

THE HOUSING AUTHORITY OF THE CITY OF AUSTIN



BOARD OF COMMISSIONERS

Chairperson - Carl S. Richie, Jr.

Charles Bailey

Mary Apostolou

Tyra Duncan-Hall

Edwina Carrington

Michael G. Gerber, President & CEO

BOARD OF COMMISSIONERS

Regular Meeting

**Thursday, September 20, 2018
12:00 PM**

**1124 S. IH 35, Austin, TX 78704
Austin, TX**

**PUBLIC NOTICE OF A MEETING
TAKE NOTICE OF A BOARD OF COMMISSIONERS
REGULAR BOARD MEETING
OF THE HOUSING AUTHORITY OF THE CITY OF AUSTIN**

**TO BE HELD AT
1124 S. IH 35, Austin, TX 78704
Austin, TX
(512.477.4488)**

**Thursday, September 20, 2018
12:00 PM**

CALL TO ORDER, ROLL CALL

CERTIFICATION OF QUORUM

Citizens Communication (Note: There will be a three-minute time limitation)

Citywide Advisory Board Update

CONSENT ITEMS

1. Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on August 16, 2018

ACTION ITEMS

2. Update on HACA's Rental Assistance Demonstration Program
3. Presentation, Discussion, and Possible Action regarding Resolution No. 2563: Authorizing the Housing Authority of the City of Austin to take such Actions Necessary or Convenient to Facilitate the Development and Rehabilitation of Pathways at Rosewood Courts
4. Presentation, Discussion, and Possible Action regarding Resolution No. 2564: Authorizing the Housing Authority of the City of Austin to take such Actions Necessary or Convenient to Facilitate the Development and Rehabilitation of Pathways at Santa Rita Courts
5. Presentation, Discussion, and Possible Action regarding Resolution No. 2565: Authorizing the Housing Authority of the City of Austin to take such Actions Necessary or Convenient to Facilitate the Development and Rehabilitation of Pathways at Thurmond Heights
6. Presentation, Discussion, and Possible Action regarding Resolution No. 2566: Authorizing the Housing Authority of the City of Austin ("HACA") to take the following actions with regard to the Northwest Hills Apartments (the "Development") in Austin, Texas: (A) acquire the site of the development; (B) lease the development site to the owner of the development; and (C) such other actions necessary or convenient to carry out this resolution
7. Presentation, Discussion, and Possible Action regarding Resolution No. 2567: Authorizing the Housing Authority of the City of Austin ("HACA") to take the following actions with regard to the Terracina Apartments (the "Development") in Austin, Texas: (A) acquire the site of the development; (B) lease the development site to the owner of the development; and (C) such other actions necessary or convenient to carry out this resolution
8. Presentation, Discussion, and Possible Action regarding Resolution No. 2568: A resolution

by the Board of Commissioners of Housing Authority of the City of Austin ("HACA") authorizing the President and CEO of HACA to create South Congress Public Facility Corporation and any other actions necessary or convenient to carry out this resolution

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.

HOUSING AUTHORITY OF THE CITY OF AUSTIN

BOARD ACTION REQUEST

EXECUTIVE

ITEM NO. 1.

MEETING DATE: September 20, 2018

STAFF CONTACT: Michael Gerber, President & CEO

ITEM TITLE: Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on August 16, 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 August 16, 2018.

ATTACHMENTS:

- ▣ **20180816 HACA Minutes Summary**

**HOUSING AUTHORITY OF THE CITY OF AUSTIN
BOARD OF COMMISSIONERS
REGULAR BOARD MEETING**

AUGUST 16, 2018

SUMMARY OF MINUTES

THE HOUSING AUTHORITY OF THE CITY OF AUSTIN (HACA) BOARD OF COMMISSIONERS PUBLIC MEETING NOTICE WAS POSTED FOR 12:00 NOON ON THURSDAY, AUGUST 16, 2018, AND WAS HELD AT THE HACA CENTRAL OFFICE, 1124 S. IH 35, AUSTIN, TX

CALL TO ORDER, ROLL CALL, CERTIFICATION OF QUORUM

The Board of Commissioners Regular Board Meeting of the Housing Authority of the City of Austin, of August 16, 2018, was called to order by Carl S. Richie, Jr., HACA Chairperson, at 12:11 pm. The meeting was held at the HACA Central Office, 1124 S. IH 35, Austin, TX

Roll call certified a quorum was present.

MEMBERS PRESENT:

Carl S. Richie, Jr., Chairperson
Charles Bailey, Vice Chairperson
Tyra Duncan-Hall, 2nd Vice Chairperson
Mary Apostolou, Commissioner

MEMBER(S) ABSENT:

Edwina Carrington, Commissioner

STAFF PRESENT:

Ann Gass, Andrea Galloway, Jimi Teasdale, Kelly Crawford, Lisa Garcia, Martha Ross, Michael Cummings, Michael Gerber, Nidia Hiroms, Pilar Sanchez, and Sylvia Blanco

ALSO IN ATTENDANCE:

Wilson Stoker, Cokinos, Bosien & Young

CITYWIDE ADVISORY BOARD - THERE WAS NOT A CITYWIDE ADVISORY BOARD MEETING FOR THE MONTH OF AUGUST.

CITIZENS COMMUNICATION – NONE.

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 July 19, 2018

2nd Vice-Chairperson Duncan-Hall moved to Approve the Board Minutes Summary for the Board Meeting held on July 19, 2018. Vice-Chairperson Bailey seconded the motion. The motion Passed (4-Ayes and 0-Nays).

ACTION ITEMS

APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS

ITEM 2: Presentation and Discussion of Proposed Revisions to the Housing Choice Voucher Administrative Plan

On November 2015, HUD issued Notice PIH 2015-19 providing guidance to housing authorities on how to address the use of arrest records in housing decisions. HACA made policy changes to meet the requirements of this notice by adopting changes to the criminal screening criteria in the HCV Administrative Plan in December 2017. Since that time, it has become evident that the current screening criteria still creates a barrier to housing homeless individuals and families. The proposed changes to the HCV Administrative Plan incorporate updates to the criminal background eligibility requirements.

