

# **Austin Affordable Housing Corporation Meeting**



**Thursday, September 21, 2017  
12:00 noon  
at**

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

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

**TO BE HELD AT  
HACA's Central Office  
1124 S. IH 35, Austin, Texas  
(512.477.4488)**

**COMMENCING AT 12:00 NOON ON THURSDAY, SEPTEMBER 21, 2017, 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 Director 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 August 17, 2017

**Michael Gerber**  
President & CEO.

**ACTION ITEMS**

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

**ITEM 2:** Presentation, Discussion, and Possible Action of Resolution No. 96 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:

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

- i. Facilitate the development of the Harris Ridge Apartments, which will 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, Harris Ridge Apartments GP, LLC (the "General Partner") to execute an amended and restated agreement of limited partnership of Harris Ridge Apartments, Ltd. (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.

**REPORTS**

Update on AAHC Activities

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

**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;

\*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.

- b. §551.072, Texas Gov't Code, discussion about the purchase, exchange, lease or value of real property;
- c. §551.074, Texas Gov't Code, discuss the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee.
- d. §551.077, Texas Gov't Code, discuss certain economic development negotiations.

#### **OPEN SESSION**

If there is an Executive Session, the Board will return to Open Session for discussion, consideration and possible action of matters discussed in Executive Session.

#### **ADJOURNMENT**

**"Pursuant to § 30.06, Penal Code, (trespass by holder of license with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not attend this meeting with a concealed handgun."**

**"Pursuant to § 30.07, Penal Code (trespass by holder of license with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not attend this meeting with a handgun that is carried openly."**

**"En virtud del § 30.06, Código Penal, (traspaso titular de licencia con una pistola), una persona bajo el subcapítulo H, capítulo 411, código de gobierno (Ley de licencia de arma o pistola), no se permiten en este reunión con una arma o pistola.**

**"En virtud del § 30.07, Código Penal (prevaricación por titular de la licencia con un arma o pistola abiertamente llevado), una persona bajo el subcapítulo H, capítulo 411, código de gobierno (Ley de licencia de arma o pistola), no se permiten en esta reunión con un arma o pistola que lleva abiertamente.**

**AUSTIN AFFORDABLE 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 August 17, 2017**

September 21, 2017

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

**AUGUST 17, 2017**

**SUMMARY OF MINUTES**

**THE AUSTIN AFFORDABLE HOUSING CORPORATION (AAHC) BOARD OF DIRECTORS PUBLIC MEETING NOTICE WAS POSTED FOR 12:00 NOON ON THURSDAY, AUGUST 17, 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 August 17, 2017, was called to order by Tyra Duncan-Hall, HACA 2<sup>nd</sup> Vice Chairperson, at 12:10 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

**MEMBER(S) ABSENT:**

Carl S. Richie, Jr., Director  
Charles Bailey, Director

**STAFF PRESENT:**

Ann Gass, Andrea Galloway, Barbara Jackson, Catherine Crago, Gloria Morgan, Kelly Crawford, Judy Paciocco, Martha Ross, Michael Cummings, Michael Gerber, Michael Roth, Nidia Hiroms, Ron Kowal and Sylvia Blanco.

**ALSO IN ATTENDANCE:**

Jim Ewbank, Cokinos, Bosien & Young  
Jim Walter, Coats Rose  
Arthur Troillo, Troillo Law Firm

**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 May 18, 2017**

**Director Carrington** moved to approve the Board Minutes Summary for the Board Meeting held on May 18, 2017 as presented. **Director Robinson** seconded the motion. The motion passed. (3-Ayes and 0-Nays).

**ITEM 1B WAS PULLED OFF OF THE CONSENT AGENDA.**

**ITEM 1B: Presentation, Discussion, and Possible Action regarding Resolution No. 95 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 Pathways at Meadowbrook Court and the Pathways at Booker T. Washington Terraces (the "Developments"), 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 companies, Pathways at Meadowbrook Court, LLC and Pathways at Booker T. Washington Terraces, LLC (the "Owners"), to own the Developments;**
- 3. Cause the Owners to enter into acquisition and development financing for the Developments; and**
- 4. Cause AAHC and/or the Owners to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.**

Resolution 95 is the Board of Commissioners to allow AAHC to execute any and all documents and take any other action necessary to facilitate the closing for Pathways at Meadowbrook Court and the Pathways at Booker T. Washington Terraces.

**Director Robinson** moved to approve Resolution No. 95 by the Board of Directors of Austin Affordable Housing Corporation ("AAHC") authorizing AAHC to Facilitate the acquisition of the Pathways at Meadowbrook Court and the Pathways at Booker T. Washington Terraces (the "Developments"), 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. **Director Carrington** seconded the motion. The motion passed. (3-Ayes and 0-Nays).

**ADJOURNMENT**

**Director Carrington** moved to adjourn the meeting. **Director Robinson** seconded the motion. The Motion passed unanimously. The meeting adjourned at 12:42 p.m.

