

# **AUSTIN AFFORDABLE HOUSING CORPORATION**



## **BOARD OF DIRECTORS Regular Meeting**

**Thursday, June 14, 2018  
9:00 AM**

**Chalmers Courts**  
1801 E. 4th Street Austin, TX  
Austin, TX

**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  
Chalmers Courts  
1801 E. 4th Street Austin, TX  
Austin, TX  
(512.477.4488)**

**Thursday, June 14, 2018**

**9:00 AM**

**CALL TO ORDER, ROLL CALL**

**CERTIFICATION OF QUORUM**

**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.103: Election of Officers of the Austin Affordable Housing Corporation
3. Presentation, Discussion, and Possible Action regarding Resolution No. 102: 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:
  - a. Facilitate the development of the Pathways at Chalmers Courts South, 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;
  - b. Cause AAHC’s wholly owned, subsidiary limited liability company, Pathways at Chalmers Courts South GP, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of Pathways at Chalmers Courts South, LP (the “Partnership”) and other related documents;
  - c. Cause the Partnership to enter into development financing for the Project; and
  - d. 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.
4. Presentation, Discussion, and Possible Action regarding Resolution No. 104: Consideration 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:

- a. Facilitate the development of The Rail Apartments, which consists of mixed-income housing units and associated amenities developed upon property to be leased from the Housing Authority of the City of Austin;
- b. Cause AAHC's wholly owned, subsidiary limited liability company, AAHC Rail GP, LLC (the "General Partner") to execute an amended and restated agreement of limited partnership of 1800 Alexander, LP (the "Partnership") and other related documents;
- c. Cause the Partnership to enter into development financing for the Project; and
- d. 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.

## **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 HOUSING CORPORATION**

**BOARD ACTION REQUEST**

**ITEM NO. 1.**

---

**MEETING DATE:** June 14, 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 AAHC Minutes Summary**

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

**MARCH 21, 2018**

**SUMMARY OF MINUTES**

**THE AUSTIN AFFORDABLE HOUSING CORPORATION (AAHC) 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 Housing Corporation (AAHC), 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, 2<sup>nd</sup> 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 Carrington** moved to approve the Board Minutes Summary for the Board Meeting held on November 16, 2017 as presented. **Director Duncan-Hall** seconded the motion. The motion passed. (5-Ayes and 0-Nays).

**ITEM 2: Presentation, Discussion, and Possible Action regarding Resolution No.101: 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** moved to approve Resolution No. 101: 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 Duncan-Hall** 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 12:47 p.m.

---

Dr. Tyra Duncan-Hall, Chairperson

---

Michael G. Gerber, Secretary

**AUSTIN AFFORDABLE HOUSING CORPORATION**

**BOARD ACTION REQUEST**

**RESOLUTION NO. 103**

**ITEM NO. 2.**

---

---

**MEETING DATE:** June 14, 2018

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

**ITEM TITLE:** Presentation, Discussion, and Possible Action regarding Resolution No.103: Election of Officers of the Austin Affordable Housing Corporation

**BUDGETED ITEM:** N/A

**TOTAL COST:** N/A

**ACTION**

The Board is being asked to appoint Mary Apostolou to serve in the position of Vice-Chairperson for the Austin Affordable Housing Corporation.

**SUMMARY**

***Background:***

With the completion of Commissioner Isaac Robinson's term, a vacancy has been created on the Austin Affordable Housing Corporation (AAHC) Board and the Austin Affordable PFC., (AAPFC) Board. To ensure that AAHC and AAPFC have a full Board as we move forward on several development items, staff is requesting the appointment of Mary Apostolou to the positions formerly held by Isaac Robinson.

Staff will present to the Board a full slate of officers for all Housing Authority of the City of Austin boards and subsidiaries at the July 2018 meeting.

**ATTACHMENTS:**

- **Exhibit 1 - AAHC Bylaws, pages 3-5**

**RESOLUTION NO. 103**

Appointment to fill a Vacated Position on the Board of the Austin Affordable Housing Corporation

**WHEREAS**, the Austin Affordable Housing Corporation has established bylaws for its operations;

**WHEREAS**, Article 3 Directors, Section 1, states that the Affairs of the Corporation shall be managed by the Board of Directors, which will consist of the following Officers of the Board of Commissioners of the Housing Authority of the City of Austin: (1) Chairperson; (2) Vice-Chairperson; (3) Second Vice-Chairperson; and (4) Secretary.

**WHEREAS**, Article 3 Directors, Section 6, states upon the occasion of any vacancy occurring on the Board of Directors, positions will be filled by the person designated to appoint candidates to the Board of Commissioners of the Housing Authority of the City of Austin.

