

# LAKESIDE PLACE PFC

2640 Fountain View Drive ♦ Houston, Texas 77057

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## BOARD OF DIRECTORS MEETING

TUESDAY, JULY 19, 2022

3:30 pm **OR UPON ADJOURNMENT OF THE HOUSTON HOUSING  
AUTHORITY BOARD MEETING**

Houston Housing Authority Central Office  
2640 Fountain View Drive, Houston TX 77057

### AGENDA

- I. Call to Order
- II. Roll Call
- III. Approval of the June 14, 2022 Meeting Minutes
- IV. New Business

**Resolution No. LPPFC 22-27:** Bond Inducement for Brookside Gardens Apartments

**Resolution No. LPPFC 22-28:** Authorizing Lakeside Place PFC's acquisition and lease of that certain property to be known as the "Warehouse District Phase II," to be located at or about 813 McKee Street, 850 McKee Street, 805 Hardy Street ("805 Hardy"), 902 Hardy Street, 1702 Nance Street ("1702 Nance"), and that certain 0.37-acre parcel with frontage on Old Hardy Road, east of Hardy Street, located between and running perpendicular to Nance St. and Sterrett St., and adjacent to each of 805 Hardy and 1702 Nance, Houston, TX 77020, and the execution of all required documents therefor

**Resolution No. LPPFC 22-29:** Authorizing Lakeside Place PFC's acquisition and lease of that certain property to be known as the "CoOp at EaDo," to be located at or about 3122 Leeland Street, Houston, Texas, 77003, and the execution of all required documents therefor.

**Resolution No. LPPFC 22-30:** Authorizing Lakeside Place PFC's acquisition and lease of that certain property to be known as the "Waterworks Highline Phase II," to be located at or about 2101 N. Shepherd, Houston, Texas, 77008, and the execution of all required documents therefor.

- V. Adjournment

**LAKESIDE PLACE PFC**  
**2640 Fountain View Drive ♦ Houston, Texas 77057**

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**MINUTES OF THE  
LAKESIDE PLACE PFC  
BOARD OF DIRECTORS MEETING  
TUESDAY, June 14, 2022**

A meeting of the Board of Directors ("Board") of HHA Lakeside Place Public Facility Corporation was held on Tuesday, June 14, 2022 at the Clayton Homes, 1919 Runnels, Houston, TX 77003

Director Snowden called the meeting to order at 4:17 p.m. Secretary Northern called the roll and Director Snowden declared a quorum present.

Present:           LaRence Snowden, Director (Chair)  
                      Kristy Kirkendoll, Director  
                      Kris Thomas, Director  
                      Stephanie A.G. Ballard, Director  
                      Andrea Hilliard Cooksey, Director  
                      David A. Northern, Sr., Secretary

Absent:            Dr. Max A. Miller, Jr., Director  
                      Guillermo "Will" Hernandez, Director

**APPROVAL OF MINUTES**

Director Snowden stated the Board has had an opportunity to review the May 17, 2022 Board of Directors meeting minutes. He asked for a motion to adopt the May 17, 2022 meeting minutes.

Director Cooksey moved to adopt the minutes for the May 17, 2022 Board of Directors meeting. Director Kirkendoll seconded the motion.

Director Snowden asked if there is any discussion or objection to the May 17, 2022 Board of Directors meeting minutes. Having none, the minutes are adopted.

Director Snowden said we will now move into our new business.

**NEW BUSINESS**

**Resolution LPPFC 22-22: Authorizing Lakeside Place PFC's acquisition and lease of that certain improved property known as the "Pearl Greenway Apartments", located at 3788 Richmond Avenue, Houston, Texas 77046, and the execution of all required documents therefor.**

Director Snowden asked for a motion to adopt Resolution No. LPPFC 22-22.

Director Kirkendoll moved to adopt Resolution No. LPPFC 22-22. Director Thomas seconded the motion.

Director Snowden asked if there is any discussion or objection to Resolution No. LPPFC 22-22. Having none, Resolution No. LPPFC 22-22 is adopted.

**Resolution LPPFC 22-23: Authorizing Lakeside Place PFC's acquisition and lease of that certain property to be known as the "Caroline at Memorial", to be located at or about 15635 Memorial Dr., Houston, Texas 77079, and the execution of all required documents therefor.**

Director Snowden asked for a motion to adopt Resolution No. LPPFC 22-23.

Director Ballard moved to adopt Resolution No. LPPFC 22-23. Director Kirkendoll seconded the motion.

Director Snowden asked if there is any discussion or objection to Resolution No. LPPFC 22-23. Having none, Resolution No. LPPFC 22-23 is adopted.

**Resolution LPPFC 22-24: Authorizing Lakeside Place PFC's acquisition and lease of that certain improved property known as the "Prose South Main", located at 12111 Main St., Houston, Texas, 77035, and the execution of all required documents therefor.**

President Snowden stated, at this time I would like to ask for a motion to TABLE Resolution No. LPPFC 22-24.

Director Ballard moved to TABLE Resolution No. LPPFC 22-24. Director Thomas seconded the motion.

President Snowden asked if there is any discussion or objection to TABLE Resolution No. LPPFC 22-24. Having none, Resolution No. LPPFC 22-24 has been TABLED.

**Resolution LPPFC 22-25: Authorizing Lakeside Place PFC's acquisition and lease of that certain improved property known as the "Metro Midtown", located at 2350 Bagby Street, Houston, Texas, 77006, and the execution of all required documents therefor.**

Director Snowden asked for a motion to adopt Resolution No. LPPFC 22-25.

Director Cooksey moved to adopt Resolution No. LPPFC 22-25. Director Thomas seconded the motion.

Director Snowden asked if there is any discussion or objection to Resolution No. LPPFC 22-25. Having none, Resolution No. LPPFC 22-25 is adopted.

## **ADJOURNMENT**

Director Snowden declared the meeting adjourned at 4:21p.m.