The Board is being asked to review the proposed changes to the Housing Choice Voucher (HCV) Administrative Plan, discuss and provide input, approve staff taking the document out for a 30 day public comment period, and returning the Administrative Plan to the Board for final consideration at the September 20, 2018 Board meeting.

The proposed changes were discussed. The Board is asking that further clarification on some of the changes be incorporated into the document prior to receiving public comment.

After incorporating the Board recommendations, HACA will invite public comment on the proposed changes beginning Friday, August 17, 2018 through Monday, September 17, 2018. HACA will send the proposed changes to Texas RioGrande Legal Aid and the Austin Tenants' Council. After receiving all comments, the proposed changes will come back to the Board for final

August 16, 2018

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approval at the September or October Board meeting.

The following individuals spoke in support of the proposed changes to the HCV Administrative Plan:

Ann Howard, Executive Director, Ending Community Homelessness Coalition (ECHO)

Paul Canduro, Austin Apartment Association

Ruth Ahearn, Practice Manager, Supportive Housing Services, Integral Care

Helen Gaebler, Co-Chair, Reentry Roundtable

Juliana Gonzales, Austin Tenants' Council

ITEM 3: Presentation, Discussion and Possible Action Resolution No. 2561: Approval of an Award of Contract for 26 HVAC Replacements Serving Dwelling Units of the Salina Apartments

All thirty-two units of the Salina Apartments were in need of full replacement of their existing central air and heat HVAC systems. Due to the exigent nature of the needed work, this project is considered an emergency. The RAD actions that HACA is undertaking further impacted the need to expedite the project in the fastest way possible for the safety of residents, staff and the ability to meet timelines dictated by RAD conversion deadlines. All systems are roof top unit packages. Six units have been previously replaced.

HACA worked with three local mechanical services vendors with prior HACA work experience to develop scope for the project needs. Based on the satisfactory past and current performance, staff recommends award of contract to HVAC Air Services in an amount not to exceed \$105,300.00.

Commissioner Apostolou moved to Approve Resolution No. 2561: Approval of an Award of Contract for 26 HVAC Replacements Serving Dwelling Units of the Salina Apartment to HVAC Air Services, in an amount not to exceed \$105,300.00. **2nd Vice-Chairperson Duncan-Hall** seconded the motion. The motion Passed (4-Ayes and 0-Nays).

ITEM 4: Update on HACA's Rental Assistance Demonstration Program

Ann Gass, Director of Strategic Housing Initiatives gave an update on RAD.

ITEM 5: Presentation, Discussion, and Possible Action Regarding Resolution No. 2562: Approval of an Award of a Contract for RAD Phase II Construction Services at Thurmond Heights, Rosewood Courts and Santa Rita Courts

This award is to approve a contract for work associated with the Rental Assistance Demonstration Program (RAD) at Thurmond Heights Apartments, Rosewood Courts and Santa Rita Courts in the amount of \$ \$1,195,607.41. Thurmond Heights received significant and major upgrades including rehab of every unit, site work, concrete work, and lighting upgrades throughout the property during the last four years funded through Capital Fund Program and Energy Performance Contract administered by HACA. Accordingly, major renovations are not necessary, however, a more extensive redesign of Rosewood and Santa Rita will be necessary in future years.

This contract will allow for the following improvements to be made at Thurmond Heights: playground shades at two playgrounds, improvements to the community room including replacing windows, ceiling tiles and floor coverings including abatement, adding an accessible path at entrance, adding a concrete pad under mail drop and steam cleaning and regrouting tile in bathrooms.

Rosewood will receive improvements to the Goodwill building including work in the upstairs kitchen, replacing 2nd floor flooring and an air handler in the attic and fixing porch poles that have become detached. A number of units will also receive new bathtubs and water heaters.

2nd Vice-Chairperson Duncan-Hall moved to Approve Resolution No. 2562: Approval of an Award of a Contract to sole bidder Unity Contractor Services, for RAD Phase II Construction Services at Thurmond Heights, Rosewood Courts and Santa Rita Courts in the amount not to exceed \$1,195,607.41. **Vice-Chairperson Bailey** seconded the motion. The motion Passed (4-Ayes and 0-Nays).

THE BOARD TOOK A FIVE MINUTE RECESS.

Raul Alvarez, Executive Director of the Community Advancement Network, presented the CAN Dashboard 2018 report to the Board. The Dashboard provides an overview of the socio-economic well-being of Austin and Travis County, and reports on community conditions relating to 17 indicators. The Dashboard highlights concerns relating to equity and outlines local efforts to improve outcome relating to these indicators. Copies of the Dashboard were distributed to the Board and audience.

The Board did not recess into Executive Session.

REPORTS

The Board accepts the following reports:

- As discussed at the August 2018 Board Meeting, upon completion of construction, the management of Chalmers

Courts and Goodrich Apartments will be handled by Carleton Management Services. Carleton Management Services staff, Larry Frazier, President; Laura Sullivan, Chief Operating Officer; and Will Henderson, Director of Affordable Housing outlined their management approach to the Board. Carleton will be responsible for the day to day management and maintenance of the properties. HACA staff will be working collaboratively with Carleton, and will be on property.

- The Housing Choice Voucher Wait List opening will be September 17th – 24th. Applications will be accepted online, and computer access and technical assistance will be available at various community centers in Austin and Travis County.
- Discussion on the importance to get out and Vote.

ADJOURNMENT

2nd Vice-Chairperson Duncan-Hall moved to adjourn the meeting. **Commissioner Apostolou** seconded the motion. The Motion Passed (4-Ayes and 0-Nays). The meeting adjourned at 2:27 p.m.

Michael G. Gerber, Secretary

Carl S. Richie, Jr., Chairperson

HOUSING AUTHORITY OF THE CITY OF AUSTIN
REPORT
RENTAL ASSISTANCE DEMONSTRATION
ITEM NO. 2.