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Tyra Duncan-Hall, Chairperson

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Michael G. Gerber, Secretary

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

**AGENDA ITEM NO. 2**

**Presentation, Discussion, and Possible Action of Resolution No. 96 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 Harris Ridge Apartments, which will 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, Harris Ridge Apartments GP, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of Harris Ridge Apartments, Ltd. (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.**

**AUSTIN AFFORDABLE HOUSING CORPORATION**

**BOARD ACTION REQUEST**

**RESOLUTION NO. 96**

**MEETING DATE:** September 21, 2017

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

**ITEM TITLE:** Discussion, Consideration and Possible Action of Resolution No. 96: 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 Harris Ridge Apartments, 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:** No AAHC reserves required

**ACTION**

Motion to Approve Resolution No. 96: 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**

Austin Affordable Housing Corporation, will partner with the NRP group, LLC to develop a 24+/- acre tract of land located at the intersection of Howard Lane and Dessau Road. The project (Harris Ridge Apartments) will consist of 324 family 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 with a total project cost of approximately \$51,000,000. The planned development will consist of 12 one bedroom and one bath units, 132 two bedroom and two bath units, 144 three bedroom and two bath units, and 36 four 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 final approval of an issuance of tax-exempt bonds in an amount not to exceed \$38,000,000. Resolution 96 asks the Board of Directors to allow AAHC to execute any and all documents and any other action to proceed with closing.

**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. 96

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 Harris Ridge Apartments, which will 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");
2. Cause AAHC's wholly owned, subsidiary limited liability company, Harris Ridge Apartments GP, LLC (the "General Partner") to execute an amended and restated limited partnership agreement of Harris Ridge Apartments, Ltd. (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 Harris Ridge Apartments, an apartment complex (the "**Project**") under development on a parcel of land located in Austin, Travis County, Texas (the "**Land**"), and intended for rental to persons of low income;

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 Bank of America, N.A., as the investor limited partner to the Partnership and Banc of America CDC Special Holding Company, Inc., as the special limited partner to the Partnership, including an Amended and Restated Limited Partnership Agreement for the Partnership (the "**Partnership Agreement**");

WHEREAS, AAHC and the Partnership desire to enter in to a development agreement for the Project with NRP Lone Star Development, LLC (the "**Development Agreement**");

WHEREAS, in connection with the proceedings relating to the issuance and delivery by the Austin Affordable PFC, Inc. (the "**Governmental Lender**") of its Multifamily Housing Governmental Note (Harris Ridge Apartments) Series 2017 (the "**Governmental Note**"), pursuant to and in accordance with the terms of a Funding Loan Agreement (the "**Funding Loan**");

**Agreement**") by and between the Governmental Lender, BOKF, NA, as fiscal agent (the "**Fiscal Agent**") and Harris Ridge Instrument Purchaser LLC;

WHEREAS, in connection with the issuance of the Governmental Note, the proceeds will be loaned to the Partnership pursuant to a Project Loan Agreement, between the Governmental Lender, Borrower and Fiscal Agent (the "**Project Loan Agreement**").

WHEREAS, in connection with the Project Loan Agreement, the Governmental Note and the Funding Loan Agreement, the Partnership desires to enter into a tax regulatory agreement, and other related certifications and documents, all upon such terms and conditions as the Partnership deems reasonable (collectively, the "**Tax-Exempt Loan Documents**");

WHEREAS, the Partnership desires to enter into certain loan documents with Bank of America, N.A. in connection with a bridge loan funded in a principal amount not to exceed \$7,000,000 (the "**Bridge Loan**"), including but not limited to loan agreements, promissory note, lease hold deed of trust, and other certifications, assignments and such other documents, all upon such terms and conditions as the Partnership deems reasonable (collectively, the "**Bridge Loan Documents**");

WHEREAS, the Partnership desires to borrow from the Texas Department of Housing and Community Affairs, a public and official agency of the State of Texas ("**TDHCA**"), a loan in the amount of \$3,000,000 pursuant to the Tax Credit Assistance Program (**TCAP**) (the "**TCAP Loan**") in accordance with the terms of the loan agreement by and between the Partnership and TDHCA (the "**TCAP Loan Agreement**") to be evidenced by a promissory note in the amount of the TCAP Loan, executed by the Partnership, payable to the order of TDHCA in the manner therein set forth and paying interest as therein stated (the "**TCAP Note**");

WHEREAS, the TCAP Note is to be secured by, among other things, a subordinate deed of trust (with security agreement and assignment of rents) executed by the Partnership to TDHCA, covering the property therein described (the "**TCAP Mortgage**"), and a land use restriction agreement between the Partnership and TDHCA will be recorded in the real property records of Travis County, Texas (the "**LURA**"), and together with the TCAP Loan Agreement, the TCAP Note, the TCAP Mortgage, and all other documents referenced therein or contemplated thereby, the "**TCAP Loan Documents**");

WHEREAS, in connection with the transactions contemplated herein, the Partnership, General Partner and AAHC are required to enter in to various documents which will evidence the same, including, but not limited to the Ground Lease, the Development Agreement, the Tax- Exempt Loan Documents, the Bridge Loan Documents, the TCAP Loan 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 "**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 the Partnership Agreement 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 herein after 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 with 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 21<sup>st</sup> day of September, 2017.

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Carl S. Richie, Jr., Chairperson

ATTEST:

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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**

September 21, 2017