**NOW, THEREFORE, BE IT RESOLVED**, that effective June 14, 2018, Mary Apostolou is appointed to serve as Vice-Chairperson for the Austin Affordable Housing Corporation.

**PASSED, APPROVED AND ADOPTED** this 14th day of June, 2018.

---

**Michael G. Gerber, Secretary**

---

**Tyra Duncan-Hall, Chairperson**



AAHC was organized. These social and human services will be support activities that enrich the health and welfare of residents of HACA and AAHC developments, such as sports programs, educational programs, training programs, family counseling, and related services.

Third, the AAHC will establish a Housing Counseling Agency to establish programs to ensure that quality, affordable housing programs exist for qualified families and individuals of low to moderate incomes. The Housing Counseling Agency services will include providing workshop classes, mutual support groups and written training materials for tenants, homebuyers and homeowners wishing to develop skills needed to understand the homeowner's process and the responsibilities of homeownership.

### **ARTICLE 3 DIRECTORS**

#### **SECTION I. BOARD OF DIRECTORS**

The Affairs of the Corporation shall be managed by the Board of Directors which will consist of the following Officers of the Board of Commissioners of the Housing Authority of the City of Austin: (1) Chairperson; (2) Vice-Chairperson; (2) Second Vice-Chairperson; and (3) Secretary.

#### **SECTION 2. POWERS**

The business and affairs of the Corporation and all corporate powers shall be exercised by or under the authority of the Board of Directors and shall be subject to the provisions of the laws of this state and any limitations in the Articles of Incorporation and these Bylaws.

#### **SECTION 3. DUTIES GENERALLY**

It shall be the duty of the Directors to:

- a) Perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation, or by these Bylaws;
- b) Appoint and remove, employ and discharge, and, except as otherwise provided in these Bylaws, prescribe the duties and fix the compensation, if any, of all officers, agents and employees of the corporation.
- c) Supervise all officers, agents and employees of the corporation to assure that their duties are performed properly;
- d) Meet at such times and places as required by these Bylaws; and
- e) Register their address with the Secretary of the Corporation, and notices of meetings mailed or telegraphed to them at such addresses shall be valid notices thereof,

#### **SECTION 4. DUTIES AS TO EACH DIRECTOR**

- a) Chairperson – The Chairperson shall preside at all meetings of AAHC. Except as otherwise authorized by resolution of AAHC, the Chairperson shall sign all contracts, deeds, and other instruments made by AAHC. At each meeting, the Chairperson shall submit such recommendations and information as he/she may consider proper concerning the business, affairs and policies of AAHC.
- b) Vice-Chairperson – The Vice-Chairperson shall perform the duties of the Chairperson in the absence or incapacity of the Chairperson and in case of the resignation or death of the Chairperson, the Vice-Chairperson shall perform such duties as are imposed on the Chairperson until such time as AAHC shall appoint a new Chairperson.
- c) Second Vice Chairperson – The Second Vice-Chairperson shall perform the duties of the Vice-Chairperson in the absence or incapacity of the Vice-Chairperson. In the event of the resignation or death of the Vice-Chairperson, the Second Vice-Chairperson shall perform such duties as imposed on the Vice-Chairperson until such a time as AAHC shall appoint a new Vice-Chairperson.
- d) Secretary – The Secretary shall be the President/Chief Executive Officer of the Housing Authority of the City of Austin.  
The Secretary shall keep the record of AAHC, shall act as Secretary of the meetings of AAHC and record all votes, and shall keep a record of the proceedings of AAHC in a journal of proceedings to be kept for such purpose, and shall perform all duties incident to his/her office. He/she shall keep in safe custody, the seal of AAHC and shall have power to affix such seal to all contracts and such instruments authorized to be executed by AAHC.

The Board hereby designates and authorizes the Secretary of AAHC to execute any and all documents that are necessary to enter into binding contracts on behalf of AAHC and the Board. He/she shall have the care and custody of all funds of AAHC and shall deposit in the name of AAHC in such banks as AAHC may select. The Secretary shall sign all orders and checks for the payment of money and shall pay out and disburse such moneys under the direction of AAHC. Except as otherwise authorized by a resolution of AAHC, all such orders and checks shall be countersigned by the Chairperson. The Secretary shall keep regular book of accounts showing receipts and expenditures and, if requested to do so by one or more of the Commissioners, shall render to AAHC, at each regular meeting, an account of his/her transactions and also of the financial condition of AAHC. He/she shall give such bond for the faithful performance of his/her duties as AAHC may determine. The compensation of the Secretary shall be determined by AAHC.