MEETING DATE: September 20, 2018

STAFF CONTACT: Ann Gass, Director of RAD

ITEM TITLE: Update on HACA's Rental Assistance Demonstration Program

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

No action is being requested. Staff will provide an update to the Board regarding progress with HACA's Rental Assistance Demonstration Program, ongoing construction and rehabilitation of units in HACA's public housing portfolio, and implications for residents and the broader community.

HOUSING AUTHORITY OF THE CITY OF AUSTIN

BOARD ACTION REQUEST

RESOLUTION NO. 2563

AUSTIN AFFORDABLE HOUSING CORPORATION

ITEM NO. 3.

MEETING DATE: September 20, 2018

STAFF CONTACT: Ann Gass, Director of RAD

ITEM TITLE: Presentation, Discussion, and Possible Action regarding Resolution No. 2563: Authorizing the Housing Authority of the City of Austin to take such Actions Necessary or Convenient to Facilitate the Development and Rehabilitation of Pathways at Rosewood Courts

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

Motion to authorize the Housing Authority of the City of Austin to take such actions necessary or convenient to facilitate the development and rehabilitation of the Pathways at Rosewood Courts.

SUMMARY

Background:

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. Provisions with RAD also 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) submitted applications and received a “Commitment to enter into a Housing Assistance Payment Contract” (CHAP) award for Rosewood Courts.

As part of this conversion to RAD, HACA plans to make certain minor repairs to ensure the ongoing usefulness of the community space and units at Rosewood Courts. These improvements include updates to the Goodwill building such as: replacement of the air handler in the attic, new roofs on the ends of the building, a new exterior door, and new flooring, and cabinets and counters in the upstairs kitchen. Certain units will receive new bathtubs and work to reaffix or remove certain porch poles. Site work includes a new door to the water softener room and tree trimming throughout. This relatively minor scope of work does not include any demolition or substantial modification to the exteriors of the building. HACA hopes to undertake a more comprehensive redevelopment of Rosewood Courts in the next several years.

Staff Recommendation:

Resolution No. 2563 asks 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 Rosewood Courts.

RESOLUTION NO. 2563

Resolution authorizing the Housing Authority of the City of Austin (the “Authority”) to take such actions necessary or convenient to facilitate the rehabilitation of the Pathways at Rosewood Courts (the “Project”)

WHEREAS, the Authority owns the site containing the Project (the “Land”);

WHEREAS, the Authority and Pathways at Rosewood Courts, LLC (the “Company”) desire to enter into a ground lease (the "Ground Lease") granting site control of the Land to the Company;

WHEREAS, the Authority desires to convey title to the improvements comprising the Project to the Company via a bill of sale;

WHEREAS, the Authority has submitted an application with the United States Department of Housing and Urban Development (“HUD”) for approval under the Rental Assistance Demonstration (“RAD”) Program to designate certain units within the Project as RAD units, and upon receipt of HUD approval, the Authority desires to implement the RAD units;

NOW, THEREFORE, in connection with the rehabilitation and equipping of the Project, the Board of Commissioners hereby adopt the following resolutions:

BE IT RESOLVED, that the President and CEO of the Authority and/or his designee is hereby authorized to review, approve and execute all certificates, affidavits, agreements, documents and other writings, including, without limitation, the Ground Lease and all documents relating to the RAD units (collectively, the "Agreements"), the President and CEO shall deem to be necessary or desirable in the consummation of the transactions herein contemplated;

BE IT FURTHER RESOLVED, that all acts, transactions, or agreements undertaken prior hereto by the President and CEO of the Authority or his designee, in connection with the foregoing matters are hereby ratified and confirmed as the valid actions of the Authority, effective as of the date such actions were taken; and

BE IT FURTHER RESOLVED, that the President and CEO is hereby authorized and directed for and on behalf of, and as the act and deed of the Authority, to take such further action in the consummation of the transactions herein contemplated and to do any and all other acts and things necessary or proper in furtherance thereof, as the President and CEO shall deem to be necessary or desirable, and all acts heretofore taken by the designee of the President and CEO to such end are hereby expressly ratified and confirmed as the acts and deeds of the Authority.

This resolution shall be in full force and effect from and upon its adoption.

PASSED, APPROVED, AND ADOPTED this 20th day of September, 2018.

CHAIR

ATTEST:

SECRETARY

HOUSING AUTHORITY OF THE CITY OF AUSTIN

BOARD ACTION REQUEST

RESOLUTION NO. 2564

AUSTIN AFFORDABLE HOUSING CORPORATION

ITEM NO. 4.

MEETING DATE: September 20, 2018

STAFF CONTACT: Ann Gass, Director of RAD

ITEM TITLE: Presentation, Discussion, and Possible Action regarding Resolution No. 2564: Authorizing the Housing Authority of the City of Austin to take such Actions Necessary or Convenient to Facilitate the Development and Rehabilitation of Pathways at Santa Rita Courts

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

Motion to authorize the Housing Authority of the City of Austin to take such actions necessary or convenient to facilitate the development and rehabilitation of the Pathways at Santa Rita Courts.

SUMMARY

Background:

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) submitted applications and received a "Commitment to enter into a Housing Assistance Payment Contract" (CHAP) award for Santa Rita Courts.

The conversion process to RAD will allow each property to address the needed repairs and renovations determined by a third party physical needs assessment. Santa Rita Courts will receive 50 exterior doors and storm doors, updates to the common area bathroom, new stair treads to 40 units, removal of unused water softener, cleaning and repair of mailboxes, updates to the community room including new ceiling tile and paint, clean and wax floor, new storage lockers and common area furniture.

Staff Recommendation:

Resolution No. 2564 asks 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 Santa Rita Courts.

