

Austin Affordable PFC, Inc. 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 PFC
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 November 23, 2015

Ron Kowal
VP Housing Development/Asst
Mgmt.

ITEM 2: Presentation, Discussion, and Possible Action on Resolution No. 18: 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 No. 19: Declaring Intent To Issue Bonds To Provide Financing For A Multifamily Residential Rental Development For Persons Of Low And Moderate Income (Shadowbend 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

Ron Kowal
VP Housing Development/Asst
Mgmt.

ITEM 4: Presentation, Discussion, and Possible Action regarding Resolution No. 20: Declaring Intent To Issue Bonds To Provide Financing For A Multifamily Residential Rental Development For Persons Of Low And Moderate Income (Manchaca Village 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

Ron Kowal
VP Housing Development/Asst
Mgmt.

ITEM 5: Presentation, Discussion, and Possible Action regarding Resolution No. 21: Declaring Intent To Issue Bonds To Provide Financing For A Multifamily Residential Rental Development For Persons Of Low And Moderate Income (Northgate 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

Ron Kowal
VP Housing Development/Asst
Mgmt.

ITEM 6: Presentation, Discussion, and Possible Action regarding Resolution No. 22: Declaring Intent To Issue Bonds To Provide Financing For A Multifamily Residential Rental Development For Persons Of Low And Moderate Income (Georgian Manor Apartments); Prescribing Certain Terms And Conditions Of Such Bonds; Authorizing The Filing Of An Application For Allocation Of Private

Ron Kowal
VP Housing Development/Asst
Mgmt.

*The Austin Affordable Public Facility Corporation (AAPFC) 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 Public Facility 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 AAPFC, please contact Nidia Hiroms at 512.477.4488 x 2104.

Activity Bonds With The Texas Bond Review Board; And Containing Other Provisions Relating To The Subject

ITEM 7: Presentation, Discussion, and Possible Action regarding Resolution No. 23: Declaring Intent To Issue Bonds To Provide Financing For A Multifamily Residential Rental Development For Persons Of Low And Moderate Income (Northloop 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

Ron Kowal
VP Housing Development/Asst
Mgmt.

ITEM 8: Presentation, Discussion, and Possible Action regarding Resolution No. 24: Declaring Intent To Issue Bonds To Provide Financing For A Multifamily Residential Rental Development For Persons Of Low And Moderate Income (Bluffs At Cameron); 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

Ron Kowal
VP Housing Development/Asst
Mgmt.

ITEM 9: Presentation, Discussion, and Possible Action regarding Resolution No. 25: Declaring Intent To Issue Bonds To Provide Financing For A Multifamily Residential Rental Development For Persons Of Low And Moderate Income (Villages at Canyon View); 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

Ron Kowal
VP Housing Development/Asst
Mgmt.

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.

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 PFC., INC.
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 _____

March 24, 2016

**AUSTIN AFFORDABLE PFC., INC.
BOARD OF COMMISSIONERS
REGULAR BOARD MEETING**

CONSENT

AGENDA ITEM NO. 1

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

March 24, 2016

**AUSTIN AFFORDABLE PFC., INC
BOARD OF DIRECTORS
BOARD MEETING**

NOVEMBER 23, 2015

SUMMARY OF MINUTES

The AUSTIN AFFORDABLE PFC., INC (AAPFC) Board of Directors Public Meeting Notice was posted for 12:00 noon on Thursday, November 23, 2015, and was held at HACA 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 November 23, 2015, for the Austin Affordable PFC (AAPFC) was called to order at 9:39 a.m. by Carl S. Richie, Jr., Chairperson. 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
Charles Bailey, Commissioner

MEMBER(S) ABSENT:

STAFF PRESENT:

Andrea Galloway, Ann Gass, Catherine Crago, Eileen Schrandt, Gloria Morgan, Jimi Teasdale, Judy Paciocco, Lisa Garcia, Michael Cummings, Michael Gerber, Michael Roth, Nidia Hiroms, Nora Morales, Pilar Sanchez, Ron Kowal, Suzanne Cowper, Suzanne Schwertner, Sylvia Blanco, Thomas Cherian and Veronica Macon.

ALSO IN ATTENDANCE:

Jim Ewbank, Cokinos, Bosien & Young
Bill Walters, Coats Rose

CITIZENS COMMUNICATION – NONE.

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 September 17, 2015

Commissioner Richie moved the Approval of a Board Minutes Summary for the Board Meeting held on September 17, 2015. **Commissioner Bailey** seconded the motion. The motion passed. (5-Ayes and 0-Nays).

ACTION ITEMS

ITEM 2: Presentation, Discussion, and Possible Action of Resolution No. 17: Authorizing The Issuance, Sale And Delivery Of Multifamily Housing Revenue Bonds (Urban Oaks Apartments) Series 2015; Authorizing The Execution And Delivery Of Documents And Instruments Necessary To Carry Out The Financing Of Such Multifamily Residential Rental Development; And Containing Other Provisions Relating To The Subject

Commissioner Richie moved to approve Resolution No. 17: Authorizing The Issuance, Sale And Delivery Of Multifamily Housing Revenue Bonds (Urban Oaks Apartments) Series 2015; Authorizing The Execution And Delivery Of Documents And Instruments Necessary To Carry Out The Financing Of Such Multifamily Residential Rental Development; And Containing Other Provisions Relating To The Subject. **Commissioner Carrington** seconded the motion. The motion passed. (5-Ayes and 0-Nays).

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 10:40 a.m.