In absence of the Secretary, the Assistant Secretary, who shall be the Vice-President of

AAHC, shall have such powers and perform such duties as the Secretary, respectively, or as the Board of Directors or President may prescribe. During the lengthy absence of the Secretary, the Assistant Secretary may respectively perform the functions of the Secretary.

**SECTION 5. TERM OF OFFICE**

Directors shall be entitled to hold office until their successors are appointed and qualified.

**SECTION 6. VACANCIES**

Vacancies on the Board of Directors shall exist upon: (a) the death, resignation, or removal of any Director; (b) an increase in the authorized number of Directors. If vacancies should occur for either of these two reasons, positions will be filled by the person designated to appoint candidates to the Board of Commissioners of the Housing Authority of the City of Austin.

**SECTION 7. REMOVAL OF DIRECTORS**

Any individual Director may be removed from office if the Director ceases to serve as a member of the Board of Commissioners of the Housing Authority of the City of Austin.

**SECTION 8. PLACE OF MEETINGS**

The regular meeting shall be held at the same place as the regular meeting of the Housing Authority of the City of Austin. Generally, that place will be at 1124 S. IH 35 in Austin, TX, unless the Directors, by resolution, designate another place at the previous regular meeting. However, every quarter, a regular meeting shall be held at a Housing Authority of the City of Austin Public Housing site.

**SECTION 9. TIME OF REGULAR MEETINGS**

Regular meetings shall be held at the same time as the regular meetings of the Housing Authority of the City of Austin which generally shall be on the third Thursday of every month at **12:00 p.m.** or at another time designated by the Board at the prior meeting.

**SECTION 10. CALL OF SPECIAL MEETING**

Special meetings of the Board of Directors for any purpose may be called at any time by the Chairperson or, if the Chairperson is absent or unable or refuses to act, by any Vice Chairperson or any two Directors. Written notices of the special meetings, stating the time and in general terms the purpose or purposes thereof, shall be mailed one week before, or telegraphed or personally delivered to each Director not later than five days before the day appointed for the meeting.

**SECTION 11. NOTICES**

Public notices of all meetings of the Board of Directors shall be given in accordance with the requirements of the "Texas Open Meetings Act" (Tex.

# AUSTIN AFFORDABLE HOUSING CORPORATION

## BOARD ACTION REQUEST

### RESOLUTION NO. 102

#### ITEM NO. 3.

---

**MEETING DATE:** June 14, 2018

**STAFF CONTACT:** Ann Gass, Director of RAD

**ITEM TITLE:** Presentation, Discussion, and Possible Action regarding Resolution No. 102: 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:

- a. Facilitate the development of the Pathways at Chalmers Courts South, 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;
- b. Cause AAHC’s wholly owned, subsidiary limited liability company, Pathways at Chalmers Courts South GP, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of Pathways at Chalmers Courts South, LP (the “Partnership”) and other related documents;
- c. Cause the Partnership to enter into development financing for the Project; and
- d. 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:** N/A

#### ACTION

The Board is being asked to approve Resolution No. 102: 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

***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. HACA will retain ownership and control of this property through its subsidiary AAHC.

***Staff Recommendation:***

Resolution No. 102 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 Chalmers South.

**RESOLUTION NO. 102**

**Authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to Facilitate the development of the Pathways at Chalmers Courts South**

**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 Pathways at Chalmers Courts South, a 86-unit 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 and moderate income;

**WHEREAS**, in connection with the development of the Project, the Partnership desires to obtain site control of the Land from the Housing Authority of the City of Austin (“**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 National Equity Fund 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 Chalmers Courts South) Series 2018A and its Multifamily Housing Revenue Bonds (Pathways at Chalmers Courts South) Series 2018B (collectively, the “**Bonds**”), pursuant to and in accordance with the terms of a Trust Indenture (the “**Indenture**”) 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 one or more Loan Agreements, between the Issuer and Borrower (the “**Loan Agreements**”)

**WHEREAS**, in connection with the Loan Agreements, Bonds and the Indenture, 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 “**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 a gap loan from AAHC to the Partnership in a principal amount not to exceed \$3,000,000,

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 Partnership Agreement, the Ground Lease, and the Bond 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, APPROVED AND ADOPTED** this 14th day of June, 2018.