RESOLUTION NO. 2564

Resolution authorizing the Housing Authority of the City of Austin (the “Authority”) to take such actions necessary or convenient to facilitate the rehabilitation of the Pathways at Santa Rita Courts (the Project”)

WHEREAS, the Authority owns the site containing the Project (the “Land”);

WHEREAS, the Authority and Pathways at Santa Rita Courts, LLC (the “Company”) desire to enter into a ground lease (the "Ground Lease") granting site control of the Land to the Company;

WHEREAS, the Authority desires to convey title to the improvements comprising the Project to the Company via a bill of sale;

WHEREAS, the Authority has submitted an application with the United States Department of Housing and Urban Development (“HUD”) for approval under the Rental Assistance Demonstration (“RAD”) Program to designate certain units within the Project as RAD units, and upon receipt of HUD approval, the Authority desires to implement the RAD units;

NOW, THEREFORE, in connection with the rehabilitation and equipping of the Project, the Board of Commissioners hereby adopt the following resolutions:

BE IT RESOLVED, that the President and CEO of the Authority and/or his designee is hereby authorized to review, approve and execute all certificates, affidavits, agreements, documents and other writings, including, without limitation, the Ground Lease and all documents relating to the RAD units (collectively, the "Agreements"), the President and CEO shall deem to be necessary or desirable in the consummation of the transactions herein contemplated;

BE IT FURTHER RESOLVED, that all acts, transactions, or agreements undertaken prior hereto by the President and CEO of the Authority or his designee, in connection with the foregoing matters are hereby ratified and confirmed as the valid actions of the Authority, effective as of the date such actions were taken; and

BE IT FURTHER RESOLVED, that the President and CEO is hereby authorized and directed for and on behalf of, and as the act and deed of the Authority, to take such further action in the consummation of the transactions herein contemplated and to do any and all other acts and things necessary or proper in furtherance thereof, as the President and CEO shall deem to be necessary or desirable, and all acts heretofore taken by the designee of the President and CEO to such end are hereby expressly ratified and confirmed as the acts and deeds of the Authority.

This resolution shall be in full force and effect from and upon its adoption.

PASSED, APPROVED, AND ADOPTED this 20th day of September, 2018.

ATTEST:

CHAIR

SECRETARY

HOUSING AUTHORITY OF THE CITY OF AUSTIN

BOARD ACTION REQUEST

RESOLUTION NO. 2565

AUSTIN AFFORDABLE HOUSING CORPORATION

ITEM NO. 5.

MEETING DATE: September 20, 2018

STAFF CONTACT: Ann Gass, Director of RAD

ITEM TITLE: Presentation, Discussion, and Possible Action regarding Resolution No. 2565: Authorizing the Housing Authority of the City of Austin to take such Actions Necessary or Convenient to Facilitate the Development and Rehabilitation of Pathways at Thurmond Heights

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to approve Resolution No. 2565 to authorize the Housing Authority of the City of Austin to take such actions necessary or convenient to facilitate the development and rehabilitation of the Pathways at Thurmond Heights.

SUMMARY

Background:

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, benefiting 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) submitted applications and received a “Commitment to enter into a Housing Assistance Payment Contract” (CHAP) award for Thurmond Heights.

The conversion process to RAD will allow each property to address the needed repairs and renovations determined by a third party physical needs assessment. Thurmond Heights will receive shades covers for the playground, as well as significant updates to the community room, including window replacements, adding accessible path to entrance, adding a concrete pad under mail drop, removing a wall in the manager’s office to

make it accessible, abatement and replacement flooring throughout building, two storefront doors with a push button, painting throughout building, lever knobs on bathroom sinks, a new water heater and steaming clean and re-grouting of the bathrooms.

Staff Recommendation:

Resolution No. 2565 asks the Board of Commissioners to authorize the Housing Authority of the City of Austin to take such actions necessary or convenient to facilitate the development and rehabilitation of the Pathways at Thurmond Heights.

RESOLUTION NO. 2565

Resolution authorizing the Housing Authority of the City of Austin (the “Authority”) to take such actions necessary or convenient to facilitate the development and rehabilitation of the Pathways at Thurmond Heights (the “Project”)

WHEREAS, the Authority owns the site containing the Project (the “Land”);

WHEREAS, the Authority and Pathways at Thurmond Heights, LLC (the “Company”) desire to enter into a ground lease (the “Ground Lease”) granting site control of the Land to the Company;

WHEREAS, the Authority desires to convey title to the improvements comprising the Project to the Company via a bill of sale;

WHEREAS, the Authority may grant or loan demolition, relocation, capital and/or other financing funds to the Austin Affordable Housing Corporation to facilitate the redevelopment of the Project;

WHEREAS, the Authority has submitted an application with the United States Department of Housing and Urban Development (“HUD”) for approval under the Rental Assistance Demonstration (“RAD”) Program to designate certain units within the Project as RAD units, and upon receipt of HUD approval, the Authority desires to implement the RAD units;

NOW, THEREFORE, in connection with the development, rehabilitation and equipping of the Project, the Board of Commissioners hereby adopt the following resolutions:

BE IT RESOLVED, that the President and CEO of the Authority and/or his designee is hereby authorized to review, approve and execute all certificates, affidavits, agreements, documents and other writings, including, without limitation, the Ground Lease and all documents relating to the RAD units (collectively, the “Agreements”), the President and CEO shall deem to be necessary or desirable in the consummation of the transactions herein contemplated;

BE IT FURTHER RESOLVED, that all acts, transactions, or agreements undertaken prior hereto by the President and CEO of the Authority or his designee, in connection with the foregoing matters are hereby ratified and confirmed as the valid actions of the Authority, effective as of the date such actions were taken; and

BE IT FURTHER RESOLVED, that the President and CEO is hereby authorized and directed for and on behalf of, and as the act and deed of the Authority, to take such further action in the consummation of the transactions herein contemplated and to do any and all other acts and things necessary or proper in furtherance thereof, as the President and CEO shall deem to be necessary or desirable, and all acts heretofore taken by the designee of the President and CEO to such end are hereby expressly ratified and confirmed as the acts and deeds of the Authority.

This resolution shall be in full force and effect from and upon its adoption.

PASSED, APPROVED AND ADOPTED this 20th day of September, 2018.

ATTEST:

Carl S. Richie, Jr., Chairperson

Michael Gerber, Secretary

HOUSING AUTHORITY OF THE CITY OF AUSTIN

BOARD ACTION REQUEST

RESOLUTION NO. 2566

AUSTIN AFFORDABLE HOUSING CORPORATION

ITEM NO. 6.