**LAKESIDE PLACE PFC**  
**2640 FOUNTAIN VIEW DR. ♦ HOUSTON, TEXAS 77057**

**REQUEST FOR BOARD AGENDA ITEM**

- 1. Brief Description of Proposed Item – Bond Inducement for Brookside Gardens Apartments**
- 2. Date of Board Meeting:** July 19, 2022
- 3. Proposed Board Resolution:**

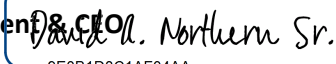
**Resolution:** Declaring the intent to issue bonds to provide financing for a multifamily residential rental development for persons of low income (Brookside Gardens Apartments); Prescribing certain terms and conditions of such bonds; Authorizing the filing of an application for allocation of private activity bonds with the Texas Bond Review Board, and containing other provisions relating to the subject

**4. Department Head Approval**    Signature \_\_\_\_\_ Date: \_\_\_\_\_

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

Funds Budgeted and Available  Yes  No    Source Third Party

**6. Approval of President & CEO**

DocuSigned by:  
  
 9E0B1D8C1AF04AA...  
 Signature \_\_\_\_\_

7/13/2022

Date: \_\_\_\_\_

# LAKESIDE PLACE PFC

## 2640 FOUNTAIN VIEW DR. ♦ HOUSTON, TEXAS 77057

### MEMORANDUM

**TO:** LAKESIDE PLACE PFC BOARD OF DIRECTORS  
**FROM:** DAVID A. NORTHERN SR., PRESIDENT & CEO  
**SUBJECT:** BOND INDUCEMENT FOR BROOKSIDE GARDENS APARTMENTS  
**DATE:** JULY 9, 2022

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

#### **BACKGROUND:**

The Board of Commissioners of the Houston Housing Authority (the "Unit") has, pursuant to the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the "Act"), approved and created the Lakeside Place PFC, a Texas nonprofit public facility corporation (the "Issuer")

The Issuer, on behalf of the Unit, is empowered to issue bonds to finance, refinance, or provide one or more public facilities, as such term is defined in the Act, which projects will be within the Issuer's jurisdiction.

Brookside Gardens Apartments, LLC, a Texas limited liability company or such other limited liability company as the managing member designates (the "User"), has requested that the Issuer finance the acquisition and rehabilitation of an affordable multifamily housing project consisting of approximately 240 units located approximately at the corner of Scott St. and South Sam Houston Parkway East, Houston, Harris County, Texas 77047, and commonly known as the Brookside Gardens Apartments (the "Project"), and further that the Issuer adopts this Resolution with respect to the proposed development, renovation, rehabilitation, and installation of the Project.

The User has advised the Issuer that a contributing factor that would further induce the User to proceed with providing for the development of the Project would be an agreement by the Issuer to issue revenue bonds pursuant to the Act (the "Bonds") to finance and pay for the Project.

In view of a shortage of decent, safe, and sanitary housing for persons and families of low income at prices or rentals that they can afford, it is considered essential that the development of the Project be completed at the earliest practicable date but at the same time, the User wishes to begin construction of the Project after satisfactory assurances from the Issuer, subject to the conditions set forth herein, that the proceeds of the sale of the Bonds, or other obligations, of the Issuer in an amount necessary to pay the costs of the Project will be made available to finance the Project.

The Issuer finds, intends, and declares that this Resolution shall constitute its official action, subject to the conditions set forth herein, to issue Bonds or other obligations pursuant to the Act in an amount prescribed by the User not to exceed the maximum aggregate principal amount up to \$37,500,000 and to expend the proceeds thereof to renovate, rehabilitate, develop, and equip the Project and to pay all expenses and costs of the Issuer in connection with the issuance of the Bonds.

In order to finance and pay for the Project through the issuance of revenue bonds, the interest on which is excludable from the gross income of the holders thereof under the Internal Revenue Code of 1986, as amended (the "Code"), the Issuer must submit an Application for Allocation of Private Activity Bonds (the "Application") to the Texas Bond Review Board (the "TBRB") for a reservation of state ceiling available to "private activity bonds" (as defined in the Code) for a calendar year.

**RECOMMENDATION**

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

**Resolution:** Declaring intent to issue bonds to provide financing for a multifamily residential rental development for persons of low income (Brookside Gardens Apartments); Prescribing certain terms and conditions of such bonds; Authorizing the filing of an application for allocation of private activity bonds with the Texas Bond Review Board, and containing other provisions relating to the subject.

Lakeside Place PFC

RESOLUTION NO. **LPPFC** 22-27

RESOLUTION DECLARING INTENT TO ISSUE BONDS TO PROVIDE FINANCING FOR A MULTIFAMILY RESIDENTIAL RENTAL DEVELOPMENT FOR PERSONS OF LOW INCOME (BROOKSIDE GARDENS APARTMENTS); PRESCRIBING CERTAIN TERMS AND CONDITIONS OF SUCH BONDS; AUTHORIZING THE FILING OF AN APPLICATION FOR ALLOCATION OF PRIVATE ACTIVITY BONDS WITH THE TEXAS BOND REVIEW BOARD; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT.

WHEREAS, the Board of Commissioners of the Houston Housing Authority (the "Unit") has, pursuant to the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the "Act"), approved and created the Lakeside Place PFC, a Texas nonprofit public facility corporation (the "Issuer")

WHEREAS, the Issuer, on behalf of the Unit is empowered to issue bonds to finance, refinance, or provide one or more public facilities, as such term is defined in the Act, which projects will be within the Issuer's jurisdiction;

WHEREAS, Brookside Gardens Apartments, LLC, a Texas limited liability company or such other limited liability company as the managing member designates (the "User") has requested that the Issuer finance the acquisition and substantial rehabilitation of a low-income multifamily housing project consisting of approximately 240 units located approximately at the corner of Scott St. and South Sam Houston Parkway East, Houston, Harris County, Texas 77047, and commonly known as the Brookside Gardens Apartments (the "Project"), and further that the Issuer adopt this Resolution with respect to the proposed development, renovation, rehabilitation, and installation of the Project.

