



V.A. ACTION ITEM

Resolution No. SHFC-2025-30: Consideration and possible action to authorize negotiation for the acquisition of Limited Partner interests in Cambridge Villas Apartments Limited Partnership (The “Partnership”); and the execution and delivery of an assignment agreement and other necessary documents to effectuate such interests acquisition, in connection with the partnership’s operation of a multifamily residential development located at 15711 Dessau Road, Pflugerville, Texas 78660 (The “Development:”); and containing other provisions related thereto



Board Meeting Date: September 11, 2025

Resolution No. SHFC-2025-30: Purchase of Interest in Cambridge Villas

Consideration and possible action to authorize the formation of SHFC Cambridge Villas Limited Partner, LLC (the "SHFC LP a limited liability company that will purchase the Limited Partner interests in Cambridge Villas Apartments Limited Partnership (the "Partnership"); to authorize negotiation with Alden Torch for the acquisition by the SHFC LP at a purchase price not to exceed \$1,000,000; and to authorize execution of an assignment agreement and related documents to effectuate the acquisition and continued operation of the Partnership's multifamily development located at 15711 Dessau Road, Pflugerville, Texas 78660 (the "Development") ; and containing other provisions related thereto.

Background Information

The Investor Limited Partner (ILP) for Cambridge Villas is Alden Torch. In spring of 2024, Alden Torch sought Strategic HFC's consent to sell their ownership interest to Hayden Glade. Strategic HFC did not provide its consent at that time.

In July 2024, Alden Torch initiated the remarketing of Cambridge Villas in order to sell the entire partnership and property, as permitted under the Limited Partnership Agreement.

Alternatively, Alden Torch had indicated a willingness to sell its interests to Strategic HFC in lieu of forcing the sale of the entire property and liquidation of the partnership. After discussions with the Real Estate Committee and the full board in executive session, Strategic HFC staff made an offer in the fall of 2024, but the parties were unable to reach agreement on pricing.

Therefore, the entire property was listed for sale on March 6, 2025, and attracted multiple offers. Fairfield Residential was identified as the most favorable offeror, with Fairfield and Strategic expected to enter into a new partnership for ownership of the property. Staff continue to move toward the closing of this transaction.

Rationale

While Strategic and Fairfield are targeting a closing before year-end, outstanding litigation on Cambridge Villas (related to repair work after Winter Storm Uri) means that the existing



partnership may not be fully liquidated for some time. Alden Torch has a strong desire to close out their investment fund by December of 2025, and has reapproached Strategic HFC about purchasing its interest **before** the sale to the new Fairfield partnership takes place.

Acquiring the Alden Torch's interest at this time would be beneficial to Strategic HFC because removal of the ILP from the current partnership would allow staff more flexibility to negotiate and close the sale without a requirement for their explicit consent. At this time, the requirement for Alden Torch's consent is delaying finalizing the Purchase and Sale Agreement.

The parties have now reached agreement on a price of \$1,000,000, which is within the range previously discussed in Real Estate Committee and in board executive session.

The Resolution

To advance this alternative, staff recommend that the Board authorize the Executive Director to enter into negotiations with Alden Torch for the acquisition of the ILP interests at a purchase price not to exceed \$1,000,000 and to execute other related documents necessary to complete the transaction. As part of this resolution the Board would also authorize the formation of a new LLC entity, which will serve as the acquiring entity for Alden Torch's Investor Limited Partner ("ILP") interests.

Fiscal Impact

Purchasing Alden Torch's interest would also increase Strategic HFC's share of proceeds from 90% to 100% at sale and liquidation. While staff anticipate that the increased proceeds will approximate or exceed the \$1M purchase price, there is modest risk that the outcome of outstanding litigation could reduce that amount.

Current cash assets are sufficient to cover the transaction while maintaining our practice of maintaining six months' worth of operating costs on hand in unrestricted/undesignated cash.

Attachments

1. Resolution SHFC-2025-30

Resolution SHFC-2025-30

RESOLUTION (THE “RESOLUTION”) OF THE BOARD OF DIRECTORS OF STRATEGIC HOUSING FINANCE CORPORATION OF TRAVIS COUNTY (THE “CORPORATION”) AUTHORIZING NEGOTIATION FOR THE ACQUISITION OF LIMITED PARTNER INTERESTS IN CAMBRIDGE VILLAS APARTMENTS LIMITED PARTNERSHIP (THE “PARTNERSHIP”); AND THE EXECUTION AND DELIVERY OF AN ASSIGNMENT AGREEMENT AND OTHER NECESSARY DOCUMENTS TO EFFECTUATE SUCH INTERESTS ACQUISITION, IN CONNECTION WITH THE PARTNERSHIP’S OPERATION OF A MULTIFAMILY RESIDENTIAL DEVELOPMENT LOCATED AT 15711 DESSAU ROAD, PLUGERVILLE, TEXAS 78660 (THE “DEVELOPMENT”); AND CONTAINING OTHER PROVISIONS RELATED THERETO

