

**AUSTIN AFFORDABLE
PFC, INC.**

**BOARD OF DIRECTORS
Regular Meeting**

**Thursday, May 17, 2018
12:00 PM**

**North Loop Apartments
2300 W. Northloop
Austin, TX**

**PUBLIC NOTICE OF A MEETING
TAKE NOTICE OF A BOARD OF DIRECTORS
REGULAR BOARD MEETING
OF THE AUSTIN AFFORDABLE PFC, INC.**

**TO BE HELD AT
North Loop Apartments
2300 W. Northloop
Austin, TX
(512.477.4488)**

**Thursday, May 17, 2018
12:00 PM**

CALL TO ORDER, ROLL CALL

CERTIFICATION OF QUORUM

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 ITEMS

1. Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on March 21, 2018

ACTION ITEMS

2. Presentation, Discussion, and Possible Action regarding Resolution No. 41: Authorizing the issuance, sale and delivery of Multifamily Housing Revenue Bonds (Pathways at Chalmers Courts South) Series 2018A and Series 2018B; 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.

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. 551.087, 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.

REPORTS

The Board accepts the following reports:

- President's Report
- Other Staff Reports
- Commissioners' Reports/Questions to the Department Staff

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 esta reunión con una arma o pistola.

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

*The Housing Authority of the City of Austin (HACA) Board of Commissioners reserves the right to discuss and consider items out of order on the agenda on an as needed basis.

The Housing Authority of the City of Austin 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 HACA, please contact Nidia Hiroms at 512.477.4488 x2104.

AUSTIN AFFORDABLE PFC, INC.

BOARD ACTION REQUEST

ITEM NO. 1.

MEETING DATE: May 17, 2018

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

ITEM TITLE: Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on March 21, 2018

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to review and approve the Board Minutes Summary for the Board Meeting held on March 21, 2018.

ATTACHMENTS:

- ▣ **20180321 AAPFC Minutes Summary**

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

MARCH 21, 2018

SUMMARY OF MINUTES

THE AUSTIN AFFORDABLE PFC., INC. (AAPFC) BOARD OF DIRECTORS PUBLIC MEETING NOTICE WAS POSTED FOR 12:00 NOON ON WEDNESDAY, MARCH 21, 2018 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 Annual Board Meeting of the Austin Affordable PFC., Inc. of March 21, 2018, was called to order by Carl S. Richie, Jr., HACA Chairperson, at 12:18 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
Edwina Carrington, 2nd Vice-Chairperson
Carl S. Richie, Jr., Director
Charles Bailey, Director
Mary Apostolou, Director

MEMBER(S) ABSENT:

STAFF PRESENT:

Ann Gass, Catherine Crago, Gloria Morgan, Kelly Crawford, Judy Paciocco, Lisa Garcia, Martha Ross, Michael Cummings, Michael Gerber, Michael Roth, Nidia Hiroms, Ron Kowal, Suzanne Schwertner and Sylvia Blanco

ALSO IN ATTENDANCE:

Jim Ewbank, Cokinos, Bosien & Young
Arthur Troilo, Troilo Law Firm

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 16, 2017

Director Apostolou moved to approve the Board Minutes Summary for the Board Meeting held on November 16, 2017 as presented. **Director Carrington** seconded the motion. The motion passed. (5-Ayes and 0-Nays).

ITEM 2: Presentation, Discussion, and Possible Action regarding Resolution No. 40: Approval to ratify all actions taken by the Board of Directors during FYE 2018, 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 resolution

Director Apostolou moved to approve Resolution No. 40: Approval to ratify all actions taken by the Board of Directors during FYE 2018, 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 resolution. **Director Carrington** seconded the motion. The motion passed. 5-Ayes and 0-Nays).

ADJOURNMENT

Director Bailey moved to adjourn the meeting. **Director Apostolou** seconded the motion. The motion passed unanimously.

The meeting adjourned at 12:40 p.m.

Dr. Tyra Duncan-Hall, Chairperson

Michael G. Gerber, Secretary

AUSTIN AFFORDABLE PFC, INC.

BOARD ACTION REQUEST

RESOLUTION NO. 41

ITEM NO. 2.

MEETING DATE: May 17, 2018

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

ITEM TITLE: Presentation, Discussion, and Possible Action regarding Resolution No. 41: Authorizing the issuance, sale and delivery of Multifamily Housing Revenue Bonds (Pathways at Chalmers Courts South) Series 2018A and Series 2018B; 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: N/A

TOTAL COST: N/A

ACTION

Motion to Approve Resolution 41: Authorizing the issuance, sale and delivery of Multifamily Housing Revenue Bonds (Pathways at Chalmers Courts South) Series 2018A and Series 2018B; 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

Background:

Pathways at Chalmers Courts South (Chalmers South) will be an 86-unit property, developed in partnership with Carleton Residential and financed using 4% tax credits through the Texas Department of Housing and Community Affairs and Tax Exempt Bond issued by the Austin Affordable PFC, Inc. Chalmers South is the first phase of the larger, three-phase redevelopment of Chalmers Courts, part HACA's conversion to the Rental Assistance Demonstration (RAD) Program. 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) has successfully converted eleven properties through RAD. The balance of the 18 public housing properties will convert over the next three years.

