

Austin Affordable Housing Corporation Meeting



**Thursday, May 18, 2017
12:00 noon
at**

**HACA's Central Office
1124 S. IH 35
Austin, Texas**

**AUSTIN AFFORDABLE HOUSING CORPORATION
BOARD OF DIRECTORS
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	_____

May 18, 2017

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

CONSENT AGENDA

AGENDA ITEM NO. 1A

**Presentation, Discussion, and Possible Action regarding
the Approval of Board Minutes Summary for Board
Meeting held on April 20, 2017**

May 18, 2017

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

APRIL 20, 2017

SUMMARY OF MINUTES

THE AUSTIN AFFORDABLE HOUSING CORPORATION (AAHC) BOARD OF DIRECTORS PUBLIC MEETING NOTICE WAS POSTED FOR 12:00 NOON ON THURSDAY, APRIL 20, 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 Housing Corporation (AAHC), of April 20, 2017, was called to order by Chuck Bailey, HACA Vice Chairperson, at 12:12 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, 2nd Vice-Chairperson
Charles Bailey, Director

MEMBER(S) ABSENT:

Carl S. Richie, Jr., Director

STAFF PRESENT:

Ann Gass, Andrea Galloway, Catherine Crago, 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 March 9, 2017

Director Carrington moved to approve the Board Minutes Summary for the Board Meeting held on March 9, 2017 as presented. **Director Robinson** seconded the motion. The motion passed. (4-Ayes and 0-Nays).

ITEM 1B WAS PULLED OFF OF THE CONSENT AGENDA.

ITEM 1B: Presentation, Discussion and Possible Action regarding Resolution No. 93: A Resolution by the Board of Directors of the Austin Affordable Housing Corporation ("AAHC") authorizing AAHC to execute any and all documents, or take action, that is necessary or desirable to:

- 1. Facilitate the acquisition of the Sterling Springs 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**
- 2. Cause AAHC to form a subsidiary limited liability company to own the Development (the "Owner");**
- 3. Cause the Owner to enter into acquisition and development 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**

Director Robinson moved to approve Resolution No. 93: authorizing AAHC to execute any and all documents, or take action, that is necessary or desirable to facilitate the acquisition of the Sterling Springs 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. **Director Carrington** seconded the motion. The motion passed. (4-Ayes and 0-Nays).

ADJOURNMENT

Director Carrington moved to adjourn the meeting. **Director Duncan-Hall** seconded the motion. The Motion passed unanimously. The meeting adjourned at 1:17 p.m.

Tyra Duncan-Hall, Chairperson

Michael G. Gerber, Secretary

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

AGENDA ITEM NO. 1B

Presentation, Discussion and Possible Action regarding Resolution No. 94: Resolution No. 94 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:

- i. Facilitate the development of the Pathways at Gaston Place, which consist of affordable housing units and associated amenities built upon land to be ground-leased from the Housing Authority of the City of Austin (“HACA”);**
- ii. Cause AAHC’s wholly owned, subsidiary limited liability company, Pathways at Gaston Place GP, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of Pathways at Gaston Place, LP (the “Partnership”) and other related documents;**
- iii. Cause the Partnership to enter into development financing for the Project; and**
- iv. Cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.**

May 18, 2017

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 94

MEETING DATE: May 18, 2017

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

ITEM TITLE: Discussion, Consideration and Possible Action of Resolution No.94: 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 development of the Pathways at Gaston Place, which consists of affordable housing units and associated amenities built upon land to be ground-leased from the Housing Authority of the City of Austin (“HACA”);
2. Cause AAHC’s wholly owned, subsidiary limited liability company, Pathways at Gaston Place GP, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of Pathways at Gaston Place, LP (the “Partnership”) and other related documents;
3. Cause the Partnership to enter into development financing for the Project; and,
4. Cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

BUDGETED ITEM: N/A

TOTAL COST: Not to exceed \$3,000,000 from AAHC reserves

ACTION

Motion to Approve Resolution No. 94: 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 facilitate Items 1-4 above.

SUMMARY

The Rental Assistance Demonstration (RAD) Program was authorized by the Consolidated and Further Continuing Appropriations Act of 2012. 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, benefitting PHAs and their residents.

More importantly, the RAD program provides PHAs 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 ten properties and received a “Commitment to enter into a Housing Assistance Payment Contract” (CHAP) award.

The RAD conversion and associated real estate transaction for Gaston Place is expected to close in early June, and residents will be temporarily relocated very soon after closing. HACA, along with our relocation consultant Overland, Pacific and Cutler (OPC) has already begun working with the residents to prepare for their moves. HACA will provide moving service and cover all related expenses. In order to minimize the inconvenience and displacement associated with relocation, HACA is employing a combination of methods, including offsite as well as onsite relocation.

The construction work at Gaston Place will include full rehabilitation of the units, including new walls, appliances, cabinetry, bathrooms, floors and paint. Site work will include new plumbing and electric, improvements to the elevators, community space, landscaping and common areas. Total construction costs are estimated to be just over \$8 million. This project will be financed using 4% tax credits through the Texas Department of Housing and Community Affairs and Tax Exempt Bonds issued by the Austin Affordable PFC, Inc. Resolution No. 94 asks the Board of Commissioners to allow AAHC to execute any and all documents and take any other action necessary to facilitate the closing of Pathways at Gaston Place.

