

Austin Affordable Housing Corporation Meeting



**Thursday, March 24, 2016
12:00 noon
at
HACA Central Office
1124 S. IH-35
Austin, TX 78704**

**PUBLIC NOTICE OF A MEETING
TAKE NOTICE OF A BOARD OF COMMISSIONERS
REGULAR BOARD MEETING
OF THE AUSTIN AFFORDABLE HOUSING CORPORATION**

**TO BE HELD AT
HACA Central Office
1124 S. IH 35
Austin, TX 78704
(512.477.4488)**

COMMENCING AT 12:00 NOON ON THURSDAY, MARCH 24, 2016, TO CONDUCT BUSINESS AS FOLLOWS:

**CALL TO ORDER, ROLL CALL
CERTIFICATION OF QUORUM**

Tyra Duncan-Hall, Chairperson

CONSENT AGENDA

Items on the Consent Agenda may be removed at the request of any Commissioner and considered at another appropriate time on this agenda. Placement on the Consent Agenda does not limit the possibility of any presentation, discussion, or action at this meeting. Under no circumstances does the Consent Agenda alter any requirements under Chapter 551 of the Texas Government Code, Texas Open Meetings Act.

CONSENT AGENDA

APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS:

ITEM 1: Presentation, Discussion, and Possible Action regarding the Approval of a Board Minutes Summary for the Board Meeting held on December 17, 2015

Ron Kowal
VP Housing Development/Asst
Mgmt.

ITEM 2: Presentation, Discussion, and Possible Action regarding Resolution No. 81: Approval to ratify all actions taken by the Board of Commissioners during FYE 2016, in order to resolve any irregularities which may have occurred regarding a quorum or vote by the Commissioners as reflected within the approved minutes and resolutions

Judy Paciocco
Senior Operations Director

APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS:

ITEM 3: Presentation, Discussion, and Possible Action regarding Resolution 82 by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) to:

Ron Kowal
VP Housing Development/Asst
Mgmt

1. Ratify a purchase contract for the acquisition of the Oslo Apartments (the “Development”), which consists of multifamily housing units and associated amenities in Austin, Texas; and
2. Cause AAHC to form subsidiary limited liability company to own the Development (the “Owner”).

REPORTS

Update on AAHC Activities

EXECUTIVE SESSION

The Board may go into Executive Session (close its meeting to the public) Pursuant to:

- a. § 551.071, Texas Gov’t Code, consultations with Attorney regarding legal advice, pending or contemplated litigation; or a settlement offer;
- b. §551.072, Texas Gov’t Code, discussion about the purchase, exchange, lease or value of real property;
- c. §551.074, Texas Gov’t Code, discuss the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee.
- d. §551.077, Texas Gov’t Code, discuss certain economic development negotiations.

OPEN SESSION

If there is an Executive Session, the Board will return to Open Session for discussion, consideration and possible action of matters discussed in Executive Session.

*The Austin Affordable Housing Corporation (AAHC) Board of Commissioners reserves the right to discuss and consider items out of order on the agenda on an as needed basis.

The Austin Affordable Housing Corporation is committed to compliance with the Americans with Disability Act. Reasonable modifications and equal access to the communications will be provided upon request. Meeting locations are planned with wheelchair access. If requiring Sign Language Interpreters or alternative formats, please give notice at least 2 days (48 hours) before the meeting date. Please call Judy Paciocco or Nidia Hiroms at HACA at 512.477.4488, for additional information; TTY users route through Relay Texas at 711. For more information on AAHC, please contact Nidia Hiroms at 512.477.4488 x 2104.

ADJOURNMENT

"Pursuant to § 30.06, Penal Code, (trespass by holder of license with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not attend this meeting with a concealed handgun."

"Pursuant to § 30.07, Penal Code (trespass by holder of license with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not attend this meeting with a handgun that is carried openly."

"En virtud del § 30.06, Código Penal, (traspaso titular de licencia con una pistola), una persona bajo el subcapítulo H, capítulo 411, código de gobierno (Ley de licencia de arma o pistola), no se permiten en este reunión con una arma o pistola.

