

# **Austin Affordable PFC, Inc. Meeting**

**Thursday, May 19, 2016**

**9:00 a.m.**

**at**

**HACA Central**

**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, INC.**

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

**COMMENCING AT 9:00 A.M. ON THURSDAY, MAY 19, 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. 26: Declaring Intent To Issue Bonds To Provide Financing For A Multifamily Residential Rental Development For Persons Of Low And Moderate Income (ThinkEast 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.

**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."**

\*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.

"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 or 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**

<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>	_____

May 19, 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 March 24, 2016**

May 19, 2016

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

**MARCH 24, 2016**

**SUMMARY OF MINUTES**

**The AUSTIN AFFORDABLE PFC., INC (AAPFC) 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 Commissioners meeting of the **AUSTIN AFFORDABLE PFC** 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

**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 November 23, 2015**

**Commissioner Carrington** moved the Approval of a Board Minutes Summary for the Board Meeting held on November 23, 2015. **Commissioner Robinson** seconded the motion. The motion passed. (4-Ayes and 0-Nays).

**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**

**Commissioner Robinson** moved the Approval of 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. **Commissioner Carrington** seconded the motion. The motion passed. (4-Ayes and 0-Nays).

**ACTION ITEMS**

**ITEM NUMBERS 3, 4, 5, 6 AND 7 WERE VOTED ENBLOCK**

**Resolution No. 19: Shadowbend Apartments; Resolution No. 20: Manchaca Village Apartments; Resolution No. 21: Northgate Apartments; Resolution No. 22: Georgian Manor Apartments, and Resolution No. 23: Northloop Apartments**

Initial drafts of the Inducement Resolutions for these five properties were included in the Board packet under different proposed names. After some discussion, it was determined that the names of the properties under these Resolutions be changed and the Resolutions reflecting the correct property names be submitted for approval. These Resolutions reflect the names of the Limited Partnership that will be formed as the Entity that will be purchasing the property. The five Inducement

Resolutions chosen for the Limited Partnership include: The Pathways at Shadowbend, The Pathways at Manchaca Village, The Pathways at Georgian, The Pathways at North Loop and The Pathways at Northgate. After the new entity is formed and marketing begins, the development names will be The Pathways at Shadowbend Ridge and The Pathways at Manchaca Village.

**Commissioner Carrington** moved to Amend Resolutions No. 19, 20, 21, 22 and 23 to provide flexibility on the names on the Inducement Resolutions. **Commissioner Robinson** seconded the motion. The motion passed. (4-Ayes and 0-Nays).

**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**

**Commissioner Robinson** moved the Approval of 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. **Commissioner Carrington** seconded the motion. The motion passed. (4-Ayes and 0-Nays).

**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**

**Commissioner Robinson** moved the Approval of 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. **Commissioner Carrington** seconded the motion. The motion passed. (4-Ayes and 0-Nays).

**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**

**Commissioner Robinson** moved the Approval of 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. **Commissioner Carrington** seconded the motion. The motion passed. (4-Ayes and 0-Nays).

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

**Commissioner Robinson** moved the Approval of 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. **Commissioner Carrington** seconded the motion. The motion passed. (4-Ayes and 0-Nays).

**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**

**Commissioner Robinson** moved the Approval of 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. **Commissioner Carrington** seconded the motion. The motion passed. (4-Ayes and 0-Nays).

**ITEM NUMBERS 8 AND 9**

**Resolution No. 24: Bluffs At Cameron; Resolution No. 25: Villages at Canyon View**

Initial drafts of the Inducement Resolutions for these two properties were included in the Board packet under different proposed names. After some discussion, it was determined that the names of the properties under these Resolutions be changed and the Resolutions reflecting the correct property names be submitted for approval. These Resolutions reflect the names of the Limited Partnership that will be formed as the Entity that will be purchasing the property. The LP name will be called LDG Bridges at Cameron LP and the property name will be The Bridges at Cameron and The Bridges at Canyon View.

**Commissioner Carrington** moved to Amend Resolutions No. 24 and 25 to provide flexibility on the names on the Inducement Resolutions. **Commissioner Robinson** seconded the motion. The motion passed. (4-Ayes and 0-Nays).

**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**

**Commissioner Carrington** moved the Approval of 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. **Commissioner Robinson** seconded the motion. The motion passed. (4-Ayes and 0-Nays).

**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**

**Commissioner Carrington** moved the Approval of 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. **Commissioner Robinson** seconded the motion. The motion passed. (4-Ayes and 0-Nays).

**EXECUTIVE SESSION**

The Board of Commissioners 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 2:55 p.m.

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Carl S. Richie, Jr., Chairperson

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Michael G. Gerber, Secretary



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

**ACTION**

**AGENDA ITEM NO. 2**

**Presentation, Discussion, and Possible Action regarding Resolution No. 26: Declaring Intent To Issue Bonds To Provide Financing For A Multifamily Residential Rental Development For Persons Of Low And Moderate Income (ThinkEast 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**

May 19, 2016

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

**Resolution No. 26**

**MEETING DATE:** May 19th, 2016

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

**TITLE:** Presentation, Discussion, and Possible Action regarding Resolution No. 26: Resolution Declaring Intent To Issue Bonds To Provide Financing For A Multifamily Residential Rental Development For Persons Of Low And Moderate Income (ThinkEast 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

**ACTION:** Motion to Approve Resolution 26: Resolution Declaring Intent To Issue Bonds To Provide Financing For A Multifamily Residential Rental Development For Persons Of Low And Moderate Income (ThinkEast 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:**

Austin Affordable Housing Corporation has been presented an opportunity to partner with Atlantic Pacific Corporation, to develop a certain tract of land located at 1141 Shady Lane, Austin, Texas. In September of 2015, The Board of the Austin Affordable Housing Corporation gave permission to purchase this tract of land and enter into a memorandum of understanding with Atlantic Pacific Corporation to develop the project for multi-family affordable units. The project (ThinkEast Apartments) will consist of 182 units serving tenants at or below 60% of median family income. The development will use a mixture of 4% tax credits and bonds to finance the development. The planned development will consist of 115 one bedroom and one bath units, 58 two bedroom and one bath units and 9 three bedroom and two bath units. All units will be marketed to HACA's Housing Choice Voucher residents. HACA, through its Public Facility Corporation is requesting the approval of an issuance of tax-exempt bonds in an amount not to exceed \$25,000,000. This approval will begin the initial process to submit applications for tax credits and bond approval, and staff will be presenting back to the Board in future months on

the progress and specifically any and all agreements and approvals. Staff will bring this matter fully back to the Board for final approval to proceed.

**Unit Breakdown: 115 1-bed/1-bath units 583 to 739 square feet**

**58 2-bed/2-bath units 952 to 1067 square feet**

**9 3-bed/2-bath units approximately 1,265 square feet.**

**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. 26 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 (THINKEAST APARTMENTS); PRESCRIBING CERTAIN TERMS AND CONDITIONS OF SUCH BONDS; AUTHORIZING THE FILING OF AN APPLICATION FOR ALLOCATION OF PRIVATE ACTIVITY BONDS WITH THE TEXAS BOND REVIEW BOARD; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT**

WHEREAS, the Board of Commissioners of the 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, thinkEast Apartments, Ltd., 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 180 units to be located at approximately 1141 Shady Lane, 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 \$25,000,000 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, 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 19th day of May, 2016.

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CHAIRPERSON

ATTEST:

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**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**

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

**Adjournment**

May 19, 2016