WHEREAS, the User has advised the Issuer that a contributing factor which would further induce the User to proceed with providing for the development of the Project would be an agreement by the Issuer to issue revenue bonds pursuant to the Act (the "Bonds") to finance and pay for the Project;

WHEREAS, in view of a shortage of decent, safe, and sanitary housing for persons and families of low income at prices or rentals that they can afford, it is considered essential that construction of the Project be completed at the earliest practicable date, but at the same time, the User wishes to begin construction of the Project after satisfactory assurances from the Issuer, subject to the conditions set forth herein, that the proceeds of the sale of the Bonds, or other obligations, of the Issuer in an amount necessary to pay the costs of the Project will be made available to finance the Project;

WHEREAS, the Issuer finds, intends, and declares that this Resolution shall constitute its official action, subject to the conditions set forth herein, to issue Bonds, or other obligations, pursuant to the Act in an amount prescribed by the User not to exceed the maximum aggregate principal amount up to \$37,500,000 and to expend the proceeds thereof to develop the Project and to pay all expenses and costs of the Issuer in connection with the issuance of the Bonds; and

WHEREAS, in order to finance and pay for the Project through the issuance of revenue bonds, the interest on which is excludable from the gross income of the holders thereof under the Internal Revenue Code of 1986, as amended (the "Code"), the Issuer must submit an Application for Allocation of Private Activity Bonds (the "Application") to the Texas Bond Review Board (the

"TBRB") for a reservation of state ceiling available to "private activity bonds" (as defined in the Code) for a calendar year;

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ISSUER THAT:

Section 1. Subject to the terms hereof, the Issuer agrees that it will:

(a) Issue the Bonds and, if the User and the Issuer agree, other evidences of indebtedness providing temporary financing of the Project which will be issued after the date hereof and be refunded by the Bonds pursuant to the Act, or any other Texas legislation heretofore or hereafter enacted which may provide a suitable method of financing in addition to or in substitution for the Act.

(b) Cooperate with the User with respect to the issuance of the Bonds, and, if arrangements therefor satisfactory to the User and the Issuer can be made, the Issuer will take such action and authorize the execution of such documents and will take such further action as may be necessary or advisable for the authorization, execution, and delivery of any contracts or agreements deemed necessary or desirable by the User or the Issuer in connection with the issuance of the Bonds (collectively, the "Contracts"), providing among other things for payment of the principal of, interest on, redemption premiums, paying agents' charges, and Trustee's fees, if any, on the Bonds; payment of fees and charges of the Issuer or the Unit; development of the Project or reimbursement of Project costs; and use, operation, and maintenance of the Project (and the execution of any appropriate and necessary guaranty agreements), all as shall be authorized, required, or permitted by law and as shall be mutually satisfactory to the Issuer, the Unit, and the User. The Issuer reasonably expects to reimburse the User for all or a portion of the costs ("Costs of the Project") that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the development of the property comprising the Project from the proceeds of the Bonds in an amount which is reasonably estimated to be sufficient: (a) to fund a loan to provide financing for the construction, equipping, and furnishing of the Project and costs incidental thereto, including reimbursing the User for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the construction of the Project; (b) to fund certain reserves for the benefit of the holders of the Bonds; and (c) to pay certain costs incurred in connection with the issuance of the Bonds.

(c) If the proceeds from the sale of the Bonds are insufficient, take such actions and execute such documents as may be necessary to permit the issuance from time to time in the future of additional bonds on terms which shall be set forth therein, whether on a parity with other series of bonds or otherwise, for the purpose of paying the costs of completing the development of the Project, as requested by the User and within then applicable limitations.

(d) Take or cause to be taken such other actions as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

The Bonds shall specifically provide that neither the State of Texas, the Unit, nor any political issuer, subdivision, or agency of the State of Texas shall be obligated to pay the same or the interest thereon and that neither the faith and credit nor the taxing power of the State of Texas, the Unit, or any political issuer, subdivision, or agency thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

The obligation of the Issuer to issue the Bonds is specifically subject to satisfaction of each of the following conditions:



- (i) The receipt of a ruling from the Internal Revenue Service or an opinion from nationally recognized bond counsel, substantially to the effect that the interest on the Bonds is excludable from gross income tax purposes under existing law;
- (ii) Approval of the Bonds by all other governmental agencies required to approve the Bonds including, but not limited to, approval of the Bonds by the Mayor of the City of Houston, Texas, the Attorney General of the State of Texas, and any other applicable governmental authority; and
- (iii) Any other conditions reasonably imposed by the Issuer and/or the Unit.

Section 2. The Issuer hereby authorizes the submission of an Application to the TBRB for a reservation of the state ceiling for "private activity bonds" for program year 2023 (or other available bond funds administered by the TBRB) and each subsequent calendar year at the User's request to finance the Project. Any officer of the Issuer is hereby authorized to execute and submit an Application to the TBRB in such form as may be approved by the TBRB for such purpose.

Section 3. It is understood by the Issuer and the Unit, and the User has represented to the Issuer, that in consideration of this Resolution and by filing the Application, and subject to the terms and conditions hereof, the User has agreed that:

- (a) Prior to or contemporaneously with the sale of the Bonds in one or more series or issues from time to time as the Issuer and the User shall hereafter agree to in writing, the User will enter into the Contracts with the Issuer under the terms of which the User will obligate itself to pay to the Issuer (or to a Trustee, as the case may be) sums sufficient in the aggregate to pay the principal of, interest on, redemption premiums, paying agents' fees, and Trustee's fees, if any, on the Bonds, as and when the same become due and payable, with such contract to contain the provisions described in Section 1 hereof and such other provisions as may be required or permitted by law and to be mutually acceptable to the Issuer and the User.
- (b) The User will (1) pay all Project costs which are not or cannot be paid or reimbursed from the proceeds of the Bonds and (2) at all times, indemnify and hold harmless the Issuer against all losses, costs, damages, expenses, and liabilities of whatsoever nature (including but not limited to attorneys' fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of, or related to the issuance, offering, sale, or delivery of the Bonds, or the design, construction, installation, operation, use, occupancy, maintenance, or ownership of the Project.
- (c) The User will provide to the Issuer all information required to be submitted to the TBRB and any other governmental agencies for approval of the Project or the Bonds and will execute all necessary documents in connection therewith.