Tyra Duncan-Hall, Chairperson

Michael G. Gerber, Secretary

**AUSTIN AFFORDABLE PFC., INC.
BOARD OF COMMISSIONERS
REGULAR BOARD MEETING**

AGENDA ITEM NO. 2

Presentation, Discussion, and Possible Action on Resolution No. 18: 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

March 24, 2016

AUSTIN AFFORDABLE PFC BOARD OF COMMISSIONERS

Resolution No. 18

MEETING DATE: March 24, 2016

STAFF CONTACT: Judy Paciocco, Director of Operations

TITLE: Discussion and Adoption of Resolution No. 18: 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. 18 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 18 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. 18

STAFF ANALYSIS SUMMARY

FINANCE REVIEW:



Proposed action does not require Finance Department review.

Resolution No. 18

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 PFC's Board of Commissioners during the 2015-16 Fiscal Year, Austin Affordable PFC'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 PFC'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 PFC'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.

Tyra Duncan-Hall, Chairperson

Michael G. Gerber, Secretary

**AUSTIN AFFORDABLE PFC., INC.
BOARD OF COMMISSIONERS
REGULAR BOARD MEETING**

ACTION

AGENDA ITEM NO. 3

Presentation, Discussion, and Possible Action regarding Resolution No. 19: Declaring Intent To Issue Bonds To Provide Financing For A Multifamily Residential Rental Development For Persons Of Low And Moderate Income (Shadowbend 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

March 24, 2016

**AUSTIN AFFORDABLE PFC, INC.
BOARD OF COMMISSIONERS**

Resolution No. 19

MEETING DATE: March 24, 2016

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

TITLE: Presentation, Discussion, and Possible Action regarding Resolution No. 19; Declaring Intent To Issue Bonds To Provide Financing For A Multifamily Residential Rental Development For Persons Of Low And Moderate Income (Shadowbend 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 and containing other provisions relating to the subject.

ACTION: Motion to Approve Resolution 19: Presentation, Discussion, and Possible Action regarding Resolution No. 19; Declaring Intent To Issue Bonds To Provide Financing For A Multifamily Residential Rental Development For Persons Of Low And Moderate Income (Shadowbend 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.

SUMMARY:

The Rental Assistance Demonstration (RAD) Program was authorized by the Consolidated and Further Continuing Appropriations Act of 2012 which provided fiscal year 2012 appropriations for HUD to support this program. RAD is a tool that enables Public Housing Authorities to convert public housing subsidies into long-term, Section 8 rental assistance subsidy. This is beneficial to PHAs because historically public housing subsidies and funding for capital projects have been unpredictable and fluctuate annually due to federal budget cuts. The project based rental assistance program provides a much more stable and predictable annual subsidy. More importantly, the RAD tool provides PHA's an opportunity to make substantial physical improvements to its properties, resulting in a higher quality of life for residents. Additionally, provisions with RAD ensure that existing residents are protected and enjoy more choices on where they wish to reside. The Housing Authority of the City of Austin (HACA) submitted applications and received a "Commitment to enter into a Housing Assistance Payment Contract" (CHAP) award on 9 properties and reservations to convert to RAD on the balance of its portfolio.

Part of the conversion process to RAD will require each property to present a financing model to the Department of Housing and Urban Development (HUD) addressing the costs associated with the needed repairs and renovations determined by a third party physical needs assessment. HACA intends on using a combination of Private Activity Bonds and 4% tax credits as part of its financing model. Resolution 19 allows HACA's subsidiary, Austin Affordable PFC, Inc. to declare its intent to issue Private Activity Bonds for repairs and renovations associated with the Shadowbend Apartments and other provisions relating to the subject.

HACA also has the right to terminate any and all applications prior to closing and funding.

ATTACHMENTS:

Fiscal Impact:

- None
- Budgeted Expenditure
- Not Budgeted will result in expenditures indicated below:

STAFF ANALYSIS SUMMARY

PRESIDENT & CEO:

DEPARTMENT HEAD:

FINANCE REVIEW

- Proposed action does not require a Finance Department review.**
- Fiscal Impact was approved by _____.** The listed attachments have the Finance Director's signature as noted and/ or require the budget action listed below:
- Financial Resolution for _____.**

By:

Title:

RESOLUTION NO. **19** OF AUSTIN AFFORDABLE PFC, INC.

RESOLUTION DECLARING INTENT TO ISSUE BONDS TO PROVIDE FINANCING FOR A MULTIFAMILY RESIDENTIAL RENTAL DEVELOPMENT FOR PERSONS OF LOW AND MODERATE INCOME (THE BRIDGES AT SHADOWBEND); 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 Housing Authority of the City of Austin (the "**Unit**") has, pursuant to the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the "**Act**"), approved and created the Austin Affordable PFC, Inc., a nonprofit corporation (the "**Issuer**");

WHEREAS, on November 5, 2012, the Issuer's Certificate of Formation was filed with the Secretary of State of the State of Texas;

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 Unit's boundaries, including Austin, Texas;

WHEREAS, The Bridges at Shadowbend, LP, a to-be-formed Texas limited partnership, or such other limited partnership as the sole member of the general partner of the User designates (the "**User**"), has requested that the Issuer finance a low income multifamily housing project consisting of approximately 50 units to be located at approximately 6328 Shadow Bend, Austin, Texas 78745 (the "**Project**") within the boundaries of the Unit in Austin, Texas, and further that the Issuer adopt this Resolution with respect to the acquisition and rehabilitation 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 acquisition and rehabilitation of the Project would be a commitment and 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 rehabilitation of the Project be completed at the earliest practicable date, but at the same time, the User wishes to begin rehabilitation 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; and

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 of \$7,000,000 for tax-exempt obligations and to expend the proceeds thereof to acquire, construct, and install 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 or an Application for Carryforward for 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 AUSTIN AFFORDABLE PFC, INC. 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; acquisition, rehabilitation, and improvement 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.