"En virtud del § 30.07, Código Penal (prevaricación por titular de la licencia con un arma o pistola abiertamente llevado), una persona bajo el subcapítulo H, capítulo 411, código de gobierno (Ley de licencia de arma o pistola), no se permiten en esta reunión con un arma o pistola que lleva abiertamente.

**AUSTIN AFFORDABLE HOUSING CORPORATION
BOARD OF COMMISSIONERS
REGULAR BOARD MEETING**

CALL TO ORDER

and

ROLL CALL

| | |
|---|-------|
| Tyra Duncan-Hall, Chairperson | _____ |
| Isaac Robinson, Vice-Chairperson | _____ |
| Edwina Carrington, 2nd Vice-Chairperson | _____ |
| Charles Bailey, Commissioner | _____ |
| Carl S. Richie, Jr., Commissioner | _____ |

**AUSTIN AFFORDABLE HOUSING CORPORATION
BOARD OF COMMISSIONERS
REGULAR BOARD MEETING**

CONSENT AGENDA

AGENDA ITEM NO. 1

**Presentation, Discussion, and Possible Action regarding
the Approval of Board Minutes Summary for Board
Meeting held on December 17, 2015**

**AUSTIN AFFORDABLE HOUSING CORPORATION
BOARD OF DIRECTORS
REGULAR BOARD MEETING**

DECEMBER 17, 2015

SUMMARY OF MINUTES

The AUSTIN AFFORDABLE HOUSING CORPORATION (AAHC) Board of Directors Public Meeting Notice was posted for 12:00 noon on Thursday, DECEMBER 17, 2015, and was held at HACA's Central Office, located at 1124 S. IH 35 Austin, Texas.

CALL TO ORDER, ROLL CALL, CERTIFICATION OF QUORUM

The Board of Commissioners meeting held on December 17, 2015, for the Austin Affordable Housing Corporation (AAHC) was called to order at 12:18 p.m. by Carl S. Richie, Jr., Commissioner. The meeting was held at 1124 S. IH 35 in Austin, Texas.

Roll call certified a quorum was present.

MEMBERS PRESENT:

Dr. Tyra Duncan-Hall, Chairperson
Isaac Robinson, Vice Chairperson
Edwina Carrington, 2nd Vice-Chairperson
Carl S. Richie, Jr., Commissioner

MEMBER(S) ABSENT:

Charles Bailey, Commissioner

STAFF PRESENT:

Andrea Galloway, Ann Gass, Barbara Jackson, Gloria Morgan, Jimi Teasdale, Judy Paciocco, Justin Breaux, Kelly Crawford, Lisa Garcia, Michael Cummings, Michael Gerber, Michael Roth, Monica Garcia, Nidia Hiroms, Nora Morales, Pilar Sanchez, Ron Kowal, Suzanne Cowper, Suzanne Schwertner, Sylvia Blanco and Thomas Cherian.

CITIZENS COMMUNICATION – None.

THE BOARD OF COMMISSIONERS BROKE FOR RECESS AT 1:25 P.M. AND RETURNED FROM RECESS AT 1:42 P.M. COMMISSIONER CARRINGTON DID NOT REJOIN THE MEETING.

ITEMS WERE TAKEN OUT OF ORDER.

ACTION ITEMS

APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS:

ITEM 3: Presentation, Discussion and Possible Action regarding Resolution No. 80: Updated Approval of a Contract to Demolish Rio Lado Apartments TX001000020

The Rio Lado Apartments (AMP/TX001000020) were previously approved for demolition through a Demolition/Disposition Application with the U.S. Department of Housing and Urban Development (HUD), due to their obsolescence. This contract for demolition was originally approved by the Board of Commissioners on September 26, 2012. The demolition project was subsequently postponed while HACA researched and considered alternate uses for the property through the Rental Assistance Demonstration (RAD). In that time the vacant property has further declined, and no alternate use for the property has been successfully developed due to original findings of obsolescence, location in the flood plain, as well as restrictions on development of the site. The property's appearance is unsightly and in its current state is prone to various city code compliance violations.

Commissioner Duncan-Hall moved to approve Resolution No. 80: Updated Approval of a Contract to Demolish Rio Lado Apartments TX001000020. **Commissioner Robinson** seconded the motion. The motion passed. (3-Ayes and 0-Nays).