Once complete, Chalmers South will allow current residents of Chalmers Courts to temporarily relocate just across the street from their current homes, enabling them to stay in their neighborhood, close to schools, jobs, places of worship and medical providers. This temporary relocation will allow for the redevelopment of Chalmers Courts, beginning in 2019. The existing buildings, two former HACA administration buildings, will be razed to allow for the construction of Chalmers South.

Staff Recommendation:

Resolution 41 authorizes the Austin Affordable PFC, Inc. to issue Multifamily Housing Revenue Bonds for Pathways Chalmers Courts South. Series 2018A and Series 2018B, and authorizes the execution and delivery of those documents necessary to carry out carry out the financing of the development.

ATTACHMENTS:

- ▣ **Exhibit A - Project Description**

RESOLUTION NO. 41

**Authorizing the issuance, sale and delivery of Multifamily Housing Revenue Bonds
(Pathways at Chalmers Courts South) Series 2018A and Series 2018B**

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 Chalmers Courts South) Series 2018A (the “Series A Bonds”) and its Multifamily Housing Revenue Bonds (Pathways at Chalmers Courts South) Series 2018B (the “Series B Bonds” and, together with the Series A Bonds, collectively, the “Bonds”), pursuant to and in accordance with the terms of a Trust Indenture, dated on or about of June 1, 2018 (the “Indenture”), between the Issuer and BOKF, NA, as trustee (the “Trustee”), for the purpose of lending the proceeds thereof to Pathways at Chalmers Courts South, LP, a Texas limited partnership (the “Borrower”), to provide financing for the acquisition and construction of a multifamily housing residential rental development known as Pathways at Chalmers Courts South, located within the City of Austin at approximately the intersection of East 3rd Street and Chalmers Avenue, Austin, Texas 78702 and described more fully on Exhibit A attached hereto (the “Project”), all in accordance with the Constitution and laws of the State of Texas; and

WHEREAS, the Board, by resolution adopted on August 17, 2017, 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, construction and equipping of the Project, the Board has determined that the Issuer shall enter into a Loan Agreement (the “Agreement”), with the Borrower, pursuant to which (i) the Issuer will agree to make a mortgage loan funded with the proceeds of the Bonds (the “Mortgage Loan”) to the Borrower to enable the Borrower to finance costs of the acquisition, construction and equipping of the Project and related costs, and (ii) the Borrower will execute and deliver a promissory note (the “Note”) in an 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 Agreement; and

WHEREAS, in order to assure compliance with Section 142(d) of the Internal Revenue Code of 1986, as amended (the “Code”), the Issuer will require the Borrower to enter into a Land Use Restriction Agreement, dated on or about June 1, 2018 (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 September 5, 2017, 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 Agreement, the Bonds, 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 September 5, 2017; 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 Agreement, and upon execution and delivery of the Agreement, the President or Vice President and the Secretary of the Issuer are each hereby authorized to execute, attest and affix the Issuer's seal (if any) to the Bonds 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 Indenture), and thereafter to sell the Bonds to the purchaser thereof as provided in the Indenture and deliver the Bonds as provided in the Indenture.

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 Indenture and the Bonds; provided, however, that: (i) contained in the Indenture, the interest on the Series A Bonds shall initially not exceed 7% and interest of the Series B Bonds shall initially not exceed 7%; (ii) the aggregate principal amount of the Series A Bonds shall not exceed \$15,000,000 and the aggregate principal amount of the Series B Bonds shall not exceed \$5,000,000; and (iii) the final maturity of the Series A Bonds shall occur not later than July 1, 2058 and the final maturity of the Series B Bonds shall occur not later than July 1, 2025 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 Indenture and the Agreement. The officers of the Issuer are each hereby authorized to execute the Indenture and the Agreement in form and substance approved by such officers, with such changes or additions thereto as may be approved by any officer of the Issuer (upon advice of bond counsel to the Issuer), as evidenced by the execution and delivery of the Indenture and the Agreement.

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 any officer 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 (if any) 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 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 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 Tax 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 Texas Local Government Code 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.

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.--Limited Obligations. he 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 State of Texas, the City, the Sponsor or any other political subdivision or governmental unit.

Section 15.--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 tax counsel with respect to the Bonds.

Section 16.--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 is issued, a statement containing the information required by Section 149(e) of the Code.

Section 17.--Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

PASSED, APPROVED AND ADOPTED this 17th day of May, 2018.

Michael G. Gerber, Secretary

Tyra Duncan-Hall, Chairperson

Exhibit A

PROJECT AND BORROWER

Borrower: Pathways at Chalmers Courts South, LP, a Texas limited partnership

Project: 86-unit multifamily residential rental development to be known as Pathways at Chalmers Courts South

The Project will be located at approximately the intersection of East 3rd Street and Chalmers Avenue, Austin, Texas 78702. It will consist of 1 four-story residential apartment buildings with approximately 72,756 net rentable square feet and an average unit size of approximately 846 square feet. The unit mix will consist of:

<u>44</u>	one-bedroom/one-bath units
<u>32</u>	two-bedroom/one-bath units
<u>6</u>	three-bedroom/two-bath units
<u>4</u>	four-bedroom/two-bath units
86	Total Units

Unit sizes will range from approximately 663 square feet to approximately 1,407 square feet.

Common areas will include a community room, fitness center, business center, and service coordinator office. All units will have central heating and air conditioning, carpeting and vinyl plank, ceiling fans, mini-blinds, a dishwasher, a range and oven and balcony/patio.