MEETING DATE: September 20, 2018

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

ITEM TITLE: Presentation, Discussion, and Possible Action regarding Resolution No. 2566: Authorizing the Housing Authority of the City of Austin (“HACA”) to take the following actions with regard to the Northwest Hills Apartments (the “Development”) in Austin, Texas: (A) acquire the site of the development; (B) lease the development site to the owner of the development; and (C) such other actions necessary or convenient to carry out this resolution

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

Austin Affordable Housing Corporation (AAHC) has been presented an opportunity to partner with Community Development Trust (CDT) to purchase the Northwest Hills Apartments. AAHC and CDT have previously partnered to purchase Bridge at Tech Ridge and Bridge at Center Ridge and wish to expand their partnership with the acquisition of the Northwest Hills Apartments. AAHC and CDT are in discussions with the Austin Housing Conservancy (AHC) to add them as a third partner. AAHC and CDT wish to take advantage of this high opportunity area to serve Austin’s nurses, entry level tech workers, teachers, and other individuals and families earning between 60% and 120% of median household income. Located within the boundaries of one of the strongest rated schools in Austin ISD, this property meets AAHC's goals of close proximity to good jobs, schools, grocers and transit.

SUMMARY

Background:

Northwest Hills Apartments is a 314-unit apartment complex built in 1978. Located at 3600 Greystone Drive, the property is situated in one of the highest opportunity areas of Austin, Texas. Community amenities include two swimming pools with gazebo’s and outdoor kitchen, a large two story clubhouse with full kitchen and business center. A 24-hour fitness center, a large 24-hour laundry facilities and covered parking. The property is home to many major employers in and around the area and feeds into the desirable NW Austin schools of Doss Elementary, Murchison Middle School and Anderson High School. This property will accept Housing Choice Vouchers upon acquisition.

Unit mix

28 studio units ranging from 420 square feet to 553 square feet

216 one bedroom one bath units ranging from 687 square feet to 828 square feet

70 two bedrooms and two baths units ranging from 1,026 square feet to 1226 square feet

Staff Recommendation:

Austin Affordable Housing Corporation has entered into a purchase contract for the acquisition of the development. In order to complete this purchase, the HACA Board of Commissioners must approve and adopt this resolution and authorize its Chief Executive Officer to carry out any and all actions required to facilitate this transaction. Resolution No. 2566 authorizes the Housing Authority of the City of Austin (“HACA”) to take the following actions with regard to the Northwest Hills Apartments (the “Development”) in Austin, Texas: (A) acquire the site of the development; (B) lease the development site to the owner of the development; and (C) such other actions necessary or convenient to carry out this resolution.

RESOLUTION NO. 2566

Resolution authorizing the Housing Authority of the City of Austin to take the following actions with regard to the Northwest Hills Apartments (the “Development”) in Austin, Texas: (A) acquire the site of the Development; (B) lease the Development site to the Owner of the Development; and (C) such other actions Necessary or Convenient to carry out this Resolution

WHEREAS, Austin Affordable Housing Corporation (“AAHC”) has entered into a certain purchase contract for the acquisition of the Development;

WHEREAS, in connection therewith, the Housing Authority of the City of Austin (“HACA”) has agreed to acquire certain real property in Austin, Texas (the “Land”), which constitutes the site for the Development, and to simultaneously lease the Land to an affiliate of AAHC (the “Owner”) under a long term ground lease (the “Ground Lease”);

NOW, THEREFORE, the Board of Commissioners of HACA hereby approves and adopts the following resolutions, and hereby authorizes its Chief Executive Officer (or the Chief Executive Officer’s designee) to do the following:

1. Acquire the Land and enter into the Ground Lease with the Owner.
2. Review, execute and approve the Ground Lease and all such other documents necessary to effectuate the acquisition of the Land, execution of the Ground Lease and AAHC's acquisition of the Development, including but not limited to such security instruments and estoppel certificates as any lender involved with the Development may require, all on such terms and containing such provisions as the Chief Executive Officer (or his designee) shall deem appropriate, and the approval of the terms of each such instrument shall be conclusively evidenced by his execution and delivery thereof.

This resolution shall be in full force and effect from and upon its adoption.

PASSED, APPROVED AND ADOPTED this 20th day of September, 2018.

ATTEST:

Carl S. Richie, Jr., Chairperson

Michael G. Gerber, Secretary

HOUSING AUTHORITY OF THE CITY OF AUSTIN

BOARD ACTION REQUEST

RESOLUTION NO. 2567

AUSTIN AFFORDABLE HOUSING CORPORATION

ITEM NO. 7.

MEETING DATE: September 20, 2018

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

ITEM TITLE: Presentation, Discussion, and Possible Action regarding Resolution No. 2567: Authorizing the Housing Authority of the City of Austin (“HACA”) to take the following actions with regard to the Terracina Apartments (the “Development”) in Austin, Texas: (A) acquire the site of the development; (B) lease the development site to the owner of the development; and (C) such other actions necessary or convenient to carry out this resolution

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

Austin Affordable Housing Corporation has entered into a purchase contract for the acquisition of the development and in order to complete this purchase, the Board of Commissioners of HACA is asked to approve and adopt this resolution and authorize its Chief Executive Officer to carry out any and all actions required to facilitate this transaction.

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. Through one of its goals, AAHC has committed to the creation of a portfolio of 4040 units by the year 2020 via acquisition and/or development. Another goal of AAHC is to acquire and/or develop affordable housing in high opportunity areas where housing choice for Section 8 voucher holders does not typically exist and to offer low and moderate income families housing options in areas near better performing schools and services outside the City of Austin’s crescent of poverty.

AAHC has been presented an opportunity to partner with Enterprise Community Partners to purchase the Terracina Apartments. AAHC and Enterprise have previously partnered to purchase Bridge at Volente and Bridge at Sterling Springs and wish to expand their partnership with the acquisition of the Terracina Apartments. AAHC and Enterprise Community Partners are in discussions with the Austin Housing

Conservancy (AHC) to potentially include them as a third partner. AAHC and Enterprise wish to take advantage of this high opportunity area to serve Austin's nurses, entry level tech workers, teachers, and other individuals and families earning between 60% and 120% of median household income. Located within the boundaries of several of the strongest rated schools in Austin ISD, this property meets AAHC's goals of proximity to jobs, schools, grocers and transit.