(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 acquisition and rehabilitation 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 Austin, 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.

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 2016 (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 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, rehabilitation, 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 and moderate 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 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 7. 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 Bonds issued to reimburse Project costs 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 8. The Issuer hereby authorizes the filing and any resubmission of an Application with the TBRB, and that Coats, Rose, Yale, Ryman & Lee, P.C. be designated as the authorized representative of the Issuer for purposes of an Application (“**Bond Counsel**”). 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, including any further revisions to this Resolution.

Section 9. 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.

[Remainder of page left blank for signature]

PASSED this 24th day of March, 2016.

CHAIR

ATTEST:

**AUSTIN AFFORDABLE PFC., INC.
BOARD OF COMMISSIONERS
REGULAR BOARD MEETING**

AGENDA ITEM NO. 4

Presentation, Discussion, and Possible Action regarding Resolution No. 20: Declaring Intent To Issue Bonds To Provide Financing For A Multifamily Residential Rental Development For Persons Of Low And Moderate Income (Manchaca Village 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

March 24, 2016

AUSTIN AFFORDABLE PFC, INC.
BOARD OF COMMISSIONERS

Resolution No. 20

MEETING DATE: March 24, 2016

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

TITLE: Presentation, Discussion, and Possible Action regarding Resolution No. 20; Declaring Intent To Issue Bonds To Provide Financing For A Multifamily Residential Rental Development For Persons Of Low And Moderate Income (The Bridges at Manchaca Village); 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 and containing other provisions relating to the subject.

ACTION: Motion to Approve Resolution 20: Presentation, Discussion, and Possible Action regarding Resolution No. 20; Declaring Intent To Issue Bonds To Provide Financing For A Multifamily Residential Rental Development For Persons Of Low And Moderate Income (The Bridges at Manchaca Village); 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.

SUMMARY:

The Rental Assistance Demonstration (RAD) Program was authorized by the Consolidated and Further Continuing Appropriations Act of 2012 which provided fiscal year 2012 appropriations for HUD to support this program. RAD is a tool that enables Public Housing Authorities to convert public housing subsidies into long-term, Section 8 rental assistance subsidy. This is beneficial to PHAs because historically public housing subsidies and funding for capital projects have been unpredictable and fluctuate annually due to federal budget cuts. The project based rental assistance program provides a much more stable and predictable annual subsidy. More importantly, the RAD tool provides PHA's an opportunity to make substantial physical improvements to its properties, resulting in a higher quality of life for residents. Additionally, provisions with RAD ensure that existing residents are protected and enjoy more choices on where they wish to reside. The Housing Authority of the City of Austin (HACA) submitted applications and received a "Commitment to enter into a Housing Assistance Payment Contract" (CHAP) award on 9 properties and reservations to convert to RAD on the balance of its portfolio.

Part of the conversion process to RAD will require each property to present a financing model to the Department of Housing and Urban Development (HUD) addressing the costs associated with the needed repairs and renovations determined by a third party physical needs assessment. HACA intends on using a combination of Private Activity Bonds and 4% tax credits as part of its financing model. Resolution 20 allows HACA's subsidiary, Austin Affordable PFC, Inc. to declare its intent to issue Private Activity Bonds for repairs and renovations associated with the The Bridges at Manchaca Village and other provisions relating to the subject.

HACA also has the right to terminate any and all applications prior to closing and funding.

ATTACHMENTS:

Fiscal Impact:

- None
- Budgeted Expenditure
- Not Budgeted will result in expenditures indicated below:

STAFF ANALYSIS SUMMARY

PRESIDENT & CEO:

DEPARTMENT HEAD:

FINANCE REVIEW

- Proposed action does not require a Finance Department review.**
- Fiscal Impact was approved by _____.** The listed attachments have the Finance Director's signature as noted and/ or require the budget action listed below:
- Financial Resolution for _____.**

By:

Title:

RESOLUTION NO. **20** OF AUSTIN AFFORDABLE PFC, INC.

RESOLUTION DECLARING INTENT TO ISSUE BONDS TO PROVIDE FINANCING FOR A MULTIFAMILY RESIDENTIAL RENTAL DEVELOPMENT FOR PERSONS OF LOW AND MODERATE INCOME (THE BRIDGES AT MANCHACA VILLAGE); 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 Housing Authority of the City of Austin (the "**Unit**") has, pursuant to the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the "**Act**"), approved and created the Austin Affordable PFC, Inc., a nonprofit corporation (the "**Issuer**");

WHEREAS, on November 5, 2012, the Issuer's Certificate of Formation was filed with the Secretary of State of the State of Texas;

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 Unit's boundaries, including Austin, Texas;

WHEREAS, The Bridges at Manchaca Village, LP, a to-be-formed Texas limited partnership, or such other limited partnership as the sole member of the general partner of the User designates (the "**User**"), has requested that the Issuer finance a low income multifamily housing project consisting of approximately 33 units to be located at approximately 3628 Manchaca Road, Austin, Texas 78704 (the "**Project**") within the boundaries of the Unit in Austin, Texas, and further that the Issuer adopt this Resolution with respect to the acquisition, and rehabilitation 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 acquisition and rehabilitation of the Project would be a commitment and 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 rehabilitation of the Project be completed at the earliest practicable date, but at the same time, the User wishes to begin rehabilitation 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; and

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 of \$5,000,000 for tax-exempt obligations and to expend the proceeds thereof to acquire, construct, and install 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 or an Application for Carryforward for 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 AUSTIN AFFORDABLE PFC, INC. 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; acquisition, rehabilitation, and improvement 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.