WHEREAS, Strategic Housing Finance Corporation of Travis County (the “*Corporation*”) has been duly created and organized pursuant to and in accordance with the provisions of the Texas Housing Finance Corporations Act, as amended, Texas Local Government Code, Chapter 394 (the “*Act*”), for the purpose of providing a means of financing the costs of residential ownership and development that will provide decent, safe and sanitary housing for persons of low and moderate income at prices or rentals they can afford; and

WHEREAS, Jan Wenig is President of the Board of Directors of the Corporation (the “*President*”); and

WHEREAS, Dianna Grey is Executive Director of the Corporation (the “*Executive Director*”) and the Secretary of the Corporation (in such capacity, the “*Secretary*”); and

WHEREAS, the Corporation is the sole member of SHFC Cambridge Villas, LLC, a Texas limited liability company (the “*General Partner*”), the general partner of Cambridge Villas Apartments Limited Partnership (the “*Partnership*”); and

WHEREAS, the Partnership owns and operates a multifamily affordable residential development known as “Cambridge Villas Apartments” (the “*Development*”) located at 15711 Dessau Road, Plugerville, Texas, 78660; and

WHEREAS, subsidiaries of Alden Torch (the “*Alden Torch*”) own the Special Limited Partner and Limited Partner interests in the Partnership (the “*LP Interests*”), and have offered to sell the LP Interests to the Corporation or its designated affiliate (the “*LP Interests Sale*”); and

WHEREAS, in furtherance of the LP Interests Sale, the Corporation finds it necessary and desirable to authorize the formation with the Texas Secretary of State of SHFC Cambridge Villas Limited Partner, LLC (the “*SHFC LP*”), a limited liability company that will purchase the LP Interests; and

WHEREAS, as the sole member of the SHFC LP, the Corporation desires to authorize all action necessary and appropriate to carry out the LP Interests Sale, to appoint officers of the SHFC LP; to approve of the SHFC LP’s formation and the form and substance of its limited liability

company agreement (the “*Company Agreement*”); and to ratify all actions previously taken on behalf of the SHFC LP; and

WHEREAS, the Board has determined to authorize the Executive Director, on behalf of the Corporation and as sole member of the General Partner and the SHFC LP to a) enter into negotiation with Alden Torch for the acquisition by the SHFC LP of the LP Interests for a purchase price not to exceed \$1,000,000, and b) execute and deliver an assignment agreement regarding the LP Interests Sale, together with any other documents and instruments that may be necessary and desirable to effectuate the LP Interests Sale and continued operation of the Partnership by affiliates of the Corporation (collectively, the “*Assignment Documents*”).

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE STRATEGIC HOUSING FINANCE CORPORATION OF TRAVIS COUNTY (THE “*BOARD*”), THAT:

Section 1: The formation with the Texas Secretary of State of the SHFC LP, with the Corporation hereby designated as the sole member of the SHFC LP, is hereby approved and ratified.

Section 2: The form and substance of the Company Agreement is hereby approved, and the Executive Director or the President, on behalf of the Corporation, as sole member of the SHFC LP, are hereby authorized to execute and deliver such Company Agreement.

Section 3: The offices of the SHFC LP shall be assumed by the officers serving in each respective office of the Board.

Section 4: The Executive Director, on behalf of the Corporation, acting on its own behalf and on behalf of the General Partner and the SHFC LP, is hereby authorized to negotiate the LP Interests Sale, and to execute and deliver the Assignment Documents as set forth in this Resolution.

Section 5: That the President, Secretary and Executive Director of the Corporation are each individually authorized to certify and attest to the adoption and approval of the foregoing Resolution.

Section 6: The Corporation hereby ratifies, confirms and adopts all actions previously taken on behalf of the Corporation, the General Partner and the SHFC LP to carry into effect the transactions contemplated by this Resolution.

Section 7: If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

[Signature page and certification to follow]

PASSED AND APPROVED this 11th day of September, 2025.

Jan Wenig
President, Board of Directors

CERTIFICATION

The above resolution, adopted by the Board of Directors of the Strategic Housing Finance Corporation of Travis County at a meeting held on the 11th day of September, 2025, is hereby certified to be a true and correct copy of an official copy thereof on file among the official records of such Corporation.

WITNESS my hand this 11th day of September, 2025.

By: _____
Dianna Grey
Executive Director and Secretary