

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

**Thursday, May 18, 2017**

**12:00 noon**

**at**

**HACA's Central Office**

**1124 S. IH-35**

**Austin, TX 78704**

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

**CALL TO ORDER**

**and**

**ROLL CALL**

**Tyra Duncan-Hall, Chairperson** \_\_\_\_\_

**Isaac Robinson, Vice-Chairperson** \_\_\_\_\_

**Edwina Carrington, 2<sup>nd</sup> Vice-Chairperson** \_\_\_\_\_

**Charles Bailey, Commissioner** \_\_\_\_\_

**Carl S. Richie, Jr., Commissioner** \_\_\_\_\_

May 18, 2017

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

**AGENDA ITEM NO. 1**

**Presentation, Discussion, and Possible Action regarding  
the Approval of Board Minutes Summary for Board  
Meeting held on March 9, 2017**

May 18, 2017

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

**MARCH 9, 2017**

**SUMMARY OF MINUTES**

**THE AUSTIN AFFORDABLE PFC., INC. (AAPFC) BOARD OF DIRECTORS PUBLIC MEETING NOTICE WAS POSTED FOR 12:00 NOON ON THURSDAY, MARCH 9, 2017 AND WAS HELD AT HACA'S CENTRAL OFFICE, 1124 S. IH 35, AUSTIN, TEXAS**

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

The Board of Directors Regular Board Meeting of the Austin Affordable PFC., INC. of March 9, 2017, was called to order by Carl S. Richie, Jr., HACA Chairperson, at 12:06 p.m. The meeting was held at HACA's Central Office, 1124 S. IH 35, Austin, Texas

Roll call certified a quorum was present.

**MEMBERS PRESENT:**

Dr. Tyra Duncan-Hall, Chairperson  
Isaac Robinson, Vice Chairperson  
Edwina Carrington, 2<sup>nd</sup> Vice-Chairperson  
Carl S. Richie, Jr., Director

**MEMBER(S) ABSENT:**

Charles Bailey, Director

**STAFF PRESENT:**

Ann Gass, Andrea Galloway, Catherine Crago, Eileen Schrandt, Judy Paciocco, Kelly Crawford, Lisa Garcia, Michael Cummings, Michael Gerber, Michael Roth, Nidia Hiroms, Nora Morales, Pilar Sanchez, Ron Kowal, Subra Narayaniyer, Suzanne Schwertner, Sylvia Blanco and Thomas Cherian.

**CONSENT AGENDA**

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

**ITEM 1A: Presentation, Discussion, and Possible Action regarding the Approval of a Board Minutes Summary for the Board Meeting held on December 15, 2016**

**Director Duncan-Hall** moved to approve the Board Minutes Summary for the Board Meeting held on December 15, 2016 as presented. **Director Robinson** seconded the motion. The motion passed. (4-Ayes and 0-Nays).

**ITEM 1B: Presentation, Discussion, and Possible Action regarding Resolution No. 33: Approval to ratify all actions taken by the Board of Directors during FYE 2017, in order to resolve any irregularities which may have occurred regarding a quorum or vote by the Directors as reflected within the approved minutes and resolutions**

**Director Duncan-Hall** moved to approve Resolution No. 33: Approval to ratify all actions taken by the Board of Directors during FYE 2017, in order to resolve any irregularities which may have occurred regarding a quorum or vote by the Directors as reflected within the approved minutes and resolutions. **Director Robinson** seconded the motion. The motion passed. (4-Ayes and 0-Nays).

**EXECUTIVE SESSION**

The Board of Directors did not recess into Executive Session.

**ADJOURNMENT**

**Director Carrington** moved to adjourn the meeting. **Director Robinson** seconded the motion. The Motion passed unanimously.

The meeting adjourned at 12:35 p.m.

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Tyra Duncan-Hall, Chairperson

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Michael G. Gerber, Secretary

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

**AGENDA ITEM NO. 2**

**Presentation, Discussion, and Possible Consideration of a Resolution No. 34: Authorizing The Issuance, Sale And Delivery of Multifamily Housing Revenue Bonds (Pathways at Gaston Place), Series 2017; 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**

**AUSTIN AFFORDABLE PFC, INC.**

**BOARD ACTION REQUEST**

**RESOLUTION NO. 34**

**MEETING DATE:** May 18, 2017

**STAFF CONTACT:** Ron Kowal

**ITEM TITLE:** Presentation, Discussion, and Possible Action regarding Resolution No. 34 authorizing the issuance, sale and delivery of multifamily housing revenue bonds (Pathways at Gaston Place), Series 2017A and Series 2017B; 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.