(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 acquisition and rehabilitation 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 Austin, 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.

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 2016 (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 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, rehabilitation, 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 and moderate 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 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 7. 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 Bonds issued to reimburse Project costs 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 8. The Issuer hereby authorizes the filing and any resubmission of an Application with the TBRB, and that Coats, Rose, Yale, Ryman & Lee, P.C. be designated as the authorized representative of the Issuer for purposes of an Application (“**Bond Counsel**”). 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, including any further revisions to this Resolution.

Section 9. 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.

[Remainder of page left blank for signature]

PASSED this 24th day of March, 2016.

CHAIR

ATTEST:

**AUSTIN AFFORDABLE PFC., INC.
BOARD OF COMMISSIONERS
REGULAR BOARD MEETING**

AGENDA ITEM NO. 5

Presentation, Discussion, and Possible Action regarding Resolution No. 21: Declaring Intent To Issue Bonds To Provide Financing For A Multifamily Residential Rental Development For Persons Of Low And Moderate Income (Northgate 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

March 24, 2016

**AUSTIN AFFORDABLE PFC, INC.
BOARD OF COMMISSIONERS**

Resolution No. 21

MEETING DATE: March 24, 2016

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

TITLE: Presentation, Discussion, and Possible Action regarding Resolution No. 21; Declaring Intent To Issue Bonds To Provide Financing For A Multifamily Residential Rental Development For Persons Of Low And Moderate Income (Northgate); 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 and containing other provisions relating to the subject.

ACTION: Motion to Approve Resolution 21: Presentation, Discussion, and Possible Action regarding Resolution No. 21; Declaring Intent To Issue Bonds To Provide Financing For A Multifamily Residential Rental Development For Persons Of Low And Moderate Income (Northgate); 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.

SUMMARY:

The Rental Assistance Demonstration (RAD) Program was authorized by the Consolidated and Further Continuing Appropriations Act of 2012 which provided fiscal year 2012 appropriations for HUD to support this program. RAD is a tool that enables Public Housing Authorities to convert public housing subsidies into long-term, Section 8 rental assistance subsidy. This is beneficial to PHAs because historically public housing subsidies and funding for capital projects have been unpredictable and fluctuate annually due to federal budget cuts. The project based rental assistance program provides a much more stable and predictable annual subsidy. More importantly, the RAD tool provides PHA's an opportunity to make substantial physical improvements to its properties, resulting in a higher quality of life for residents. Additionally, provisions with RAD ensure that existing residents are protected and enjoy more choices on where they wish to reside. The Housing Authority of the City of Austin (HACA) submitted applications and received a "Commitment to enter into a Housing Assistance Payment Contract" (CHAP) award on 9 properties and reservations to convert to RAD on the balance of its portfolio.

Part of the conversion process to RAD will require each property to present a financing model to the Department of Housing and Urban Development (HUD) addressing the costs associated with the needed repairs and renovations determined by a third party physical needs assessment. HACA intends on using a combination of Private Activity Bonds and 4% tax credits as part of its financing model. Resolution 21 allows HACA's subsidiary, Austin Affordable PFC, Inc. to declare its intent to issue Private Activity Bonds for repairs and renovations associated with the Northgate and other provisions relating to the subject.

HACA also has the right to terminate any and all applications prior to closing and funding.

ATTACHMENTS:

Fiscal Impact:

- None
- Budgeted Expenditure
- Not Budgeted will result in expenditures indicated below:

STAFF ANALYSIS SUMMARY

PRESIDENT & CEO:

DEPARTMENT HEAD:

FINANCE REVIEW

- Proposed action does not require a Finance Department review.**
- Fiscal Impact was approved by _____.** The listed attachments have the Finance Director's signature as noted and/ or require the budget action listed below:
- Financial Resolution for _____.**

By:

Title:

RESOLUTION NO. **21** OF AUSTIN AFFORDABLE PFC, INC.

RESOLUTION DECLARING INTENT TO ISSUE BONDS TO PROVIDE FINANCING FOR A MULTIFAMILY RESIDENTIAL RENTAL DEVELOPMENT FOR PERSONS OF LOW AND MODERATE INCOME (THE BRIDGES AT NORTHGATE); 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 Housing Authority of the City of Austin (the "**Unit**") has, pursuant to the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the "**Act**"), approved and created the Austin Affordable PFC, Inc., a nonprofit corporation (the "**Issuer**");

WHEREAS, on November 5, 2012, the Issuer's Certificate of Formation was filed with the Secretary of State of the State of Texas;

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 Unit's boundaries, including Austin, Texas;

WHEREAS, The Bridges at Northgate, LP, a to-be-formed Texas limited partnership, or such other limited partnership as the sole member of the general partner of the User designates (the "**User**"), has requested that the Issuer finance a low income multifamily housing project consisting of approximately 50 units to be located at approximately 9120 Northgate, Austin, Texas 78758 (the "**Project**") within the boundaries of the Unit in Austin, Texas, and further that the Issuer adopt this Resolution with respect to the acquisition and rehabilitation 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 acquisition and rehabilitation of the Project would be a commitment and 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 rehabilitation of the Project be completed at the earliest practicable date, but at the same time, the User wishes to begin rehabilitation 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; and

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 of \$7,000,000 for tax-exempt obligations and to expend the proceeds thereof to acquire, construct, and install 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 or an Application for Carryforward for 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 AUSTIN AFFORDABLE PFC, INC. 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; acquisition, rehabilitation, and improvement 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.

(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 acquisition and rehabilitation 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 Austin, 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.