Fiscal Impact:

None

<input type="checkbox"/>	Budgeted Expenditure	Name of Fund(s) or Account(s)	Dollar Amount(s)
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Not Budgeted, Will result in expenditures indicated below:

STAFF ANALYSIS SUMMARY

PRESIDENT AND CEO:

DEPARTMENT HEAD:

FINANCE REVIEW:

RESOLUTION NO. 94

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 development of Pathways at Gaston Place (the “Project”), which consists of affordable housing units and associated amenities built upon land to be ground-leased from the Housing Authority of the City of Austin (“HACA”);**
- 2. Cause AAHC’s wholly owned, subsidiary limited liability company, Pathways at Gaston Place GP, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of Pathways at Gaston Place, LP (the “Partnership”) and other related documents;**
- 3. Cause the Partnership to enter into development financing for the Project; and**
- 4. Cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.**

WHEREAS, AAHC is the sole member of the General Partner;

WHEREAS, the General Partner is the sole general partner of the Partnership;

WHEREAS, the Partnership was formed for the purpose of owning, developing, managing, and otherwise dealing with the Project;

WHEREAS, the Partnership has received an award of low income housing tax credits (“**Tax Credits**”) from the Texas Department of Housing and Community Affairs (“**TDHCA**”) in order to raise additional funding for the Project;

WHEREAS, the Partnership desires to accept the award of Tax Credits by executing the 2017 Tax Credit Commitment Notice (“**LIHTC Commitment**,” and together with any other affidavits, certificates, instruments or communications with TDHCA, the “**LIHTC Documents**”);

WHEREAS, in connection with the development of the Project, the Partnership desires to obtain site control of the Land from HACA, by entering into a ground lease (“**Ground Lease**”) with HACA for the Project;

WHEREAS, AAHC, the General Partner and Partnership desire to enter into certain equity documents for the purpose of admitting an affiliate of Bank of America, N.A., as an investor limited partner to the Partnership, including an Amended and Restated Agreement of Limited Partnership for the Partnership (the “**Partnership Agreement**”);

WHEREAS, in connection with the proceedings relating to the issuance and delivery by the Austin Affordable PFC, Inc. (the "**Issuer**") of its Multifamily Housing Revenue Bonds (Pathways at Gaston Place), Series 2017A and its Multifamily Housing Revenue Bonds (Pathways at Gaston Place), Series 2017B (collectively, the "**Bonds**"), pursuant to and in accordance with the terms of the Trust Indentures (the "**Indentures**") by and between the Issuer and the trustee named therein;

WHEREAS, in connection with the issuance of the Bonds, the proceeds will be loaned to the Partnership pursuant to Loan Agreements, between the Issuer and Borrower (the "**Loan Agreements**").

WHEREAS, in connection with the Loan Agreements, the Bonds and the Indenture, the Partnership desires to enter into tax regulatory agreements, and other related certifications and documents, all upon such terms and conditions as the Partnership deems reasonable (collectively, the "**Bond Documents**");

WHEREAS, in connection with the transactions contemplated herein, the Partnership, General Partner and AAHC are required to enter into various documents which will evidence the same, including, but not limited to the Ground Lease, the LIHTC Documents, the Bond Documents and other security agreements, fixture filing statements, indemnity agreements, guaranties, development agreements, certificates, directions, approvals, waivers, notices, instruments and other communications as may be required by the parties (all of such documents collectively, the "**Loan Documents**");

WHEREAS, in connection with the transactions contemplated herein, the Partnership, the General Partner and AAHC will enter into various documents which will evidence a loan from Bellwether Enterprise Mortgage Investments, LLC to the Partnership in a principal amount not to exceed \$2,117,000, including, but not limited to a note, deed of trust, a loan agreement and other agreements, certificates, directions, approvals, waivers, notices, instruments and other communications as may be required by the parties (the "**Fannie Mae Loan Documents**");

WHEREAS, in connection with the transactions contemplated herein, the Partnership, General Partner and AAHC are required to enter into various documents which will evidence a gap loan from AAHC to the Partnership in a principal amount not to exceed \$6,500,000, including, but not limited to a note, deed of trust, and other security agreements, certificates, directions, approvals, waivers, notices, instruments and other communications as may be required by the parties (the "**Gap Loan Documents**," and together with the Bond Documents, Loan Documents and Fannie Mae Loan Documents, the "**Financing Documents**");

NOW, 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 Financing 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, Partnership and/or General Partner to enter into the Transaction Documents and that execution and delivery in the name and on behalf of AAHC and/or General Partner and/or the Partnership, 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 General Partner and/or the Partnership, to execute and deliver all other documents and other writings of every nature whatsoever in connection with the development of the Project, 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 (acting in a representative capacity as identified in these resolutions, acting individually and on behalf of the General Partner), 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 General Partner and/or Partnership, 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 General Partner and/or the Partnership, 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 Partnership 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 Partnership is authorized to act in pursuance of these resolutions.

PASSED this 18th day of May, 2017.

PRESIDENT

ATTEST:

VICE PRESIDENT

**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

May 18, 2017