ITEM 1: Presentation, Discussion, and Possible Action regarding the Approval of a Board Minutes Summary for the Board Meeting held on November 23, 2015

Commissioner Robinson moved the Approval of a Board Minutes Summary for the Board Meeting held on November 23, 2015. **Commissioner Duncan-Hall** seconded the motion. The motion passed. (3-Ayes and 0-Nays).

ITEM 2: Presentation, Discussion, and Possible Action regarding Resolution No. 79 by the Board of Directors of Austin Affordable Housing Corporation ("AAHC") to borrow from Crocket National Bank an amount not to exceed \$900,000.00 to complete critical and necessary repairs to Sterling Village Apartments.

The Sterling Village Apartments was purchased by Austin Affordable Housing Corporation on March 30, 2004. The

original note was due and payable in 2014 and the Board of Directors of the Austin Affordable Housing Corporation approved Resolution No. 64 to refinance the property. Due to the age and the desire to preserve the asset, the Board also approved an additional \$1,500,000 to make exterior renovations to the property. Crocket National Bank refinanced the property for a 10 year period at an interest rate of 3.75% fixed interest rate for 10 years with no pre payment penalty and provided the necessary funds for renovations. During the renovation period it was discovered that all the balconies were designed and engineered incorrectly and the City of Austin Code Compliance Department required all the existing balconies to be re-engineered and then replaced. Crocket National Bank agreed to provide an additional \$900,000 at 3.75% interest with no prepayment penalty so these critical repairs could be completed in a quick and timely manner. The existing loan balance for Sterling Village Apartments is approximately \$4,200,000 or approximately \$20,000 per unit. All repairs have been completed to code and engineering standards.

Commissioner Richie moved to approve Resolution No. 79 by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) to borrow from Crocket National Bank an amount not to exceed \$900,000.00 to complete critical and necessary repairs to Sterling Village Apartments. **Commissioner Robinson** seconded the motion. The motion passed. (3-Ayes and 0-Nays).

REPORTS – Ron Kowal gave status updates on the following:

Ben White - Two buildings are up and there are 176 units with approved applications and are being pre-leased. All of the family units will be complete by the end of January and work has begun on the applications for the senior units. Leases on 17 units have already been signed. Sometime in January/February there will be a grand opening of the Ben White properties.

Urban Oaks - This deal will be closing on December 29th or 30th. Construction on this property will be starting in the next few months.

Harris Branch – Is under construction with completion at the end of 2016.

ThinkEast – Working on details of this project.

TechRidge – Properties are 96% and 97% occupied respectively. Almost 60% of those units are occupied by renters at or below 80% of the Area Median Family Income (AMFI).

EXECUTIVE SESSION

The Board of Commissioners did not recess into Executive Session.

Adjournment

Commissioner Richie moved to adjourn the meeting. **Commissioner Robinson** seconded the motion. The Motion passed unanimously.

The meeting adjourned at 2:10 p.m.

Tyra Duncan-Hall, Chairperson

Michael G. Gerber, Secretary

**AUSTIN AFFORDABLE HOUSING CORPORATION
BOARD OF COMMISSIONERS
REGULAR BOARD MEETING**

AGENDA ITEM NO. 2

Presentation, Discussion, and Possible Action regarding Resolution No. 81: Approval to ratify all actions taken by the Board of Commissioners during FYE 2016, in order to resolve any irregularities which may have occurred regarding a quorum or vote by the Commissioners as reflected within the approved minutes and resolution

AUSTIN AFFORDABLE HOUSING CORPORATION BOARD OF COMMISSIONERS

Resolution No. 81

MEETING DATE: March 24, 2016

STAFF CONTACT: Judy Paciocco, Director of Operations

TITLE: Discussion and Adoption of Resolution No. 81: Approval to ratify all actions taken by the Board of Commissioners during the FYE 2016, in order to resolve any irregularities which may have occurred regarding a quorum or vote by the Commissioners as reflected within the approved minutes.

ACTION: Motion to Approve Resolution No. 81 to ratify all actions taken by the Board of Commissioners during the 2015-2016 Fiscal Year, in order to resolve any irregularities which may have occurred regarding a quorum or vote by the Commissioners as reflected within the approved minutes and resolutions.