**BUDGETED ITEM:** NA

**TOTAL COST:** Not Applicable

**ACTION**

Motion to Approve Resolution 34: Presentation, Discussion, and Possible Action regarding Resolution No. 34 authorizing the issuance, sale and delivery of multifamily housing revenue bonds (Pathways at Gaston Place), Series 2017A and Series 2017B; 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.

**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) successfully converted eight properties in November 2016. HACA submitted applications for the remaining nine properties and received a "Commitment to enter into a Housing Assistance Payment Contract" (CHAP) award.

The Board of Commissioners of the Austin Affordable PFC, Inc., on October of 2016 passed Resolution No. 29 declaring its intent to issue bonds to provide financing for a multifamily residential rental development for persons of low and moderate income for the Pathways at Gaston Place.

Resolution No. 29 authorizes the Austin Affordable PFC, Inc. to issue Multifamily Housing Revenue Bonds for Pathways Gaston Place Series 2017A and Series 2017B, and authorizes the execution and delivery of those documents necessary to carry out the financing of the multifamily repairs and renovations.

**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:

**CERTIFICATE FOR RESOLUTION**

THE STATE OF TEXAS            §  
  §  
COUNTY OF TRAVIS           §

We, the undersigned officers of the Board of Commissioners (the "Board") of AUSTIN AFFORDABLE PFC, INC. (the "Issuer"), hereby certify as follows:

1. The Board convened in session (the "Meeting") on the 18<sup>th</sup> day of May, 2017, at a meeting place within the boundaries of the Authority, and the roll was called of the duly constituted officers and members of the Board, to-wit:

- Dr. Tyra Duncan-Hall, Chairperson
- Charles C. Bailey, Vice-Chairperson
- Edwina Carrington, Commissioner
- Carl S. Richie, Commissioner
- Isaac Robinson, Commissioner
- Michael Gerber, Secretary

and all of said persons were present at said meeting. Among other business considered at the Meeting, the attached resolution (the "Resolution") entitled:

**RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS (PATHWAYS AT GASTON PLACE) SERIES 2017A AND MULTIFAMILY HOUSING REVENUE BONDS (PATHWAYS AT GASTON PLACE) SERIES 2017B; 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**

was introduced for the consideration of the Board. It was then duly moved and seconded that the Resolution be passed; after due discussion, the motion, carrying with it the passage of the Resolution, prevailed and carried by the following vote:

AYES:                   —  
  
NAYS:                   —  
  
ABSTENTIONS:       —



2. A true, full, and correct copy of the Resolution as passed is attached to and follows this certificate; the Resolution has been duly recorded in the Board minutes of the Meeting; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of the Board as indicated; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting and that the Resolution would be introduced and considered for passage at the Meeting, and each of the officers and members consented, in advance, to the holding of the Meeting for such purpose; the Meeting was open to the public as required by law; and public notice of the time, place, and subject of the Meeting was given as required by Chapter 551, Government Code, as amended.

SIGNED: May 18, 2017.

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Vice President

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President

## RESOLUTION NO. 34

RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS (PATHWAYS AT GASTON PLACE) SERIES 2017A AND MULTIFAMILY HOUSING REVENUE BONDS (PATHWAYS AT GASTON PLACE) SERIES 2017B; 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

WHEREAS, Austin Affordable PFC, Inc. (the “Issuer”) has been duly created and organized pursuant to and in accordance with the provisions of the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the “Act”), for the purpose of assisting the Housing Authority of the City of Austin (the “Sponsor”) in financing, refinancing or providing public facilities; and

WHEREAS, the Act authorizes the Issuer: (a) to make loans to any person to provide financing for rental residential developments located within the corporate limits of the City of Austin, Texas (the “City”), and intended to be occupied substantially (at least 90 percent) by persons of low and moderate income, as determined by the Issuer; (b) to issue its revenue bonds for the purpose of obtaining moneys to make such loans and provide such financing, to establish necessary reserve funds and to pay administrative costs and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues, receipts or resources of the Issuer, including the revenues and receipts to be received by the Issuer from or in connection with such loans, and to mortgage, pledge or grant security interests in such loans or other property of the Issuer in order to secure the payment of the principal or redemption price of and interest on such bonds; and