Section 4. The Issuer finds, determines, recites, and declares that the issuance of the Bonds to provide financing for the Project will promote the public purposes set forth in Section 303 of the Act, including, without limitation, assisting persons of low income to obtain decent, safe and sanitary housing at rentals they can afford.

Section 5. Neither the User nor any other party is entitled to rely on this Resolution as a commitment to loan funds, and the Issuer reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Issuer shall not be subject to any liability or damages of any nature. Neither the User nor any one claiming by, through, or under the User, nor any investment banking firm or potential purchaser of the Bonds shall have any claim against the Issuer whatsoever as a result of any decision by the Issuer not to issue the Bonds.

Section 6. It is understood by the Issuer that all commitments of the Issuer and the User with respect to the Project and the Bonds are subject to the condition that the Bonds shall have been issued no later than three years from the date of this Resolution, or such other date as shall be mutually satisfactory to the Issuer and the User.

Section 7. It is recognized and agreed by the Issuer that the User may exercise its rights and perform its obligations with respect to the financing of the Project either through (i) itself in its own name; (ii) any of its wholly-owned subsidiaries; (iii) any "related person" as defined in Section 144(a)(3) of the Code; or (iv) any legal successor thereto, respectively, subject to approval of the Issuer's bond counsel and, provided that suitable guaranties necessary or convenient for the marketability of the Bonds shall be furnished, if required by the Issuer, and all references to the User shall be deemed to include the User acting directly through itself or any such approved entities.

Section 8. The adoption of this Resolution, as requested by the User, shall be deemed to constitute the acceptance of the User's proposal that it be further induced to proceed with providing the Project and this Resolution shall constitute an agreement between the Issuer and the User effective on the date that this Resolution is adopted, and this Resolution is affirmative of official action taken by the Issuer towards the issuance of the Bonds within the meaning of Sections 1.1038(a)(5)(i) and (ii) and 1.150-2, Title 26, Code of Federal Regulations, as amended, and applicable rulings of the Internal Revenue Service thereunder, to the end that the Bonds issued to reimburse Costs of the Project may qualify for the exemption provisions of Section 142(a)(7) of the Code and that the interest on the Bonds will therefore be excludable from the gross incomes of the holders thereof under the provisions of Section 103(a)(1) of the Code.

Section 9. The Issuer hereby authorizes the filing and any resubmission of an Application with the TBRB, and that Coats Rose, P.C. be designated as the authorized representative of the Issuer for purposes of an Application and that any officer of the Issuer is hereby authorized and directed to execute an Application on behalf of the Issuer and to take any and all other actions related to such Application or necessary or desirable to carry out the provisions of this Resolution.

Section 10. Notwithstanding any other provision of this Resolution, the officers of the Issuer are each hereby authorized to make or approve such revisions to this Resolution and in the form of the documents hereby approved, in the opinion of Bond Counsel, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution; and approval of such changes by the Issuer shall be indicated by such officers' execution of the documents.

PASSED AND APPROVED this 19<sup>th</sup> day of July, 2022.

\_\_\_\_\_  
CHAIR

ATTEST:

\_\_\_\_\_  
Secretary

# LAKESIDE PLACE PFC

## 2640 FOUNTAIN VIEW DR. ♦ HOUSTON, TEXAS 77057

**REQUEST FOR BOARD AGENDA ITEM**

**1. Brief Description of Proposed Item** – Authorizing Lakeside Place PFC's acquisition and lease of that certain property to be known as the "Warehouse District Phase II," to be located at or about 813 McKee Street, 850 McKee Street, 805 Hardy Street ("805 Hardy"), 902 Hardy Street, 1702 Nance Street ("1702 Nance"), and that certain 0.37-acre parcel with frontage on Old Hardy Road, east of Hardy Street, located between and running perpendicular to Nance St. and Sterrett St., and adjacent to each of 805 Hardy and 1702 Nance, Houston, TX 77020, and the execution of all required documents therefor.

**2. Date of Board Meeting:** July 19, 2022

**3. Proposed Board Resolution:**

**Resolution:** That the Board of Directors of the Lakeside Place PFC authorizes the PFC to execute any and all documents or take any other action that is necessary or desirable to:

1. Purchase certain real property located at or about 813 McKee Street, 850 McKee Street, 805 Hardy Street ("805 Hardy"), 902 Hardy Street, 1702 Nance Street ("1702 Nance"), and that certain 0.37-acre parcel with frontage on Old Hardy Road, east of Hardy Street, located between and running perpendicular to Nance St. and Sterrett St., and adjacent to each of 805 Hardy and 1702 Nance, Houston, TX 77020 on which a 185-unit residential apartment development to be known as Warehouse District Phase II will be constructed;
2. Lease the Land to DTC Warehouse District Phase II, LLC, a Delaware limited liability company (the "Owner"), to facilitate the development and operation of the Project by the Owner, including the placement of affordable housing units at the Project; and
3. Execute any such further documentation as necessary or desirable, including any financing documentation, to facilitate the development and operation of the Project.