SUMMARY:

Upon past advisement of legal counsel, resolution number 81 was drafted to ensure all actions taken by the Board during FYE 2016 be ratified, thus ensuring resolution of any irregularities during the voting process taken by the Commissioners. This is an action that will be presented for board action on an annual basis.

ATTACHMENTS:

- Resolution No. 81

STAFF ANALYSIS SUMMARY

FINANCE REVIEW:



Proposed action does not require Finance Department review.

Resolution No. 81

Approval to ratify all actions taken by the Board of Commissioners during the FYE 2016, in order to resolve any irregularities which may have occurred regarding a quorum or vote by the Commissioners as reflected within the approved minutes

WHEREAS, in the event that there were any irregularities in any action or vote taken by Austin Affordable Housing Corporation's Board of Commissioners during the 2015-16 Fiscal Year, Austin Affordable Housing Corporation's desires to ratify and affirm all of the actions and votes taken by the Board of Commissioners regardless of the irregularity, as each action and vote taken represents the true intention of a quorum or more of Austin Affordable Housing Corporation's Board of Commissioners.

WHEREAS, the purpose of this resolution is to give full legal force and effect to each action or vote of the Board of Commissioners taken during the 2015-16 Fiscal Year as if each action was taken by a quorum of the board without any irregularity, and therefore, every action taken by the Board of Commissioners during the 2015-16 Fiscal Year is fully enforceable.

NOW, THEREFORE, BE IT RESOLVED, the Austin Affordable Housing Corporation's Board of Commissioners hereby ratifies and affirms all actions and votes taken by the Board of Commissioners during 2015-2016 Fiscal Year.

PASSED, APPROVED AND ADOPTED this 24th day of March, 2016.

Carl S. Richie, Jr, Chairperson

Michael G. Gerber, Secretary

**AUSTIN AFFORDABLE HOUSING CORPORATION
BOARD OF COMMISSIONERS
REGULAR BOARD MEETING**

ACTION ITEM

AGENDA ITEM NO. 3

Presentation, Discussion, and Possible Action regarding Resolution 82 by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) to:

- 1. Ratify a purchase contract for the acquisition of the Oslo Apartments (the “Development”), which consists of multifamily housing units and associated amenities in Austin, Texas; and**
- 2. Cause AAHC to form subsidiary limited liability company to own the Development (the “Owner”).**

**AUSTIN AFFORDABLE HOUSING CORPORATION
BOARD OF COMMISSIONERS**

Resolution No. 82

MEETING DATE: March 24, 2016

STAFF CONTACT: Ron Kowal, Vice President of Housing
Development/Asset Management

TITLE: Presentation, Discussion, Consideration and Possible Action of
Resolution No. 82: A Resolution by the Board of Directors of Austin
Affordable Housing Corporation ("AAHC") to:

1. Ratify a purchase contract for the acquisition of the Oslo
Apartments (the "Development") which consists of 176 multifamily
housing units and associated amenities in Austin, Texas; and
2. Cause AAHC's to form subsidiary limited liability companies, to
own the Development (the "owner")

ACTION: Motion to Approve Resolution No. 82: Approval of a Resolution by the
Board of Directors of Austin Affordable Housing Corporation
("AAHC") authorizing AAHC to execute any and all documents, or
take any other action, that is necessary or desirable to: Items 1-2 above.

SUMMARY: The Austin Affordable Housing Corporation (AAHC), a nonprofit subsidiary
of the Housing Authority of the City of Austin (HACA), was created to own, engage in or assist
in the development or operation of affordable housing, including but not limited to income
producing projects whose proceeds are used to further HACA's mission of moving its
stakeholders from poverty to self-sufficiency. AAHC, set a goal to own through acquisition and
or development, a portfolio of 2020 units by the year 2020. Another goal of AAHC is to acquire
and or develop affordable housing in high opportunity areas where housing choice for Section 8
families does not exist and to offer low to moderate income families housing in areas of better
performing schools and services in locations outside the City of Austin's crescent of poverty.