---

**Michael G. Gerber, Secretary**

---

**Tyra Duncan-Hall, Chairperson**



# AUSTIN AFFORDABLE HOUSING CORPORATION

## BOARD ACTION REQUEST

### RESOLUTION NO. 104

#### ITEM NO. 4.

---

---

**MEETING DATE:** June 14, 2018

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

**ITEM TITLE:** Presentation, Discussion, and Possible Action regarding Resolution No. 104: Consideration 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:

- a. Facilitate the development of The Rail Apartments, which consists of mixed-income housing units and associated amenities developed upon property to be leased from the Housing Authority of the City of Austin;
- b. Cause AAHC’s wholly owned, subsidiary limited liability company, AAHC Rail GP, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of 1800 Alexander, LP (the “Partnership”) and other related documents;
- c. Cause the Partnership to enter into development financing for the Project; and
- d. 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:** N/A

#### SUMMARY

***Background:***

The Austin Affordable Housing Corporation (AAHC) a nonprofit subsidiary of the Housing Authority of the City of Austin (HACA), was created to own, engage in or assist in the development or operation of affordable housing, including but not limited to income producing projects whose proceeds are used to further HACA’s mission of moving its stakeholders from poverty to self-sufficiency. AAHC, as one of its goals has committed through acquisition and or development a portfolio of 4040 units by the year 2020. Another goal of AAHC is to acquire and or develop affordable housing in high opportunity areas where housing choice for section 8 does not exist and to give low and moderate families housing in areas of better performing schools and services in locations outside the City of Austin’s crescent of poverty.

Austin Affordable Housing Corporation has been presented an opportunity to partner with LDG Multifamily, LLC, and Lonestar Development, LLC, to develop a 1.2 acre tract of land located at East 17th Street and Alexander Ave., just off of E. MLK in East Austin. This development is a master planned 36.5 acre philanthropic community created by the Meredith Foundation, known as the Chestnut Commons. Other plans for this community include a community center, a stone vault amphitheater and a BMX skate park. This development is in the transit oriented development (TOD) and is immediately adjacent to the MLK train station. This 235 unit family project will consist of 120 units targeting 30%-80% of median family income with 60 units serving individuals earning 30%, 40% and 50% of the median family income. The remaining 115 units will be market rate housing.

***Process:***

The financing for this development will be a combination of Preferred Equity Investments, City of Austin General Obligation Bonds (GOB) and a conventional first mortgage. The City of Austin has approved a GOB amount of \$2,500,000.

***Staff Recommendation:***

Resolution 104 asks the Board of Commissioners to authorize AAHC to execute any and all documents, or take any other action, that is necessary or desirable to facilitate the transaction for the Rail development.

UNIT MIX		
Efficiency	1Br/1Ba	2Br/2Ba
164 units – 357-451 SF.	48 units – 494-856 SF.	23 units – 858-1,082 SF.

<b>30% AMI</b>	<b>40% AMI</b>	<b>50% AMI</b>	<b>80% AMI</b>
3 units	3 units	52 units	62 units

---

The remaining 115 units will be market rate.

**RESOLUTION NO. 104**

**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**

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 the development of The Rail Apartments, which consists of mixed-income housing units and associated amenities developed upon property to be leased from the Housing Authority of the City of Austin;

Cause AAHC’s wholly owned, subsidiary limited liability company, AAHC Rail GP, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of 1800 Alexander, LP (the “Partnership”) and other related documents;

Cause the Partnership to enter into development financing for the Project; and

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 Rail Apartments, a 235-unit apartment complex (the “**Project**”) under development on property within a condominium regime on a parcel of land located in Austin, Travis County, Texas (the “**Unit**”), and intended for rental to persons of low and moderate income;

**WHEREAS**, in connection with the development of the Project, the Partnership desires to obtain site control of the Unit from the Housing Authority of the City of Austin (“**HACA**”), by entering into a lease (“**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 the General Partner as a general partner to the Partnership and admitting affiliates of Lonestar Development Partners and LDG Multifamily, LLC as well as third party investors as investor limited partners to the Partnership, including

an Amended and Restated Agreement of Limited Partnership for the Partnership (the “**Partnership Agreement**”);

**WHEREAS**, the Partnership desires to enter into a HUD-insured loan with Red Mortgage Capital, LLC, whereby the Partnership will borrow a sum not to exceed \$36,000,000 (“**HUD Loan**”), in order to finance construction of the Project;

**WHEREAS**, the HUD Loan will be made pursuant to a promissory note to be secured, *inter alia*, by a leasehold deed of trust, HUD regulatory agreement, UCC financing statements, certificates, affidavits, directions, amendments, indemnifications, notices, requests, demands, waivers, and any other assurances, instruments, or other communications executed in the name of and on behalf of the Partnership as may be deemed to be necessary or advisable in order to carry into effect or to comply with the requirements of the instruments approved or authorized by these resolutions in connection with the HUD Loan (collectively, the “**HUD 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 the same, including, but not limited to the Lease, HUD 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 (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 14<sup>th</sup> day of June, 2018.