**4. Department Head Approval**    Signature \_\_\_\_\_ Date: \_\_\_\_\_

**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 & CEO**    Signed by: 7/13/2022  
 \_\_\_\_\_ Date: \_\_\_\_\_  
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# LAKESIDE PLACE PFC

## 2640 FOUNTAIN VIEW DR. ♦ HOUSTON, TEXAS 77057

### MEMORANDUM

**TO:** LAKESIDE PLACE PFC BOARD OF DIRECTORS  
**FROM:** DAVID A. NORTHERN, SR., SECRETARY  
**SUBJECT:** AUTHORIZING LAKESIDE PLACE PFC'S ACQUISITION AND LEASE OF THAT CERTAIN PROPERTY TO BE KNOWN AS THE "WAREHOUSE DISTRICT PHASE II, " TO BE LOCATED AT OR ABOUT 813 MCKEE STREET, 850 MCKEE STREET, 805 HARDY STREET ("805 HARDY"), 902 HARDY STREET, 1702 NANCE STREET ("1702 NANCE"), AND THAT CERTAIN 0.37 ACRE PARCEL WITH FRONTAGE ON OLD HARDY ROAD, EAST OF HARDY STREET, LOCATED BETWEEN AND RUNNING PERPENDICULAR TO NANCE ST. AND STERRETT ST., AND ADJACENT TO EACH OF 805 HARDY AND 1702 NANCE, HOUSTON, TX 77020, AND THE EXECUTION OF ALL REQUIRED DOCUMENTS THEREFOR.  
**DATE:** JULY 9, 2022

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This memorandum recommends that the Lakeside Place PFC ("**PFC**") Board of Directors authorize PFC to execute any and all documents or take any other action that is necessary or desirable to:

1. Purchase certain real property located at or about 813 McKee Street, 850 McKee Street, 805 Hardy Street ("805 Hardy"), 902 Hardy Street, 1702 Nance Street ("1702 Nance"), and that certain 0.37-acre parcel with frontage on Old Hardy Road, east of Hardy Street, located between and running perpendicular to Nance St. and Sterrett St., and adjacent to each of 805 Hardy and 1702 Nance, Houston, TX 77020 (the "**Land**") on which a 185-unit residential apartment development to be known as Warehouse District Phase II (the "**Project**") will be constructed;
2. Lease the Land to DTC Warehouse District Phase II, LLC, a Delaware limited liability company (the "**Owner**"), to facilitate the development and operation of the Project by the Owner, including the placement of affordable housing units at the Project; and
3. Execute any such further documentation as necessary or desirable, including any financing documentation, to facilitate the development and operation of the Project.

#### **BACKGROUND:**

An affiliate of the PFC (the "**APV Member**") serves as a special member of the Owner.

The PFC desires to purchase the Land pursuant to certain assignments, a deed from the seller, and any other documentation required to consummate the acquisition of the Land (the "**Acquisition Documents**").

The PFC desires to enter into a long-term lease agreement with the Owner, conveying interests in the Land pursuant to the terms of the Lease Agreement (the "**Lease Agreement**").

The Owner plans to own and operate the Project such that no less than 50% of the units in the Project are reserved for or occupied by individuals or families earning less than 80% of area median income.

The PFC desires to enter into a Regulatory Agreement with the Owner providing that no less than 50% of the units in the Project are reserved for or occupied by individuals or families earning less than 80% of the area median income ("**Regulatory Agreement**").

In connection with the financing of the Project, the Owner will borrow a loan in an aggregate principal amount not to exceed \$27,864,900 (the "**Loan**") from UMB Bank, N.A. ("**Lender**"), pursuant to a loan agreement and evidenced by a promissory note and secured by a deed of trust recorded against the Owner's leasehold interest in the Project (collectively with all other documents contemplated thereby and necessary to evidence the Loan, the "**Loan Documents**").

#### **APPROVALS:**

The Board of Directors of PFC (the "**PFC Board**") authorizes the PFC 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 and lease it to the Owner, and otherwise assist and facilitate the development and operation of the Project by the Owner, including, without limitation, (i) the Acquisition Documents; (ii) the Lease Agreement; (iii) the Regulatory Agreement; (iv) Loan Documents that require execution by the PFC; 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, the APV Member or the Owner.

The PFC Board authorizes 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 Lease Agreement, the Regulatory Agreement, and the Loan Documents, "**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 Board authorizes PFC 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, 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.

The PFC Board authorizes 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.

The PFC Board authorizes that action by 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.

The PFC Board finds the actions authorized by these resolutions may reasonably be expected to directly or indirectly benefit PFC.

### **RECOMMENDATION**

Accordingly, I recommend that the Board considers this resolution, which states:

**Resolution:** That the Board of Directors of the Lakeside Place PFC authorizes the PFC to execute any and all documents or take any other action that is necessary or desirable to:

1. Purchase certain real property located at or about 813 McKee Street, 850 McKee Street, 805 Hardy Street ("805 Hardy"), 902 Hardy Street, 1702 Nance Street ("1702 Nance"), and that certain 0.37-acre parcel with frontage on Old Hardy Road, east of Hardy Street, located between and running perpendicular to Nance St. and Sterrett St., and adjacent to each of 805 Hardy and 1702 Nance, Houston, TX 77020 on which a 185-unit residential apartment development to be known as Warehouse District Phase II will be constructed;
2. Lease the Land to DTC Warehouse District Phase II, LLC, a Delaware limited liability company (the "**Owner**"), to facilitate the development and operation of the Project by the Owner, including the placement of affordable housing units at the Project; and
3. Execute any such further documentation as necessary or desirable, including any financing documentation, to facilitate the development and operation of the Project.