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 2016 (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 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, rehabilitation, 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 and moderate 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 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 7. 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 Bonds issued to reimburse Project costs 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 8. The Issuer hereby authorizes the filing and any resubmission of an Application with the TBRB, and that Coats, Rose, Yale, Ryman & Lee, P.C. be designated as the authorized representative of the Issuer for purposes of an Application (“**Bond Counsel**”). 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, including any further revisions to this Resolution.

Section 9. 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.

[Remainder of page left blank for signature]

PASSED this 24 day of March, 2016.

CHAIR

ATTEST:

**AUSTIN AFFORDABLE PFC., INC.
BOARD OF COMMISSIONERS
REGULAR BOARD MEETING**

AGENDA ITEM NO. 6

Presentation, Discussion, and Possible Action regarding Resolution No. 22: Declaring Intent To Issue Bonds To Provide Financing For A Multifamily Residential Rental Development For Persons Of Low And Moderate Income (Georgian Manor 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

March 24, 2016

**AUSTIN AFFORDABLE PFC, INC.
BOARD OF COMMISSIONERS**

Resolution No. 22

MEETING DATE: March 24, 2016

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

TITLE: Presentation, Discussion, and Possible Action regarding Resolution No. 22; Declaring Intent To Issue Bonds To Provide Financing For A Multifamily Residential Rental Development For Persons Of Low And Moderate Income (Georgian Manor 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 and containing other provisions relating to the subject.

ACTION: Motion to Approve Resolution 22: Presentation, Discussion, and Possible Action regarding Resolution No. 22; Declaring Intent To Issue Bonds To Provide Financing For A Multifamily Residential Rental Development For Persons Of Low And Moderate Income (Georgian Manor 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.

SUMMARY:

The Rental Assistance Demonstration (RAD) Program was authorized by the Consolidated and Further Continuing Appropriations Act of 2012 which provided fiscal year 2012 appropriations for HUD to support this program. RAD is a tool that enables Public Housing Authorities to convert public housing subsidies into long-term, Section 8 rental assistance subsidy. This is beneficial to PHAs because historically public housing subsidies and funding for capital projects have been unpredictable and fluctuate annually due to federal budget cuts. The project based rental assistance program provides a much more stable and predictable annual subsidy. More importantly, the RAD tool provides PHA's an opportunity to make substantial physical improvements to its properties, resulting in a higher quality of life for residents. Additionally, provisions with RAD ensure that existing residents are protected and enjoy more choices on where they wish to reside. The Housing Authority of the City of Austin (HACA) submitted applications and received a "Commitment to enter into a Housing Assistance Payment Contract" (CHAP) award on 9 properties and reservations to convert to RAD on the balance of its portfolio.

Part of the conversion process to RAD will require each property to present a financing model to the Department of Housing and Urban Development (HUD) addressing the costs associated with the needed repairs and renovations determined by a third party physical needs assessment. HACA intends on using a combination of Private Activity Bonds and 4% tax credits as part of its financing model. Resolution 22 allows HACA's subsidiary, Austin Affordable PFC, Inc. to declare its intent to issue Private Activity Bonds for repairs and renovations associated with the Georgian Manor Apartments and other provisions relating to the subject.

HACA also has the right to terminate any and all applications prior to closing and funding.

ATTACHMENTS:

Fiscal Impact:

- None
- Budgeted Expenditure
- Not Budgeted will result in expenditures indicated below:

STAFF ANALYSIS SUMMARY

PRESIDENT & CEO:

DEPARTMENT HEAD:

FINANCE REVIEW

- Proposed action does not require a Finance Department review.**
- Fiscal Impact was approved by _____ . The listed attachments have the Finance Director's signature as noted and/ or require the budget action listed below:**
- Financial Resolution for _____ .**

By:

Title:

RESOLUTION NO. 22 OF AUSTIN AFFORDABLE PFC, INC.

RESOLUTION DECLARING INTENT TO ISSUE BONDS TO PROVIDE FINANCING FOR A MULTIFAMILY RESIDENTIAL RENTAL DEVELOPMENT FOR PERSONS OF LOW AND MODERATE INCOME (THE BRIDGES AT GEORGIAN MANOR); 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 Housing Authority of the City of Austin (the "**Unit**") has, pursuant to the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the "**Act**"), approved and created the Austin Affordable PFC, Inc., a nonprofit corporation (the "**Issuer**");

WHEREAS, on November 5, 2012, the Issuer's Certificate of Formation was filed with the Secretary of State of the State of Texas;

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 Unit's boundaries, including Austin, Texas;

WHEREAS, The Bridges at Georgian Manor, LP, a to-be-formed Texas limited partnership, or such other limited partnership as the sole member of the general partner of the User designates (the "**User**"), has requested that the Issuer finance a low income multifamily housing project consisting of approximately 94 units to be located at approximately 110 Bolles Circle, Austin, Texas 78753 (the "**Project**") within the boundaries of the Unit in Austin, Texas, and further that the Issuer adopt this Resolution with respect to the acquisition and rehabilitation 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 acquisition and rehabilitation of the Project would be a commitment and 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 rehabilitation of the Project be completed at the earliest practicable date, but at the same time, the User wishes to begin rehabilitation 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; and

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 of \$11,000,000 for tax-exempt obligations and to expend the proceeds thereof to acquire, construct, and install 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 or an Application for Carryforward for 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 AUSTIN AFFORDABLE PFC, INC. 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; acquisition, rehabilitation, and improvement 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.

(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 acquisition and rehabilitation 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 Austin, 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.