An opportunity was presented to AAHC to purchase the Oslo Apartment complex at 6808 South
IH 35, Austin, Texas. This property is located in a high growth area providing residents with
access to a large base of employers and other amenities. Built in 1984, the Oslo Apartments has
176 units. The unit breakdown is provided below. Currently this property has no rent restrictions
in place and provides an excellent opportunity for AAHC to preserve the affordability of these
units in perpetuity. Additionally, the Oslo Apartments is located directly to the East of AAHC's
newest development, Urban Oaks. By combining these two complexes there is the possibility of
providing a greater social service role to the residents and share key social programs between the
developments.

AAHC expects to need an additional \$500,000 to complete the interior renovations to the units and some exterior improvements that will be required by the lender. AAHC is expecting prepaid costs to complete the due diligence in an amount not to exceed \$35,000.00. With the addition of these units AAHC can expand the housing opportunities to voucher holders in an area where they do not exist.

By approving resolution 82 the Board of the Austin Affordable Housing Corporation would ratify the contract to purchase the property and complete all due diligence necessary to finish our examination and any such actions necessary or convenient to carry out this resolution. Staff will bring back its due diligence findings and financing plan to the Board at the April 21st, 2016 board meeting for final discussion and possible approval to purchase.

Resolution 82 asks the Board of Commissioners to allow AAHC to execute any and all documents and take any other action necessary to facilitate the closing outlined in items 1-2 above.

Unit Mix

| | | |
|----|--------------|-----------------|
| 16 | Studio | 408 square feet |
| 64 | 1bed/1bath | 504 square feet |
| 20 | 1bed/1bath | 610 square feet |
| 40 | 2 bed/1 bath | 760 square feet |
| 16 | 2 bed/2 bath | 860 square feet |

Fiscal Impact:

None

| X Budgeted Expenditure | Name of Fund(s) or Account(s) | Dollar Amount(s) |
|-----------------------------------|--|-------------------------|
|-----------------------------------|--|-------------------------|

Not Budgeted, Will result in expenditures indicated below:

The due diligence and financial plan to purchase will require approximately \$35,000.00 in prepaid third party costs.

STAFF ANALYSIS SUMMARY

PRESIDENT AND CEO:

DEPARTMENT HEAD:

FINANCE REVIEW:

RESOLUTION NO. 82

A Resolution by the Board of Directors of Austin Affordable Housing Corporation ("AAHC") authorizing AAHC to:

- 1. Ratify a purchase contract for the acquisition of the Oslo Apartments (the "Development"), which consists of multifamily housing units and associated amenities in Austin, Texas; and**
- 2. Cause AAHC to form subsidiary limited liability company to own the Development.**

WHEREAS, AAHC entered into that certain Commercial Contract – Improved Property dated as of March 2, 2016 (“**Purchase Contract**”) between 6808 S IH 35 LLC, as seller and AAHC, as buyer, for the acquisition of the Development;

WHEREAS, as part of the proposed ownership structure for the Development, AAHC desires to form a Texas limited liability company (the “**Company Documents**”);

NOW, BE IT RESOLVED, that the Purchase Contract is ratified and approved; and

RESOLVED, that AAHC is authorized to proceed with formation of a limited liability company to act as the owner of the Development; and

RESOLVED, that AAHC (both individually and in a representative capacity as identified in these resolutions), 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 AAHC (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 AAHC, to execute and deliver all other documents and other writings of every nature whatsoever 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 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 AAHC, effective as of the date such action was taken; 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 AAHC.

PASSED this 24th day of March, 2016.

VICE PRESIDENT

ATTEST:

SECRETARY

**AUSTIN AFFORDABLE HOUSING CORPORATION
BOARD OF COMMISSIONERS
REGULAR BOARD MEETING**

EXECUTIVE SESSION

Recess into Executive Session Pursuant to

- a) § 551.071, Texas Gov't Code, consultations with Attorney regarding pending or contemplated litigation; or a settlement offer**
- b) §551.072, Texas Gov't Code, deliberation about the purchase, exchange, lease or value of real property**
- c) §551.074, Texas Gov't Code, deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee**
- d) §551.077, Texas Gov't Code, discuss certain economic development negotiations.**

Return to Open Session for discussion, consideration and possible action of matters discussed in Executive Session

**AUSTIN AFFORDABLE HOUSING CORPORATION
BOARD OF COMMISSIONERS
REGULAR BOARD MEETING**

Adjournment

**March 24, 2016
Regular Board Meeting**