**EXHIBIT A**

**LAKESIDE PLACE PFC  
RESOLUTION NO. LPPFC 22-28**

**Resolution of the Board of Directors of Lakeside Place 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 at or about 813 McKee Street, 850 McKee Street, 805 Hardy Street ("805 Hardy"), 902 Hardy Street, 1702 Nance Street ("1702 Nance"), and that certain 0.37 acre parcel with frontage on Old Hardy Road, east of Hardy Street, located between and running perpendicular to Nance St. and Sterrett St., and adjacent to each of 805 Hardy and 1702 Nance, Houston, TX 77020 (the "Land") on which a 185-unit residential apartment development to be known as Warehouse District Phase II (the "Project") will be constructed;**

**2. Lease the Land to DTC Warehouse District Phase II, LLC, a Delaware limited liability company (the "Owner") to facilitate the development and operation of the Project by the Owner, including the placement of affordable housing units at the Project; and**

**3. Execute any such further documentation as necessary or desirable, including any financing documentation, to facilitate the development and operation of the Project.**

WHEREAS, an affiliate of the PFC (the "**APV Member**") serves as a special member of the Owner;

WHEREAS, the PFC desires to purchase the Land pursuant to certain assignments, a deed from the seller, 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 lease agreement with the Owner, conveying interests in the Land pursuant to the terms of the Lease Agreement (the "**Lease Agreement**");

WHEREAS, the Owner plans to own and operate the Project such that no less than 50% of the units in the Project are reserved for or occupied by individuals or families earning less than 80% of area median income;

WHEREAS, the PFC desires to enter into a Regulatory Agreement with the Owner providing that no less than 50% of the units in the Project are reserved for or occupied by individuals or families earning less than 80% of area median income ("**Regulatory Agreement**");

WHEREAS, in connection with the financing of the Project, the Owner will borrow a loan in an aggregate principal amount not to exceed \$27,864,900 (the "**Loan**") from UMB Bank, N.A. ("**Lender**"), pursuant to a loan agreement and evidenced by a promissory note and secured by a deed of trust recorded against the Owner's leasehold interest in the Project (collectively with all

other documents contemplated thereby and necessary to evidence the Loan, the "**Loan Documents**");

BE IT RESOLVED, that 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 Owner, and otherwise assist and facilitate the development and operation of the Project by the Owner, including, without limitation, (i) the Acquisition Documents; (ii) the Lease Agreement; (iii) the Regulatory Agreement; (iv) Loan Documents that require execution by the PFC; 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, the APV Member or the Owner; 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 Lease Agreement, the Regulatory Agreement, and the Loan Documents, "**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, 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 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.

This resolution shall be in full force and effect from and upon its adoption.

*[Remainder of page intentionally left blank for signature]*

PASSED this 19th day of July, 2022.

\_\_\_\_\_  
CHAIR

ATTEST:

\_\_\_\_\_  
Secretary

# LAKESIDE PLACE PFC

## 2640 FOUNTAIN VIEW DR. ♦ HOUSTON, TEXAS 77057

**REQUEST FOR BOARD AGENDA ITEM**

- 1. **Brief Description of Proposed Item** – Authorizing Lakeside Place PFC's acquisition and lease of that certain property to be known as the "CoOp at EaDo," to be located at or about 3122 Leeland Street, Houston, Texas, 77003, and the execution of all required documents therefor.
- 2. **Date of Board Meeting:** July 19, 2022
- 3. **Proposed Board Resolution:**

**Resolution:** That the Board of Directors of the Lakeside Place PFC authorizes the PFC to execute any and all documents or take any other action that is necessary or desirable to:

- 1. Purchase certain real property located at, or about 3122 Leeland Street, Houston, Texas, 77003 on which a 258-unit residential apartment development to be known as CoOp at EaDo will be constructed;
- 2. Lease the Land to UG Eado Highline LP, a Texas limited partnership to facilitate the development and operation of the Project by the Owner, including the placement of affordable housing units at the Project; and
- 3. Execute any such further documentation as necessary or desirable, including any financing documentation, to facilitate the development and operation of the Project.

4. **Department Head Approval**    Signature \_\_\_\_\_ Date: \_\_\_\_\_

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 & CEO**    Signed by: David A. Northern Sr.    Date: 7/13/2022  
Signature \_\_\_\_\_ Date: \_\_\_\_\_

**LAKESIDE PLACE PFC**  
**2640 FOUNTAIN VIEW DR. ♦ HOUSTON, TEXAS 77057**

**MEMORANDUM**

**TO:** LAKESIDE PLACE PFC BOARD OF DIRECTORS  
**FROM:** DAVID A. NORTHERN, SR., SECRETARY  
**SUBJECT:** AUTHORIZING LAKESIDE PLACE PFC'S ACQUISITION AND LEASE OF THAT CERTAIN PROPERTY TO BE KNOWN AS THE "COOP AT EADO", TO BE LOCATED AT OR ABOUT 3122 LEELAND STREET, HOUSTON, TEXAS, 77003, AND THE EXECUTION OF ALL REQUIRED DOCUMENTS THEREFOR.  
**DATE:** JULY 9, 2022

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This memorandum recommends that the Lakeside Place PFC ("**PFC**") Board of Directors authorize PFC to execute any and all documents or take any other action that is necessary or desirable to:

1. Purchase certain real property located at, or about 3122 Leeland Street, Houston, Texas, 77003 (the "**Land**") on which a 258-unit residential apartment development to be known as CoOp at EaDo (the "**Project**") will be constructed;
2. Lease the Land to UG Eado Highline LP, a Texas limited partnership (the "**Owner**") to facilitate the development and operation of the Project by the Owner, including the placement of affordable housing units at the Project; and
3. Execute any such further documentation as necessary or desirable, including any financing documentation, to facilitate the development and operation of the Project.

**BACKGROUND:**

An affiliate of the PFC (the "**APV Member**") serves as a special limited partner of the Owner.

The PFC desires to purchase the Land pursuant to certain assignments, a deed from the seller, and any other documentation required to consummate the acquisition of the Land (the "**Acquisition Documents**").

The PFC desires to enter into a long-term lease agreement with the Owner, conveying interests in the Land pursuant to the terms of the Lease Agreement (the "**Lease Agreement**").

The Owner plans to own and operate the Project such that no less than 50% of the units in the Project are reserved for or occupied by individuals or families earning less than 80% of the area median income.

