

# **Austin Affordable Housing Corporation Meeting**



**Thursday, April 21, 2016  
12:00 noon  
At**

**Meadowbrook Apartments  
1201 West Live Oak  
Austin, TX 78704**

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

**TO BE HELD AT  
Meadowbrook Apartments  
1201 West Live Oak, Austin, TX 78704  
(512.477.4488)**

**COMMENCING AT 12:00 NOON ON THURSDAY, APRIL 21, 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 March 24, 2016

**Ron Kowal**  
VP Housing Development/Asst  
Mgmt.

**APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS:**

**ITEM 2:** Presentation, Discussion, and Possible Action regarding Resolution No. 83: Approval of the purchase the Oslo apartment complex located at 6808 South IH 35 in Austin, Texas

**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."**

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

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

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

**CALL TO ORDER**

**and**

**ROLL CALL**

<b>Tyra Duncan-Hall, Chairperson</b>	_____
<b>Isaac Robinson, Vice-Chairperson</b>	_____
<b>Edwina Carrington, 2<sup>nd</sup> Vice-Chairperson</b>	_____
<b>Charles Bailey, Commissioner</b>	_____
<b>Carl S. Richie, Jr., Commissioner</b>	_____

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

**CONSENT AGENDA**

**AGENDA ITEM NO. 1**

**Presentation, Discussion, and Possible Action regarding  
the Approval of Board Minutes Summary for Board  
Meeting held on March 24, 2016**

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

**MARCH 24, 2016**

**SUMMARY OF MINUTES**

**The AUSTIN AFFORDABLE HOUSING CORPORATION (AAHC) Board of Directors Public Meeting Notice was posted for 12:00 noon on Thursday, MARCH 24, 2016, and was held at HACA Central Office, located at 1124 S. IH 35, Austin, TX**

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

The Board of Directors meeting of the **AUSTIN AFFORDABLE HOUSING CORPORATION (AAHC)** of **MARCH 24, 2016**, was called to order by Carl S. Richie, Jr., Chairperson, at 12:19 p.m. It was held at HACA Central Office, located at 1124 S. IH 35, Austin, TX

Roll call certified a quorum was present.

**MEMBERS PRESENT:**

Isaac Robinson, Vice-Chairperson  
Edwina Carrington, 2<sup>nd</sup> Vice-Chairperson  
Carl S. Richie, Jr., Commissioner  
Charles Bailey, Commissioner

**MEMBER(S) ABSENT:**

Dr. Tyra Duncan-Hall, Chairperson

**STAFF PRESENT:**

Andrea Galloway, Ann Gass, Gloria Morgan, Jimi Teasdale, Judy Paciocco, Kelly Crawford, Lisa Garcia, Michael Gerber, Michael Roth, Michael Cummings, Nidia Hiroms, Nora Morales, Pilar Sanchez, Ron Kowal, Subra Narayaniyer, Suzanne Schwertner, Sylvia Blanco, and Thomas Cherian

**ALSO IN ATTENDANCE:**

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

**CONSENT AGENDA**

**APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS:**

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

**Commissioner Carrington** moved to approve the Board Minutes Summary for the Board Meeting held on December 17, 2015 as presented. **Commissioner Robinson** seconded the motion. The motion passed. (4-Ayes and 0-Nays).

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

**Commissioner Robinson** moved to approve Resolution No. 81: Approval to ratify all actions taken by the Board of Commissioners during FYE 2016, in order to resolve any irregularities which may have occurred regarding a quorum or vote by the Commissioners as reflected within the approved minutes and resolutions. **Commissioner Carrington** seconded the motion. The motion passed. (4-Ayes and 0-Nays).

**ACTION ITEMS**

**APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS:**

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

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

**Commissioner Carrington** moved to approve Resolution 82 by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) to: 1. Ratify a purchase contract for the acquisition of the Oslo Apartments (the “Development”), which consists of multifamily housing units and associated amenities in Austin, Texas; and 2. Cause AAHC to form subsidiary limited liability company to own the Development (the “Owner”). **Commissioner Robinson** seconded the motion. The motion passed. (4-Ayes and 0-Nays).

## **REPORTS**

No other reporting.

## **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.

The Board did not recess into Executive Session.

## **ADJOURNMENT**

**Commissioner Carrington** moved to adjourn the meeting. **Commissioner Robinson** seconded the motion. The Motion passed unanimously. The meeting adjourned at 3:15 p.m.

---

Carl S. Richie, Chairperson

---

Michael G. Gerber, Secretary

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

**ACTION ITEM**

**AGENDA ITEM NO. 2**

**Presentation, Discussion, and Possible Action regarding  
Resolution No. 83: Approval of the purchase the Oslo  
apartment complex located at 6808 South IH 35 in Austin,  
Texas**

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

**Resolution No. 83**

**MEETING DATE:** April 21, 2016

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

**TITLE:** Discussion, Consideration and Possible Action of Resolution No.83: A Resolution by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to:

1. Facilitate the acquisition of the Oslo Apartments (the development), which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin (“HACA”);
2. Cause AAHC’s to form subsidiary limited liability companies, to own the Developments and act as a holding company for the Owners
3. Cause the Partnership to enter into acquisition and development financing for the Development; and
4. Cause AAHC and/or the Owners and/or the Holding Company to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

**ACTION:** **Motion to Approve Resolution No. 83:** Approval of a Resolution by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: Items 1-4 above.



**SUMMARY:**

The Austin Affordable Housing Corporation (AAHC) a nonprofit subsidiary of the Housing Authority of the City of Austin (HACA), was created to own, engage in or assist in the development or operation of affordable housing, including but not limited to income producing projects whose proceeds are used to further HACA’s mission of moving its stakeholders from poverty to self-sufficiency. AAHC, as one of its goals has committed through acquisition and or development a portfolio of 4040 units by the year 2020. Another goal of AAHC is to acquire and or develop affordable housing in high opportunity areas where housing choice for Housing Choice Voucher holders does not exist and to give low and moderate families housing in areas of better performing schools and services in locations outside the City of Austin’s crescent of poverty.