Terracina Apartments is a 170-unit apartment complex built in 1971. Located at 8100 North Mopac Drive, the property is situated in one of the highest opportunity areas of Austin, Texas. Community amenities include two swimming pools with gazebos and outdoor kitchen, a large two story clubhouse with full kitchen and business center, a 24-hour fitness center, three 24-hour laundry facilities and covered parking. The property is in close proximity to many major employers in and around the area and feeds into the desirable Northwest Austin schools of Doss elementary, Murchison Middle School and Anderson High School. This property will accept Housing Choice Vouchers upon acquisition.

Unit mix

74 one bedroom one bath units ranging from 702 square feet to 759 square feet

96 two bedrooms two bath units ranging from 944 square feet to 1343 square feet

Staff Recommendation:

Resolution No. 2567 authorizes the Housing Authority of the City of Austin ("HACA") to take the following actions with regard to the Terracina Apartments (the "Development") in Austin, Texas: (A) acquire the site of the development; (B) lease the development site to the owner of the development; and (C) such other actions necessary or convenient to carry out this resolution.

RESOLUTION NO. 2567

Resolution authorizing the Housing Authority of the City of Austin to take the following actions with regard to the Terracina Apartments (the “Development”) in Austin, Texas: (A) acquire the site of the Development; (B) lease the Development site to the Owner of the Development; and (C) such other actions Necessary or Convenient to carry out this Resolution

WHEREAS, Austin Affordable Housing Corporation (“AAHC”) has entered into a certain purchase contract for the acquisition of the Development;

WHEREAS, in connection therewith, the Housing Authority of the City of Austin (“HACA”) has agreed to acquire certain real property in Austin, Texas (the “Land”), which constitutes the site for the Development, and to simultaneously lease the Land to an affiliate of AAHC (the “Owner”) under a long term ground lease (the “Ground Lease”);

NOW, THEREFORE, the Board of Commissioners of HACA hereby approves and adopts the following resolutions, and hereby authorizes its Chief Executive Officer (or the Chief Executive Officer’s designee) to do the following:

1. Acquire the Land and enter into the Ground Lease with the Owner.
2. Review, execute and approve the Ground Lease and all such other documents necessary to effectuate the acquisition of the Land, execution of the Ground Lease and AAHC's acquisition of the Development, including, but not limited to such security instruments and estoppel certificates as any lender involved with the Development may require, all on such terms and containing such provisions as the Chief Executive Officer (or his designee) shall deem appropriate, and the approval of the terms of each such instrument shall be conclusively evidenced by his execution and delivery thereof.

This resolution shall be in full force and effect from and upon its adoption.

PASSED, APPROVED AND ADOPTED this 20th day of September, 2018.

Carl S. Richie, Jr., Chairperson

ATTEST:

Michael G. Gerber, Secretary

HOUSING AUTHORITY OF THE CITY OF AUSTIN

BOARD ACTION REQUEST

RESOLUTION NO. 2568

AUSTIN AFFORDABLE HOUSING CORPORATION

ITEM NO. 8.

MEETING DATE: September 20, 2018

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

ITEM TITLE: Presentation, Discussion, and Possible Action regarding Resolution No. 2568: A resolution by the Board of Commissioners of Housing Authority of the City of Austin (“HACA”) authorizing the President and CEO of HACA to create South Congress Public Facility Corporation and any other actions necessary or convenient to carry out this resolution

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to approve a resolution authorizing the President and CEO of HACA to create South Congress Public Facility Corporation and any other actions necessary or convenient to carry out this resolution.

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, through one of its goals, has committed to a portfolio of 4040 units by the year 2020 via acquisition and/or development. Another goal of AAHC is to acquire and/or develop affordable housing in high opportunity areas where housing choice for Section 8 voucher holders does not typically exist and to offer low and moderate income families housing in areas with better performing schools and services situated outside the City of Austin’s crescent of poverty.

AAHC has been presented an opportunity to partner with the NRP Group to develop a property on South Congress called SOCO II. AAHC and NRP have previously partnered to develop a property called Harris Ridge in Northeast Austin and wish to further their partnership with the development of the SOCO II apartments. Once built, 50% of this property's units will target individuals and families making 80% median family income and below. Located in a high opportunity area, this property meets AAHC's goals of providing housing in proximity to jobs, schools, grocers and transit.

SOCO II will provide 270 units ranging from studio units to three bedroom 2 bath units. Located on South Congress between William Cannon and Slaughter Lane, the property is situated in a high opportunity area of Austin, Texas. Community amenities include swimming pools with gazebos and outdoor kitchen, a large clubhouse with full kitchen and business center, a 24-hour fitness center, three 24-hour laundry facilities and covered parking. The property is close to many major employers in and around the area. The property will accept Housing Choice Vouchers upon completion.

Process:

The financing structure requires that a new PFC entity be created to facilitate a ground lease of both the land and the improvements to a new partnership. HACA will be the landlord and lease both the land and the improvements for 75 years. Austin Affordable Housing Corporation will also receive a 10% limited partnership interest in the deal.

The expected start date of this project will be Fall of 2019 and HACA/AAHC will come back to the board in summer of 2019 with additional updates and final approval for this development. This resolution only asks the Board of HACA to approve the formation of the PFC.

The property will be developed using a combination of equity from NRP Partners and conventional debt.

Staff Recommendation:

Resolution No. 2568 authorizes the President and CEO of the Housing Authority of the City of Austin (HACA) to create South Congress Public Facility Corporation and any other actions necessary or convenient to carry out this resolution.