WHEREAS, the Board of Directors of the Issuer (the “Board”) has determined to authorize the issuance, sale and delivery of its Multifamily Housing Revenue Bonds (Pathways at Gaston Place) Series 2017A (the “Series A Bonds”) and its Multifamily Housing Revenue Bonds (Pathways at Gaston Place) Series 2017B (the “Series B Bonds,” and together with the Series A Bonds, the “Bonds”), pursuant to and in accordance with the terms of the Trust Indentures with respect to the Bonds, dated as of June 1, 2017 (collectively, the “Indentures”), between the Issuer and BOKF, NA, as trustee (the “Trustee”), for the purpose of lending the proceeds thereof to Pathways at Gaston Place, LP, a Texas limited partnership (the “Borrower”), to provide financing for the acquisition and rehabilitation of the multifamily housing residential rental development to be known as Pathways at Gaston Place and as described more fully on Exhibit A attached hereto (the “Project”), all in accordance with the Constitution and laws of the State of Texas. Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Indentures; and

WHEREAS, the Board, by resolutions adopted on October 21, 2016, declared its intent to issue its revenue bonds to provide financing for the Project; and

WHEREAS, in order to assist in carrying out the acquisition, rehabilitation and equipping of the Project, the Board has determined that the Issuer shall enter into Loan Agreements (the “Loan Agreements”), with the Borrower, pursuant to which (i) the Issuer will agree to make loans funded with the proceeds of the Bonds (the “Loans”) to the Borrower to enable the Borrower to finance costs of the acquisition, rehabilitation and equipping of the Project and related costs, and (ii) the Borrower will execute and deliver promissory notes (the “Notes”) in an aggregate original principal amount equal to the original aggregate principal amount of the Bonds, and providing for payment of interest on such principal amount equal to the interest on the Bonds and to pay other costs described in the Loan Agreements; and

WHEREAS, in order to assure compliance with Section 142(d) of the Internal Revenue Code of 1986, as amended (the “Code”), for the Project, the Issuer will require the Borrower to enter into a Regulatory Agreement and Declaration of Restrictive Covenants, dated as of June 1, 2017 (the “Regulatory Agreement”) with respect to the Project; and

WHEREAS, the Board desires to ratify certain other actions heretofore taken with respect to the Bonds; and

WHEREAS, the Issuer desires to authorize the Trustee to invest and reinvest the proceeds of the Bonds and all other funds received and held under the Agreement; and

WHEREAS, Section 147(f) of the Code requires that the Bonds be approved by the “applicable elected representative” (the “AER”) after a public hearing following reasonable public notice; and

WHEREAS, with respect to bonds issued by the Issuer, the AER is the Mayor of the City; and

WHEREAS, notice of a public hearing with respect to the Bonds and the Project held by the Issuer on December 22, 2016, was published no less than 14 days before such date in a newspaper of general circulation available to residents within the City; and

WHEREAS, the Board held such public hearing on the date and at the time and place set out in such published notice, and conducted such hearing in a manner that provided a reasonable opportunity for persons with differing views on the issuance of the Bonds and the Project to be heard; and

WHEREAS, the Board has determined to provide financing for the Project in accordance with the Loan Agreements, the Bonds, and the Regulatory Agreement (all documents in such form as approved by the officers of the Issuer and its advisors), by authorizing the issuance of the Bonds, the execution and delivery or acceptance, as appropriate, of such documents and the taking of such other actions as may be necessary or convenient; NOW, THEREFORE,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF AUSTIN AFFORDABLE PFC, INC. THAT:

Section 1.--Public Hearing. The Board hereby finds, determines, recites and declares that a public hearing with respect to the Bonds and the Project was held on December 22, 2016; that notice of such public hearing was published no less than 14 days before such date in a newspaper of general circulation available to residents within the City; that such notice included the date, time and place of the public hearing, the location, general nature and the initial owner of the Project and the maximum aggregate principal amount of the Bonds; and that all comments from interested persons were taken at such public hearing and were provided to the AER.

Section 2.--Issuance, Execution, Sale and Delivery of the Bonds. The issuance of the Bonds is hereby authorized, according to the conditions set forth herein and in the Loan Agreements, and upon execution and delivery of the Loan Agreements, the President or Vice President or Treasurer and the Secretary of the Issuer are each hereby authorized to execute, attest and affix the Issuer's seal to the Bonds (if any) and to deliver the Bonds to the Attorney General of the State of Texas for approval, the Comptroller of Public Accounts of the State of Texas for registration and the Trustee for authentication (to the extent required in the Agreement), and thereafter to sell the Bonds to the purchaser thereof as provided in the Indentures and deliver the Bonds as provided in the Loan Agreements.

