development of the Jensen North Apartments and Jensen South Apartments, respectively;

WHEREAS, the Jensen North PFC and Jensen South PFC Board Resolutions are no longer representative of the transaction due to the combination of the development of the Jensen North Apartments and Jensen South Apartments into a single-phase to develop the multifamily housing development of at least 435 units comprising the Project, and the PFC desires be available to help facilitate the transaction;

WHEREAS, the PFC desires to enter into an assignment of purchase and sale agreement (“Assignment”) to acquire the right to purchase the Land;

WHEREAS, the PFC desires to purchase the Land pursuant to certain assignments, a special warranty deed, and any other documentation required to consummate the acquisition of the Land (the “Acquisition Documents”);

WHEREAS, the PFC desires to enter into a long-term ground lease with the Partnership, conveying interests in the Land pursuant to the terms of the Ground Lease (the “Ground Lease”);

WHEREAS, the Partnership plans to construct the Project and operate it as a mixed-income development with no less than 51% of the units intended for rental to persons of

low and moderate income, including approximately 85 of the units which will be Section 8 project-based voucher units restricted pursuant to a HAP Contract, and other documents required by the United States Department of Housing and Urban Development ("HUD") and by the Houston Housing Authority ("HHA") (collectively, the "Affordable Housing Documents");

WHEREAS, in connection with the financing of the Project, the Partnership will borrow a loan in the approximate amount of \$12,000,000 from Regions Bank ("Lender") pursuant to a loan agreement and evidenced by a promissory note and secured by a deed of trust recorded against the Land (collectively with all other documents contemplated thereby and necessary to evidence the Loan, the "Mortgage Loan Documents");

NOW, BE IT RESOLVED, that the PFC is hereby authorized to execute and deliver all such documents, instruments and other writings of every nature whatsoever, if any, as the PFC, in its reasonable judgment, deems necessary to purchase the Land, lease the Land to the Partnership, and otherwise assist and facilitate the development, construction and operation of the Project by the Partnership, including, without limitation, (i) the Acquisition Documents; (ii) the Ground Lease; (iii) Affordable Housing Documents that require execution by the PFC; (iv) Mortgage Loan Documents that require execution by the PFC, including without limitation a subordination agreement subordinating PFC's rights under the Ground Lease to the Lender's rights under the Mortgage Loan Documents; and (v) such other and further documents, leases, instruments, resolutions and other writings of every nature whatsoever as the PFC deems necessary to consummate the transactions contemplated herein, or as may be required by the Lender, HUD, HHA, or the Partnership; and it is further

RESOLVED, that all of the documents, instruments, or other writings executed by PFC in consummation of the transactions herein described (collectively and together with the Acquisition Documents, the Ground Lease, the Affordable Housing Documents, and the Mortgage Loan Documents, the "Transaction Documents") shall be in form and substance approved by the Executing Officer (as such term is hereinafter defined), both individually and in a representative capacity as identified in these resolutions, his/her approval of each such instrument to be conclusively evidenced by his execution thereof; and it is further

RESOLVED, that PFC review, execute and approve all other documents necessary to effectuate the foregoing transactions, all on such terms and containing such provisions as the Executing Officer shall deem appropriate, subject to any applicable required governmental or third-party approvals, and the approval of the terms of each such instrument herein described by the Executing Officer shall be conclusively evidenced by his/her execution and delivery thereof; and it is further

RESOLVED, that any officer of PFC (each an "Executing Officer"), acting alone without the joinder of any other officer, is hereby authorized and directed for and on behalf, and as the act and deed of PFC, to execute and deliver all other documents and other writings of every nature whatsoever in connection with the operation and financing of the Project, including but not limited to, the Transaction Documents, as the Executing Officer

deems necessary in order to carry into effect the intent and purposes of these resolutions, and any other instruments approved by the Executing Officer (acting individually or in a representative capacity as identified in these resolutions), executing same, his/her approval of each such instrument to be conclusively evidenced by his/her execution thereof, and to take such other action in the consummation of the transactions herein contemplated as the Executing Officer acting shall deem to be necessary or advisable, without the necessity of attestation by the secretary or other officer or director, and any and all acts heretofore taken by the Executing Officer to such end are hereby expressly ratified and confirmed as the acts and deeds of PFC, effective as of the date such action was taken; and it is further

RESOLVED, that action by any of any of the officers of PFC, and any person or persons designated and authorized so to act by any such officer or manager, to do and perform, or cause to be done and performed, in the name and on behalf of PFC, or the execution and delivery, or causing to be executed and delivered, such other security agreements, financing statements, notices, requests, demands, directions, consents, approvals, waivers, acceptances, appointments, applications, certificates, agreements, supplements, amendments, further assurances or other instruments or communications, in the name and on behalf of PFC or otherwise, as they, or any of them, may deem to be necessary or advisable in order to carry into effect the intent of the foregoing resolutions or to comply with the requirements of the instruments approved or authorized by the foregoing resolutions is hereby approved, ratified and confirmed; and it is further

RESOLVED, that the Board of Directors finds the actions authorized by these resolutions may reasonably be expected to directly or indirectly benefit PFC.