The PFC desires to enter into a Regulatory Agreement with the Owner providing that no less than 50% of the units in the Project are reserved for or occupied by individuals or families earning less than 80% of the area median income ("**Regulatory Agreement**").

**APPROVALS:**

The Board of Directors of PFC (the "**PFC Board**") authorizes the PFC 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 and lease it to the Owner, and otherwise assist and facilitate the development and operation of the Project by the Owner, including, without limitation, (i) the Acquisition Documents; (ii) the Lease Agreement; (iii) the Regulatory Agreement; and (iv) 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, the APV Member or the Owner.

The PFC Board authorizes 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 Lease Agreement, and the Regulatory Agreement, "**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 Board authorizes PFC 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, 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.

The PFC Board authorizes 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.

The PFC Board authorizes that action by 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.

The PFC Board finds the actions authorized by these resolutions may reasonably be expected to directly or indirectly benefit PFC.

**RECOMMENDATION**

Accordingly, I recommend that the Board considers this resolution, which states:

**Resolution:** That the Board of Directors of the Lakeside Place PFC authorizes the PFC to execute any and all documents or take any other action that is necessary or desirable to:

1. Purchase certain real property located at, or about 3122 Leeland Street, Houston, Texas, 77003 on which a 258-unit residential apartment development to be known as CoOp at EaDo will be constructed;
2. Lease the Land to UG Eado Highline LP, a Texas limited partnership to facilitate the development and operation of the Project by the Owner, including the placement of affordable housing units at the Project; and
3. Execute any such further documentation as necessary or desirable, including any financing documentation, to facilitate the development and operation of the Project.

Exhibit A

LAKESIDE PLACE PFC  
RESOLUTION NO. LPPFC 22-29

**Resolution of the Board of Directors of Lakeside Place 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 at or about 3122 Leeland Street, Houston, Texas, 77003 (the "Land") on which a 258-unit residential apartment development to be known as CoOp at EaDo (the "Project") will be constructed;**
- 2. Lease the Land to UG Eado Highline LP, a Texas limited partnership (the "Owner") to facilitate the development and operation of the Project by the Owner, including the placement of affordable housing units at the Project; and**
- 3. Execute any such further documentation as necessary or desirable, including any financing documentation, to facilitate the development and operation of the Project.**

WHEREAS, an affiliate of the PFC (the "**APV Member**") serves as a special limited partner of the Owner;

WHEREAS, the PFC desires to purchase the Land pursuant to certain assignments, a deed from the seller, 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 lease agreement with the Owner, conveying interests in the Land pursuant to the terms of the Lease Agreement (the "**Lease Agreement**");

WHEREAS, the Owner plans to own and operate the Project such that no less than 50% of the units in the Project are reserved for or occupied by individuals or families earning less than 80% of area median income;

WHEREAS, the PFC desires to enter into a Regulatory Agreement with the Owner providing that no less than 50% of the units in the Project are reserved for or occupied by individuals or families earning less than 80% of area median income ("**Regulatory Agreement**");

BE IT RESOLVED, that 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 Owner, and otherwise assist and facilitate the development and operation of the Project by the Owner, including, without limitation, (i) the Acquisition Documents; (ii) the Lease Agreement; (iii) the Regulatory Agreement; and (iv) 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, the APV Member or the Owner; 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 Lease Agreement, and the Regulatory Agreement, "**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, 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 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.



This resolution shall be in full force and effect from and upon its adoption.

*[Remainder of page intentionally left blank for signature]*

PASSED this 19th day of July, 2022.

ATTEST:

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CHAIR

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Secretary

# LAKESIDE PLACE PFC

## 2640 FOUNTAIN VIEW DR. ♦ HOUSTON, TEXAS 77057

**REQUEST FOR BOARD AGENDA ITEM**

- 1. **Brief Description of Proposed Item** – Authorizing Lakeside Place PFC's acquisition and lease of that certain property to be known as the "Waterworks Highline Phase II," to be located at or about 2101 N. Shepherd, Houston, Texas, 77008, and the execution of all required documents therefor.
- 2. **Date of Board Meeting:** July 19, 2022
- 3. **Proposed Board Resolution:**

**Resolution:** That the Board of Directors of the Lakeside Place PFC authorizes the PFC to execute any and all documents or take any other action that is necessary or desirable to:

- 1. Purchase certain real property located at, or about 2101 N. Shepherd, Houston, Texas, 77008 on which a 185-unit residential apartment development to be known as Waterworks Highline Phase II will be constructed;
- 2. Lease the Land to UG Waterworks II LP, a Texas limited partnership to facilitate the development and operation of the Project by the Owner, including the placement of affordable housing units at the Project; and
- 3. Execute any such further documentation as necessary or desirable, including any financing documentation, to facilitate the development and operation of the Project.

4. **Department Head Approval**    Signature \_\_\_\_\_ Date: \_\_\_\_\_

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

Funds Budgeted and Available  Yes  No    Source Third-Party Funding

7/13/2022

6. **Approval of President & CEO**

DocuSigned by:  
*David A. Northern Sr.*  
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Signature \_\_\_\_\_ Date: \_\_\_\_\_

# LAKESIDE PLACE PFC

## 2640 FOUNTAIN VIEW DR. ♦ HOUSTON, TEXAS 77057

### MEMORANDUM

**TO:** LAKESIDE PLACE PFC BOARD OF DIRECTORS  
**FROM:** DAVID A. NORTHERN, SR., SECRETARY  
**SUBJECT:** AUTHORIZING LAKESIDE PLACE PFC'S ACQUISITION AND LEASE OF THAT CERTAIN PROPERTY TO BE KNOWN AS THE "WATERWORKS HIGHLINE PHASE II" TO BE LOCATED AT OR ABOUT 2101 N. SHEPHERD, HOUSTON, TEXAS, 77008, AND THE EXECUTION OF ALL REQUIRED DOCUMENTS THEREFOR.  
**DATE:** JULY 9, 2022

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This memorandum recommends that the Lakeside Place PFC ("**PFC**") Board of Directors authorize PFC to execute any and all documents or take any other action that is necessary or desirable to:

1. Purchase certain real property located at or about 2101 N. Shepherd, Houston, Texas, 77008 (the "**Land**") on which a 185-unit residential apartment development to be known as Waterworks Highline Phase II (the "**Project**") will be constructed;
2. Lease the Land to UG Waterworks II LP, a Texas limited partnership (the "**Owner**") to facilitate the development and operation of the Project by the Owner, including the placement of affordable housing units at the Project; and
3. Execute any such further documentation as necessary or desirable, including any financing documentation, to facilitate the development and operation of the Project.