ATTACHMENTS:

- ▣ **Exhibit 1 - Property Information**
- ▣ **Exhibit 2 - Certificate of Formation**

RESOLUTION NO. 2568

Authorizing the President and CEO of the Housing Authority of the City of Austin to create South Congress Public Facility Corporation and any other actions necessary or convenient to carry out this resolution

WHEREAS, the Housing Authority of the City of Austin, a body politic formed under the laws of Texas (“HACA”), has provision of quality affordable housing as part of its mission; and

WHEREAS, HACA, pursuant to the provisions of the Public Facility Corporation Act, Chapter 303, Texas Local Government Code (the “Act”) is authorized to create a public facility corporation for the purposes set forth in the Act; and

WHEREAS, HACA desires to sponsor and create the South Congress Public Facility Corporation, a Texas public facility corporation (the “Corporation”);

WHEREAS, HACA has prepared (a) for filing with the Secretary of State of the State of Texas the Certificate of Formation for the Corporation, and (b) the Bylaws for the Corporation;

NOW THEREFORE IT BE RESOLVED, that the Board of Commissioners of HACA hereby authorizes its President and CEO to cause to be created a public facility corporation using the name “South Congress Public Facility Corporation” or using a similar name if so required by the Secretary of State of the State of Texas;

FURTHER RESOLVED, that the Certificate of Formation of the Corporation, attached hereto as Exhibit “A”, has been prepared for filing with the Secretary of State of the State of Texas and shall be filed with the Secretary of the State of Texas in substantially the form attached;

FURTHER RESOLVED, that the form of Bylaws attached hereto as Exhibit “B”, in substantially the form attached, be, and it hereby is, approved to be adopted as the Bylaws of the Corporation; and

FURTHER RESOLVED, that the President and CEO is hereby authorized and directed to take such further action in the consummation of the transactions herein contemplated and to do any and all other acts and things necessary or proper in furtherance thereof, as the President and CEO shall deem to be necessary or desirable, and all acts heretofore taken by the President and CEO to such end are hereby expressly ratified and confirmed as the acts and deeds of HACA.

These Resolutions shall be in full force and effect from and upon their adoption.

PASSED, APPROVED AND ADOPTED this 20th day of September, 2018.

Carl S. Richie, Jr., Chairperson

ATTEST:

Michael G. Gerber, Secretary

Exhibit “A”
Certificate of Formation of the Corporation

Exhibit “B”
Bylaws of the Corporation



HEB GROCERY
30,000 SF/18 ACRES

BARSHOP & OLES
30,000 SF RETAIL
40,000 RESTAURANT/ENTERTAINMENT
20 ACRES

ENDEAVOR REAL ESTATE
2-STORY SELF STORAGE

THIRSTY PLANET BREWERY

BULLDOG STORAGE
3-STORY SELF STORAGE/2 ACRES

NRP GROUP

ODEN HUGHES MULTIFAMILY
300 UNITS/13 ACRES



AREA	ACRES	PARKING
PAD 1	± 1.4 ac.	55
PAD 2	± 1.3 ac.	60
PAD 3	± 1.3 ac.	65
PAD 4	± 1.7 ac.	100
PAD 5	± 2.0 ac.	100
PAD 6	± 2.5 ac.	110
PAD 7	± 1.2 ac.	50
PAD 8	± 3.4 ac.	105
OS 1	± 1.7 ac.	25
OS 2	± 0.9 ac.	0
RA ROW	± 1.18 ac.	
IH 35 ROW	± 1.10 ac.	

Barshop & Oles - Soco 35 Retail

Context Plan

**CERTIFICATE OF FORMATION
OF
SOUTH CONGRESS PUBLIC FACILITY CORPORATION**

A PUBLIC FACILITY CORPORATION AND
INSTRUMENTALITY OF
THE HOUSING AUTHORITY OF THE CITY OF AUSTIN

Pursuant to the Texas Business Organizations Code, South Congress Public Facility Corporation (the "Corporation"), a nonprofit corporation incorporated under the laws of the State of Texas, and public nonprofit corporation under the Public Facility Corporation Act, as amended, Chapter 303, Texas Local Government Code (the "Act") with the approval of the Board of Commissioners of the Housing Authority of the City of Austin (the "Authority"), as evidenced by the resolution attached hereto as Exhibit "A" and made a part of this Certificate of Formation for all purposes, does hereby adopt the following Certificate of Formation for the Corporation:

**ARTICLE ONE
NAME**

The name of the Corporation is the "South Congress Public Facility Corporation".

**ARTICLE TWO
AUTHORIZATION**

The Corporation is a nonprofit public corporation.

**ARTICLE THREE
DURATION**

Subject to the provisions of Article Thirteen hereof, the period of duration of the Corporation is perpetual.

**ARTICLE FOUR
PURPOSE AND LIMITATIONS**

(a) The Corporation is organized exclusively for the purpose of assisting the Authority in financing, refinancing, owning or providing public facilities. The Corporation shall have and possess the broadest possible powers to finance obligations issued or incurred in accordance with existing law, to provide for the acquisition, construction, rehabilitation, renovation, repair, equipping, furnishing and placement in service of public facilities of the Authority under the terms of the Act. The corporation is authorized to issue "bonds" as defined and permitted by the Act on behalf of the Authority; provided, however, no bonds, notes, interim certificates, or other evidence of indebtedness may be issued by the Corporation unless such bonds are first approved by resolution of the Authority. The Corporation is a public corporation,

a constituted authority, and a public instrumentality within the meaning of the Act, the United States Treasury Department, the rulings of the Internal Revenue Service prescribed and promulgated pursuant to section 103 and 141 of the Internal Revenue Code of 1986, as amended, and the Corporation is authorized to act on behalf of the Authority as provided in this Certificate of Formation.

(b) In the fulfillment of its corporate purpose, the Corporation shall have and may exercise the powers described in paragraph (a) of this Article, together with all of the other powers granted to corporations that are incorporated under the Act, and to the extent not in conflict with the Act, the Corporation shall additionally have and may exercise all of the rights, powers, privileges, authorities, and functions given by the general laws of the State to nonprofit corporations under the Texas Non-Profit Corporation Act, as amended, Texas Revised Civil Statutes Annotated Article 1396-101, et seq., or any other applicable laws of the State.