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 2016 (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 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, rehabilitation, 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 and moderate 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 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 7. 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 Bonds issued to reimburse Project costs 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 8. The Issuer hereby authorizes the filing and any resubmission of an Application with the TBRB, and that Coats, Rose, Yale, Ryman & Lee, P.C. be designated as the authorized representative of the Issuer for purposes of an Application (“**Bond Counsel**”). 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, including any further revisions to this Resolution.

Section 9. 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.

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PASSED this 24th day of March, 2016.

CHAIR

ATTEST:

**AUSTIN AFFORDABLE PFC., INC.
BOARD OF COMMISSIONERS
REGULAR BOARD MEETING**

AGENDA ITEM NO. 7

Presentation, Discussion, and Possible Action regarding Resolution No. 23: Declaring Intent To Issue Bonds To Provide Financing For A Multifamily Residential Rental Development For Persons Of Low And Moderate Income (Northloop 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

March 24, 2016

AUSTIN AFFORDABLE PFC, INC.
BOARD OF COMMISSIONERS

Resolution No. 23

MEETING DATE: March 24, 2016

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

TITLE: Presentation, Discussion, and Possible Action regarding Resolution No. 23; Declaring Intent To Issue Bonds To Provide Financing For A Multifamily Residential Rental Development For Persons Of Low And Moderate Income (Northloop 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 and containing other provisions relating to the subject.

ACTION: Motion to Approve Resolution 23: Presentation, Discussion, and Possible Action regarding Resolution No. 23; Declaring Intent To Issue Bonds To Provide Financing For A Multifamily Residential Rental Development For Persons Of Low And Moderate Income (Northloop 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.

SUMMARY:

The Rental Assistance Demonstration (RAD) Program was authorized by the Consolidated and Further Continuing Appropriations Act of 2012 which provided fiscal year 2012 appropriations for HUD to support this program. RAD is a tool that enables Public Housing Authorities to convert public housing subsidies into long-term, Section 8 rental assistance subsidy. This is beneficial to PHAs because historically public housing subsidies and funding for capital projects have been unpredictable and fluctuate annually due to federal budget cuts. The project based rental assistance program provides a much more stable and predictable annual subsidy. More importantly, the RAD tool provides PHA's an opportunity to make substantial physical improvements to its properties, resulting in a higher quality of life for residents. Additionally, provisions with RAD ensure that existing residents are protected and enjoy more choices on where they wish to reside. The Housing Authority of the City of Austin (HACA) submitted applications and received a "Commitment to enter into a Housing Assistance Payment Contract" (CHAP) award on 9 properties and reservations to convert to RAD on the balance of its portfolio.

Part of the conversion process to RAD will require each property to present a financing model to the Department of Housing and Urban Development (HUD) addressing the costs associated with the needed repairs and renovations determined by a third party physical needs assessment. HACA intends on using a combination of Private Activity Bonds and 4% tax credits as part of its financing model. Resolution 23 allows HACA's subsidiary, Austin Affordable PFC, Inc. to declare its intent to issue Private Activity Bonds for repairs and renovations associated with the Northloop Apartments and other provisions relating to the subject.

HACA also has the right to terminate any and all applications prior to closing and funding.

ATTACHMENTS:

Fiscal Impact:

- None
- Budgeted Expenditure
- Not Budgeted will result in expenditures indicated below:

STAFF ANALYSIS SUMMARY

PRESIDENT & CEO:

DEPARTMENT HEAD:

FINANCE REVIEW

- Proposed action does not require a Finance Department review.**
- Fiscal Impact was approved by _____.** The listed attachments have the Finance Director's signature as noted and/ or require the budget action listed below:
- Financial Resolution for _____.**

By: _____

Title: _____

RESOLUTION NO. **23** OF AUSTIN AFFORDABLE PFC, INC.

RESOLUTION DECLARING INTENT TO ISSUE BONDS TO PROVIDE FINANCING FOR A MULTIFAMILY RESIDENTIAL RENTAL DEVELOPMENT FOR PERSONS OF LOW AND MODERATE INCOME (THE BRIDGES AT NORTHLOOP); 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 Housing Authority of the City of Austin (the "**Unit**") has, pursuant to the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the "**Act**"), approved and created the Austin Affordable PFC, Inc., a nonprofit corporation (the "**Issuer**");

WHEREAS, on November 5, 2012, the Issuer's Certificate of Formation was filed with the Secretary of State of the State of Texas;

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 Unit's boundaries, including Austin, Texas;

WHEREAS, The Bridges at Northloop, LP, a to-be-formed Texas limited partnership, or such other limited partnership as the sole member of the general partner of the User designates (the "**User**"), has requested that the Issuer finance a low income multifamily housing project consisting of approximately 130 units to be located at approximately 2300 W. North Loop, Austin, Texas 78756 (the "**Project**") within the boundaries of the Unit in Austin, Texas, and further that the Issuer adopt this Resolution with respect to the acquisition and rehabilitation 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 acquisition and rehabilitation of the Project would be a commitment and 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 rehabilitation of the Project be completed at the earliest practicable date, but at the same time, the User wishes to begin rehabilitation 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; and

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 of \$12,000,000 for tax-exempt obligations and to expend the proceeds thereof to acquire, construct, and install 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 or an Application for Carryforward for 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 AUSTIN AFFORDABLE PFC, INC. 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; acquisition, rehabilitation, and improvement 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.

(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 acquisition and rehabilitation 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 Austin, 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.

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 2016 (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 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, rehabilitation, 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 and moderate 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 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 7. 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 Bonds issued to reimburse Project costs 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 8. The Issuer hereby authorizes the filing and any resubmission of an Application with the TBRB, and that Coats, Rose, Yale, Ryman & Lee, P.C. be designated as the authorized representative of the Issuer for purposes of an Application (“**Bond Counsel**”). 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, including any further revisions to this Resolution.