#### **BACKGROUND:**

An affiliate of the PFC (the "**APV Member**") serves as a special limited partner of the Owner.

The PFC desires to purchase the Land pursuant to certain assignments, a deed from the seller, and any other documentation required to consummate the acquisition of the Land (the "**Acquisition Documents**").

The PFC desires to enter into a long-term lease agreement with the Owner, conveying interests in the Land pursuant to the terms of the Lease Agreement (the "**Lease Agreement**").

The Owner plans to own and operate the Project such that no less than 50% of the units in the Project are reserved for or occupied by individuals or families earning less than 80% of the area median income.

The PFC desires to enter into a Regulatory Agreement with the Owner providing that no less than 50% of the units in the Project are reserved for or occupied by individuals or families earning less than 80% of the area median income ("**Regulatory Agreement**").

In connection with the financing of the Project, the Owner will borrow a loan in an aggregate principal amount not to exceed \$27,600,000 (the "**Loan**") from Great southern Bank ("**Lender**"), pursuant to a loan agreement and evidenced by a promissory note and secured by a deed of trust recorded against the

Owner's leasehold interest in the Project (collectively with all other documents contemplated thereby and necessary to evidence the Loan, the "**Loan Documents**").

**APPROVALS:**

The Board of Directors of PFC (the "**PFC Board**") authorizes the PFC 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 and lease it to the Owner, and otherwise assist and facilitate the development and operation of the Project by the Owner, including, without limitation, (i) the Acquisition Documents; (ii) the Lease Agreement; (iii) the Regulatory Agreement; (iv) Loan Documents that require execution by the PFC; 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, the APV Member or the Owner.

The PFC Board authorizes 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 Lease Agreement, the Regulatory Agreement, and the Loan Documents, "**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 Board authorizes PFC 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, 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.

The PFC Board authorizes 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.

The PFC Board authorizes that action by 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.

The PFC Board finds the actions authorized by these resolutions may reasonably be expected to directly or indirectly benefit PFC.

**RECOMMENDATION**

Accordingly, I recommend that the Board considers this resolution, which states:

**Resolution:** That the Board of Directors of the Lakeside Place PFC authorizes the PFC to execute any and all documents or take any other action that is necessary or desirable to:

1. Purchase certain real property located at, or about 2101 N. Shepherd, Houston, Texas, 77008 on which a 185-unit residential apartment development to be known as Waterworks Highline Phase II will be constructed;
2. Lease the Land to UG Waterworks II LP, a Texas limited partnership to facilitate the development and operation of the Project by the Owner, including the placement of affordable housing units at the Project; and
3. Execute any such further documentation as necessary or desirable, including any financing documentation, to facilitate the development and operation of the Project.

**EXHIBIT A**

**LAKESIDE PLACE PFC  
RESOLUTION NO. LPPFC 22-30**

**Resolution of the Board of Directors of Lakeside Place 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 at or about 2101 N. Shepherd, Houston, Texas, 77008 (the "Land") on which a 185-unit residential apartment development to be known as Waterworks Highline Phase II (the "Project") will be constructed;**
- 2. Lease the Land to UG Waterworks II LP, a Texas limited partnership (the "Owner") to facilitate the development and operation of the Project by the Owner, including the placement of affordable housing units at the Project; and**
- 3. Execute any such further documentation as necessary or desirable, including any financing documentation, to facilitate the development and operation of the Project.**

WHEREAS, an affiliate of the PFC (the "**APV Member**") serves as a special limited partner of the Owner;

WHEREAS, the PFC desires to purchase the Land pursuant to certain assignments, a deed from the seller, 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 lease agreement with the Owner, conveying interests in the Land pursuant to the terms of the Lease Agreement (the "**Lease Agreement**");

WHEREAS, the Owner plans to own and operate the Project such that no less than 50% of the units in the Project are reserved for or occupied by individuals or families earning less than 80% of area median income;

WHEREAS, the PFC desires to enter into a Regulatory Agreement with the Owner providing that no less than 50% of the units in the Project are reserved for or occupied by individuals or families earning less than 80% of area median income ("**Regulatory Agreement**");

WHEREAS, in connection with the financing of the Project, the Owner will borrow a loan in an aggregate principal amount not to exceed \$27,600,000 (the "**Loan**") from Great Southern Bank ("**Lender**"), pursuant to a loan agreement and evidenced by a promissory note and secured by a deed of trust recorded against the Owner's leasehold interest in the Project (collectively with all other documents contemplated thereby and necessary to evidence the Loan, the "**Loan Documents**");

BE IT RESOLVED, that 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 Owner, and otherwise assist and facilitate the development and operation of the Project by the Owner, including, without limitation, (i) the Acquisition Documents; (ii) the Lease Agreement; (iii) the Regulatory Agreement; (iv) Loan Documents that require execution by the PFC; 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, the APV Member or the Owner; 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 Lease Agreement, the Regulatory Agreement, and the Loan Documents, "**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, 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 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.

This resolution shall be in full force and effect from and upon its adoption.

*[Remainder of page intentionally left blank for signature]*

PASSED this 19th day of July, 2022.

ATTEST:

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CHAIR

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Secretary