(c) The Corporation shall have the purposes and powers permitted by the Act, but the Corporation does not have, and shall not exercise the powers of sovereignty of the Authority, including the power to tax, eminent domain, or police power. However, for the purposes of the Texas Tort Claims Act (Subchapter A, Chapter 101, Texas Civil Practice and Remedies Code), the Corporation is a governmental unit and its actions are governmental functions.

(d) No bonds or other obligations, contracts, or agreements of the Corporation are or shall ever be deemed to be or constitute the contracts, agreements, bonds, other debt instruments, or other obligations or the lending of credit, or a grant of the public money or things of value, of, belonging to, or by the State, the Authority, or any other political corporation, subdivision or agency of the State, or a pledge of the faith and credit of any of them. Any and all of such contracts, agreements, bonds or other debt instruments, and other obligations, contracts and agreements shall be payable solely and exclusively from the revenues and funds received by the Corporation from the sources authorized by the Act and from such other sources as may be otherwise lawfully available and belonging to the Corporation from time to time.

(e) The Authority, in its sole discretion, may alter the Corporation's structure, name, organization, programs, or activities; consistent with the Act and subject to limitations provided by law relating to the impairment of contracts entered into by the Corporation.

ARTICLE FIVE FINANCING

(a) Before the consummation of the sale and delivery of any bonds, the Corporation shall obtain approval by the Authority, evidenced by the adoption of a written resolution.

(b) In the exercise of the powers of the Corporation, the Corporation may enter into a loan, lease, trust, or other agreements as authorized by the Act that are necessary and appropriate to the fulfillment of the public purpose of the Corporation, all of which agreements (and the specific uses, and the method of withdrawals and expenditure of the proceeds of the bonds) must be included as a part of the approval process of the Authority required by paragraph (a) above.

ARTICLE SIX MEMBERS

The Corporation has no members and is a non-stock corporation.

ARTICLE SEVEN AMENDMENTS

This Certificate of Formation may be amended at any time as provided in the Act, to make any changes and add any provisions that might have been included in the Certificate of Formation in the first instance. Any amendment may be accomplished in either of the following manners:

(a) The members of the board of directors of the Corporation shall file with the Authority a written application requesting approval of the amendments to the Certificate of Formation, specifying in such application the amendments proposed to be made. The Authority shall consider such application and, if it shall, by appropriate resolution, duly find and determine that it is advisable that the proposed amendments be made, it shall approve the form of the proposed amendments. The board of directors of the Corporation may then amend the Certificate of Formation by adopting such amendment at a meeting of the board of directors. The Corporation's president or vice president and the secretary of the Authority shall execute the amendment on behalf of the Corporation. The amendment and a certified copy of the resolution of the Authority shall be delivered to the Secretary of State as required by the Act; or

(b) The Authority may, at its sole discretion, and at any time, amend this Certificate of Formation and alter or change the structure, name, organization, programs or activities of the Corporation, or terminate or dissolve the Corporation (subject to the provisions of the Act) by resolution as otherwise provided in the Act.

ARTICLE EIGHT ADDRESS

The street address of the initial registered office of the Corporation is 1124 South IH 35, Austin, Texas 78704, and the name of its initial registered agent at that address is Michael Gerber.

ARTICLE NINE BOARD OF DIRECTORS

(a) The affairs of the Corporation shall be managed by a board of directors, which shall be composed of the Commissioners of the Authority. The board of directors shall automatically change each time the Commissioners of the Authority change. Any director shall cease to be a director at the time he or she ceases to be a Commissioner of the Authority. A majority of the entire membership of the board of directors, including any vacancies, is a quorum.

(b) The names and street addresses of the persons who are to serve as the initial directors are as follows:

NAMES	ADDRESSES
Carl S. Richie Jr.	1124 South IH 35, Austin, Texas 78704
Charles C. Bailey	1124 South IH 35, Austin, Texas 78704
Dr. Tyra Duncan-Hall	1124 South IH 35, Austin, Texas 78704
Edwina Carrington	1124 South IH 35, Austin, Texas 78704
Mary Apostolou	1124 South IH 35, Austin, Texas 78704

Each director shall serve an initial six year term, as subject to the terms of the Act.

(c) The directors shall serve without compensation, but they shall be reimbursed for their actual expenses incurred in the performance of their duties as directors.

(d) The board of directors shall elect a president, vice president, secretary, treasurer and any other officers that the Corporation considers necessary, to serve as executive officers of the Corporation, as more specifically provided in the Corporation's bylaws. The Authority's President and CEO shall serve as the Secretary of the Corporation to provide administrative support services for the Corporation.

(e) Meetings of the board of directors are subject to the Texas Open Meetings Act, Texas Government Code, Chapter 551, and the Corporation is subject to the Texas Public Information Act, Texas Government Code, Chapter 552.

ARTICLE TEN BYLAWS

The initial bylaws of the Corporation shall be adopted by the Corporation's board of directors and shall, together with these Certificate of Formation, govern the initial affairs of the Corporation until and unless amended in accordance with the provisions of the Act and these Certificate of Formation. The bylaws and each amendment and repeal of the bylaws must be approved by the Authority of the Authority by resolution.

ARTICLE ELEVEN
INCORPORATOR

The name and street address of each incorporator is:

Name

Address

Barry J. Palmer

9 Greenway Plaza, Suite 1000
Houston, TX 77046

ARTICLE TWELVE
AUTHORITY APPROVAL

(a) The Authority has specifically authorized the Corporation by resolution to act on its behalf to further the public purposes stated in this Certificate of Formation, and the Authority has by resolution approved this Certificate of Formation. A copy of this resolution is on file among the permanent public records of the Authority and the Corporation.

(b) The Authority is the Corporation's "Sponsor" (as defined by the Act) and has caused this Corporation to be created. The address of the Authority is 1124 South IH 35, Austin, Texas 78704.

ARTICLE THIRTEEN
TERMINATION

The Authority, by written resolution, may authorize and direct the termination of the Corporation. However, the Corporation shall not be terminated, and its business shall not be terminated, by act of the Authority or otherwise, so long as the Corporation shall be obligated to pay any bonds.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation as of September __, 2018.

Barry J. Palmer
Incorporator

EXHIBIT A