An opportunity was presented to AAHC to purchase an apartment complex totaling 176 units at William Cannon and IH 35 in Austin, Texas. In March of 2016, the Board of Commissioners of HACA authorized AAHC to enter into a contract to purchase the development and complete the necessary due diligence required to proceed to closing. This property is in a high growth area providing residents with access to a large base of employers in the Austin area and easy access to Austin/San Marcos via IH 35 and very close proximity to downtown.

With the addition of these units AAHC can expand the housing choices to voucher holders in an area where they currently do not exist. With a goal to create housing for all types of people in all types of areas, this property will also provide housing to the residents who fall in the range of 80% of median family income or below and create additional affordability at rent and income levels significantly below the targeted market for the property. This property has as its neighbor, Urban Oaks, an AAHC new construction property providing an excellent opportunity for both properties to participate in social and financial services that will be provided to the sites.

By approving resolution 83 the Board of Directors of AAHC would allow AAHC to acquire the site, Cause AAHC’s subsidiary limited liability company, Bridge at South Point, LLC, to own the development, cause the owner to enter into acquisition financing and cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transaction described herein.

Resolution 83 asks the Board of Directors to allow AAHC to execute any and all documents and take any other action necessary to facilitate the closing outlined in items 1-4 above.

**Unit Mix**

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

## **Fiscal Impact:**

**None**

**Budgeted Expenditure**                      **Name of Fund(s) or Account(s)**                      **Dollar Amount(s)**

**Not Budgeted, Will result in expenditures indicated below:**

The purchase of Oslo Apartment complex will require a capital contribution from AAHC's reserves in an amount not to exceed \$3,500,000.00.

## **STAFF ANALYSIS SUMMARY**

**PRESIDENT AND CEO:**

**DEPARTMENT HEAD:**

**FINANCE REVIEW:**

**RESOLUTION NO. 83**

**A Resolution by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to:**

- 1. Facilitate the acquisition of the Oslo Apartments (the “Development”), which consist of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin;**
- 2. Cause AAHC’s subsidiary limited liability company, Bridge at South Point, LLC (the “Owner”), to own the Development;**
- 3. Cause the Owner to enter into acquisition financing for the Development; and**
- 4. Cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.**

WHEREAS, AAHC is contemplating the acquisition of the Development;

WHEREAS, AAHC is the sole member of Owner;

WHEREAS, AAHC will capitalize its ownership interest in the Owner in an amount not to exceed \$3,500,000;

WHEREAS, in connection with the acquisition and operation of the Developments, the Owner desires to obtain site control of the land comprising the site of the Development (the “**Land**”) from the Housing Authority of the City of Austin (“**HACA**”), by entering into a ground lease (“**Ground Lease**”) with HACA for the Development;

WHEREAS, the Owner desires to enter into loan with Bellwether Enterprise Real Estate Capital, LLC (or an affiliate thereof), whereby the Owner will borrow a sum not to exceed \$13,500,000 (“**Loans**”), in order to finance acquisition of the Development;

WHEREAS, the Loan will be made pursuant to a promissory note to be secured, *inter alia*, by a deed of trust, UCC financing statements, certificates, affidavits, directions, amendments, indemnifications, notices, requests, demands, waivers, and any other assurances, instruments, or other communications executed in the name of and on behalf of the Owner as may be deemed to be necessary or advisable in order to carry into effect or to comply with the requirements of the instruments approved or authorized by these resolutions in connection with the Loan (“**Loan Documents**”);

NOW, THEREFORE, BE IT RESOLVED, that all of the documents, instruments, or other writing executed by AAHC (both individually and in a representative capacity as identified in these resolutions), in consummation of the transactions herein described (both individually and in a representative capacity as identified in these resolutions), including, but not limited to,

(i) the Ground Lease and Loan Documents and (ii) any and all such additional documents executed to consummate the transactions contemplated herein (collectively, the "**Transaction Documents**") shall be in form and substance approved by the Executing Officer (as such term is hereinafter defined), both individually and in a representative capacity as identified in these resolutions, his/her approval of each such instrument to be conclusively evidenced by his execution thereof; and it is further,

RESOLVED, that AAHC (both individually and in a representative capacity as identified in these resolutions), review, execute and approve all other documents necessary to effectuate the foregoing transactions, all on such terms and containing such provisions as the Executing Officer shall deem appropriate, and the approval of the terms of each such instrument herein described by the Executing Officer shall be conclusively evidenced by his/her execution and delivery thereof; and it is further

RESOLVED that the authorization of AAHC and/or Owner to enter into the Transaction Documents and that execution and delivery in the name and on behalf of AAHC and/or the Owner, by any of the officers of AAHC of the Transaction Documents, in the form as so executed and delivered is hereby approved, ratified and confirmed; and it is further

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

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

RESOLVED, that the Board of Directors finds the actions authorized by these resolutions may reasonably be expected to directly or indirectly benefit AAHC; and it is further

RESOLVED, that the Owner be promptly notified in writing by the Secretary or any other officer of AAHC or any change in these resolutions, and until it has actually received such notice in writing, the Owner is authorized to act in pursuance of these resolutions.

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

PASSED this 21<sup>st</sup> day of April, 2016.

---

VICE PRESIDENT

ATTEST:

---

SECRETARY

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

**EXECUTIVE SESSION**

**Recess into Executive Session Pursuant to**

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

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

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

**Adjournment**

**April 21, 2016  
Regular Board Meeting**