Section 3.--Interest Rate, Principal Amount, Maturity and Price. The officers of the Issuer are hereby authorized to fix and determine the interest rate, principal amount, maturity and price of the Bonds, all of which determinations shall be conclusively evidenced by the execution and delivery by such officers of the Indentures and the Bonds; provided, however, that: (i) the interest rate on the Bonds shall not exceed 5% per annum; (ii) the aggregate principal amount of the Bonds shall not exceed \$15,000,000; and (iii) the final maturity of the Bonds shall occur not later than July 1, 2021; and (iv) the price at which the Bonds are sold shall not exceed the principal amount thereof.

Section 4.--Approval, Execution and Delivery of the Indentures and Loan Agreements. The officers of the Issuer are each hereby authorized to execute the Indentures and Loan Agreements in form and substance approved by such officers, with such changes or additions thereto as may be approved by the President or Vice President of the Issuer (upon advice of bond counsel to the Issuer), as evidenced by their execution and delivery and to deliver the Indentures and Loan Agreements.

Section 5.--Approval, Execution and Delivery of the Regulatory Agreement. The officers of the Issuer are each hereby authorized to execute the Regulatory Agreement in form and substance approved by such officers, with such changes or additions thereto as may be approved by the President or Vice President of the Issuer (upon advice of bond counsel to the Issuer), as evidenced by their execution and delivery and to deliver the Regulatory Agreement.

Section 6.--Determination of Moderate Income. The Board has heretofore determined and hereby confirms, in accordance with the Act, for purposes of the Project, until revised by the Board, that the maximum amount constituting moderate income shall be 80% of area median income, as established by the Issuer.

Section 7.--Execution and Delivery of Other Documents. The officers of the Issuer are each hereby authorized to execute, attest and affix the Issuer's seal to and deliver such other agreements, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 8.--Power to Revise Form of Documents. 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.

Section 9.--Incorporation of Preamble. The recitals in the preamble of this Resolution are true, correct and complete in all material respects and each and all of such recitals and the findings therein are hereby incorporated by reference to the same extent as if set forth herein in full.

Section 10.--Submission to the Attorney General of Texas. The Board hereby authorizes the submission by Bond Counsel to the Attorney General of Texas, for approval as required under Chapter 1202, Texas Government Code, of a transcript of legal proceedings relating to the issuance, sale and delivery of the Bonds.

Section 11.--Purposes of Resolution. The Board has expressly determined and hereby confirms that the issuance of the Bonds to assist in the financing of the Project will promote the public purposes set forth in Chapter 392 and Section 394.002 of the Act and will accomplish a valid public purpose of the Issuer by assisting persons of low and moderate income in the City to obtain decent, safe and sanitary housing at affordable prices, thereby helping to relieve unemployment, to preserve and increase the tax base of the City, and to reduce public expenditures for crime prevention and control, public health, welfare and safety and for other valid public purposes.

Section 12.--Limited Obligations. The Bonds and the interest thereon shall be limited obligations of the Issuer payable solely from the revenues, funds and assets pledged under the Agreement to secure payment of the Bonds and under no circumstances shall the Bonds be payable from any other revenues, funds, assets or income of the Issuer. The Bonds shall not constitute an indebtedness, liability, general, special or moral obligation or a pledge or loan of the faith or credit or taxing power, within the meaning of any constitutional or statutory provision whatsoever, of the United States of America or any agency or instrumentality thereof, the Sponsor, the State of Texas, the City or any other political subdivision or governmental unit.

Section 13.--Ratification of Certain Prior Actions. All other prior actions taken for or on behalf of the Issuer in connection with the Bonds are hereby ratified, confirmed and approved.

Section 14.--Approval Conditions. The actions and obligations authorized in this Resolution shall be subject to and conditioned upon receipt by the Issuer on the date of delivery of the Bonds of the appropriate opinions of Bond Counsel with respect to the Bonds.

Section 15.--Information Return for Tax Exempt Private Activity Bonds. The Board further directs that an officer of the Issuer submit or cause to be submitted to the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Bonds are issued, a statement containing the information required by Section 149(e) of the Code.

Section 16.--Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

PASSED AND APPROVED this 18th day of May, 2017.

*[End of Resolution.]*

**Exhibit A**  
**PROJECT AND BORROWER**

Borrower: Pathways at Gaston Place, LP, a Texas limited partnership

Project: 100-unit multifamily residential rental development to be known as  
Pathways at Gaston Place

This Project will be located at approximately 1941 Gaston Place Drive, Austin,  
Texas 78723. It will consist of 4 buildings. The unit mix will consist of:

96	one-bedroom/one-bath units
<u>4</u>	<u>two-bedroom/one-bath units</u>
100	Total Units

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

**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) §551.087, 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 DIRECTORS  
REGULAR BOARD MEETING**

**Adjournment**

May 18, 2017