Section 9. 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.

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PASSED this 24th day of March, 2016.

CHAIR

ATTEST:

**AUSTIN AFFORDABLE PFC., INC.
BOARD OF COMMISSIONERS
REGULAR BOARD MEETING**

AGENDA ITEM NO. 8

Presentation, Discussion, and Possible Action regarding Resolution No. 24: Declaring Intent To Issue Bonds To Provide Financing For A Multifamily Residential Rental Development For Persons Of Low And Moderate Income (Bluffs At Cameron); 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

March 24, 2016

AUSTIN AFFORDABLE PFC BOARD OF COMMISSIONERS

Resolution No. 24

MEETING DATE: March 24, 2016

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

TITLE: Presentation, Discussion, and Possible Action regarding Resolution No. 24; Declaring Intent To Issue Bonds To Provide Financing For A Multifamily Residential Rental Development For Persons Of Low And Moderate Income (Bridges at Cameron); 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 and containing other provisions relating to the subject.

ACTION: Motion to Approve Resolution 24: Presentation, Discussion, and Possible Action regarding Resolution No. 24; Declaring Intent To Issue Bonds To Provide Financing For A Multifamily Residential Rental Development For Persons Of Low And Moderate Income (Bridges at Cameron); 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.

SUMMARY:

The Rental Assistance Demonstration (RAD) Program was authorized by the Consolidated and Further Continuing Appropriations Act of 2012 which provided fiscal year 2012 appropriations for HUD to support this program. RAD is a tool that enables Public Housing Authorities to convert public housing subsidies into long-term, Section 8 rental assistance subsidy. This is beneficial to PHAs because historically public housing subsidies and funding for capital projects have been unpredictable and fluctuate annually due to federal budget cuts. The project based rental assistance program provides a much more stable and predictable annual subsidy. More importantly, the RAD tool provides PHA's an opportunity to make substantial physical improvements to its properties, resulting in a higher quality of life for residents. Additionally, provisions with RAD ensure that existing residents are protected and enjoy more choices on where they wish to reside. The Housing Authority of the City of Austin (HACA) submitted applications and received a "Commitment to enter into a Housing Assistance Payment Contract" (CHAP) award on 9 properties and reservations to convert to RAD on the balance of its portfolio.

Part of the conversion process to RAD will require each property to present a financing model to the Department of Housing and Urban Development (HUD) addressing the costs associated with the needed repairs and renovations determined by a third party physical needs assessment. HACA intends on using a combination of Private Activity Bonds and 4% tax credits as part of its financing model. Resolution 24 allows HACA's subsidiary, Austin Affordable PFC, Inc. to declare its intent to issue Private Activity Bonds for repairs and renovations associated with the Bridges at Cameron and other provisions relating to the subject.

HACA also has the right to terminate any and all applications prior to closing and funding.

ATTACHMENTS:

Fiscal Impact:

- None
- Budgeted Expenditure
- Not Budgeted will result in expenditures indicated below:

STAFF ANALYSIS SUMMARY

PRESIDENT & CEO:

DEPARTMENT HEAD:

FINANCE REVIEW

- Proposed action does not require a Finance Department review.**
- Fiscal Impact was approved by _____.** The listed attachments have the Finance Director's signature as noted and/ or require the budget action listed below:
- Financial Resolution for _____.**

By: _____

Title: _____

RESOLUTION NO. 24 OF AUSTIN AFFORDABLE PFC, INC.

RESOLUTION DECLARING INTENT TO ISSUE BONDS TO PROVIDE FINANCING FOR A MULTIFAMILY RESIDENTIAL RENTAL DEVELOPMENT FOR PERSONS OF LOW AND MODERATE INCOME (BLUFFS AT CAMERON); 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 Housing Authority of the City of Austin (the "**Unit**") has, pursuant to the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the "**Act**"), approved and created the Austin Affordable PFC, Inc., a nonprofit corporation (the "**Issuer**");

WHEREAS, on November 5, 2012, the Issuer's Certificate of Formation was filed with the Secretary of State of the State of Texas;

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 Unit's boundaries, including Austin, Texas;

WHEREAS, **LDG Bridges at Cameron, LP**, a to-be-formed Texas limited partnership, or such other limited partnership as the sole member of the general partner of the User designates (the "**User**"), has requested that the Issuer finance a low income multifamily housing project consisting of approximately 252 units to be located at approximately 9201 Cameron Road, Austin, Texas (the "**Project**") within the boundaries of the Unit in Austin, Texas, and further that the Issuer adopt this Resolution with respect to the acquisition, construction, 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 acquisition and construction of the Project would be a commitment and 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; and

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 of \$20,000,000 for tax-exempt obligations and to expend the proceeds thereof to acquire, construct, and install 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 or an Application for Carryforward for 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 AUSTIN AFFORDABLE PFC, INC. 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; acquisition, construction, and improvement 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.

(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 acquisition, construction, and installation 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 Austin, 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.

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 2016 (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 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 and moderate 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 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 7. 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 Bonds issued to reimburse Project costs 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 8. The Issuer hereby authorizes the filing and any resubmission of an Application with the TBRB, and that Coats, Rose, Yale, Ryman & Lee, P.C. be designated as the authorized representative of the Issuer for purposes of an Application (“**Bond Counsel**”). 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, including any further revisions to this Resolution.

Section 9. 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.

[Remainder of page left blank for signature]

PASSED this 24th day of March, 2016.

CHAIR

ATTEST:

**AUSTIN AFFORDABLE PFC., INC.
BOARD OF COMMISSIONERS
REGULAR BOARD MEETING**

AGENDA ITEM NO. 9

Presentation, Discussion, and Possible Action regarding Resolution No. 25: Declaring Intent To Issue Bonds To Provide Financing For A Multifamily Residential Rental Development For Persons Of Low And Moderate Income (Villages at Canyon View); 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

March 24, 2016

AUSTIN AFFORDABLE PFC BOARD OF COMMISSIONERS

Resolution No. 25

MEETING DATE: March 24, 2016

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

TITLE: Presentation, Discussion, and Possible Action regarding Resolution No. 25; Declaring Intent To Issue Bonds To Provide Financing For A Multifamily Residential Rental Development For Persons Of Low And Moderate Income (Bridges at Canyon View); 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 and containing other provisions relating to the subject.

ACTION: Motion to Approve Resolution 25: Presentation, Discussion, and Possible Action regarding Resolution No. 25; Declaring Intent To Issue Bonds To Provide Financing For A Multifamily Residential Rental Development For Persons Of Low And Moderate Income (Bridges at Canyon View); 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.

SUMMARY:

The Rental Assistance Demonstration (RAD) Program was authorized by the Consolidated and Further Continuing Appropriations Act of 2012 which provided fiscal year 2012 appropriations for HUD to support this program. RAD is a tool that enables Public Housing Authorities to convert public housing subsidies into long-term, Section 8 rental assistance subsidy. This is beneficial to PHAs because historically public housing subsidies and funding for capital projects have been unpredictable and fluctuate annually due to federal budget cuts. The project based rental assistance program provides a much more stable and predictable annual subsidy. More importantly, the RAD tool provides PHA's an opportunity to make substantial physical improvements to its properties, resulting in a higher quality of life for residents. Additionally, provisions with RAD ensure that existing residents are protected and enjoy more choices on where they wish to reside. The Housing Authority of the City of Austin (HACA) submitted applications and received a "Commitment to enter into a Housing Assistance Payment Contract" (CHAP) award on 9 properties and reservations to convert to RAD on the balance of its portfolio.

Part of the conversion process to RAD will require each property to present a financing model to the Department of Housing and Urban Development (HUD) addressing the costs associated with the needed repairs and renovations determined by a third party physical needs assessment. HACA intends on using a combination of Private Activity Bonds and 4% tax credits as part of its financing model. Resolution 25 allows HACA's subsidiary, Austin Affordable PFC, Inc. to declare its intent to issue Private Activity Bonds for repairs and renovations associated with the Bridges at Canyon View and other provisions relating to the subject.

HACA also has the right to terminate any and all applications prior to closing and funding.

ATTACHMENTS:

Fiscal Impact:

- None
- Budgeted Expenditure
- Not Budgeted will result in expenditures indicated below:

STAFF ANALYSIS SUMMARY

PRESIDENT & CEO:

DEPARTMENT HEAD:

FINANCE REVIEW

- Proposed action does not require a Finance Department review.**
- Fiscal Impact was approved by _____.** The listed attachments have the Finance Director's signature as noted and/ or require the budget action listed below:
- Financial Resolution for _____.**

By: _____

Title: _____

RESOLUTION NO. 25 OF AUSTIN AFFORDABLE PFC, INC.

RESOLUTION DECLARING INTENT TO ISSUE BONDS TO PROVIDE FINANCING FOR A MULTIFAMILY RESIDENTIAL RENTAL DEVELOPMENT FOR PERSONS OF LOW AND MODERATE INCOME (THE VILLAGES AT CANYON VIEW); 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 Housing Authority of the City of Austin (the "**Unit**") has, pursuant to the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the "**Act**"), approved and created the Austin Affordable PFC, Inc., a nonprofit corporation (the "**Issuer**");

WHEREAS, on November 5, 2012, the Issuer's Certificate of Formation was filed with the Secretary of State of the State of Texas;

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 Unit's boundaries, including Austin, Texas;

WHEREAS, **LDG Bridges at Canyon View, LP**, a to-be-formed Texas limited partnership, or such other limited partnership as the sole member of the general partner of the User designates (the "**User**"), has requested that the Issuer finance a low income multifamily housing project consisting of approximately 216 units to be located at approximately 4506 E. William Cannon Drive, Austin, Texas (the "**Project**") within the boundaries of the Unit in Austin, Texas, and further that the Issuer adopt this Resolution with respect to the acquisition, construction, 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 acquisition and construction of the Project would be a commitment and 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; and

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 of \$20,000,000 for tax-exempt obligations and to expend the proceeds thereof to acquire, construct, and install 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 or an Application for Carryforward for 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 AUSTIN AFFORDABLE PFC, INC. 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; acquisition, construction, and improvement 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.

(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 acquisition, construction, and installation 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 Austin, 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.

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 2016 (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 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 and moderate 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 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 7. 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 Bonds issued to reimburse Project costs 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 8. The Issuer hereby authorizes the filing and any resubmission of an Application with the TBRB, and that Coats, Rose, Yale, Ryman & Lee, P.C. be designated as the authorized representative of the Issuer for purposes of an Application (“**Bond Counsel**”). 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, including any further revisions to this Resolution.

Section 9. 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.

[Remainder of page left blank for signature]

PASSED this 24th day of March, 2016.

CHAIR

ATTEST:

**AUSTIN AFFORDABLE PFC., INC.
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 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.**

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

March 24, 2016

**AUSTIN AFFORDABLE PFC., INC.
BOARD OF COMMISSIONERS
REGULAR BOARD MEETING**

Adjournment

March 24, 2016