

AUSTIN AFFORDABLE HOUSING CORPORATION



BOARD OF DIRECTORS Regular Meeting

**Wednesday, October 17, 2018
12:00 PM**

**HACA Central Offices
1124 S. IH 35
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
HACA Central Offices
1124 S. IH 35
Austin, TX
(512.477.4488)**

Wednesday, October 17, 2018

12:00 PM

CALL TO ORDER, ROLL CALL

CERTIFICATION OF QUORUM

CONSENT ITEMS

1. Presentation, Discussion, and Possible Action regarding the Approval of a Board Minutes Summary for the Board Meeting held on September 20, 2018

ACTION ITEMS

2. Presentation, Discussion, and Possible Action regarding Resolution No. 113: 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 Elysium Apartments, which will consist of affordable housing units and associated amenities built upon land to be ground-leased from the Housing Authority of the City of Austin;
 - b. Cause AAHC's wholly owned, subsidiary limited liability company, Elysium Grand GP, LLC (the "General Partner"), to execute an amended and restated agreement of limited partnership of Elysium Grand, 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.
3. Presentation, Discussion, and Possible Action regarding Resolution No. 114: 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 Pathways at Salina Apartments (the "Development"), which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin;
 - b. Cause AAHC's subsidiary limited liability company, Pathways at Salina Apartments, LLC (the "Owner"), to own the Development;
 - c. Cause the Owner to enter into development financing for the Development; and
 - d. Cause AAHC and/or the Owner to execute any such further documentation as

necessary or desirable to allow the consummation of the transactions described herein.

4. Presentation, Discussion, and Possible Action to ratify the prior action of the Board taken on September 20, 2018, regarding the approval of the Santa Rita RAD transaction (Amended Resolution #108) and amended amount of the gap financing loan ("Gap Loan") from AAHC in a principal amount not to exceed \$1,300,000

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 este 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 x 2104.

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

ITEM NO. 1.

MEETING DATE: October 17, 2018

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

ITEM TITLE: Presentation, Discussion, and Possible Action regarding the Approval of a Board Minutes Summary for the Board Meeting held on September 20, 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 September 20, 2018.

ATTACHMENTS:

- ▣ **20180920 AAHC Minutes Summary**

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

**SEPTEMBER 20, 2018
SUMMARY OF MINUTES**

THE AUSTIN AFFORDABLE HOUSING CORPORATION (AAHC) BOARD OF DIRECTORS PUBLIC MEETING NOTICE WAS POSTED FOR 12:00 NOON ON THURSDAY, SEPTEMBER 20, 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 Directors Regular Board Meeting of the Austin Affordable Housing Corporation, of **September 20, 2018**, was called to order by Carl S. Richie, Jr., HACA Chairperson, at 12:16 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:

Edwina Carrington, Vice-President
Carl S. Richie, Jr., 2nd Vice-President
Charles Bailey, Director
Mary Apostolou, Director

MEMBER(S) ABSENT

Tyra Duncan-Hall, President

STAFF PRESENT:

Ann Gass, Andrea Galloway, Lisa Garcia, Martha Ross, Michael Gerber, Nidia Hiroms, Pilar Sanchez, Ron Kowal, Suzanne Schwertner, and Sylvia Blanco

ALSO IN ATTENDANCE:

Jim Ewbank, Cokinos, Bosien & Young
Barry Palmer, Coats Rose
Bill Walter, Coats Rose

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

Director Apostolou moved to Approve the Board Minutes Summary for the Board Meeting held on July 19, 2018. **Director 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, Discussion and Possible Action Regarding Resolution No: 107: 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 Pathways at Rosewood Courts (the "Development"), which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin; Cause AAHC's wholly owned, subsidiary limited liability company, Pathways at Goodrich Place GP, LLC (the "General Partner") to execute an amended and restated agreement of limited partnership of Pathways at Goodrich Place, LP (the "Partnership") and other related documents;**
- b. **Cause AAHC's subsidiary limited liability company, Pathways at Rosewood Courts, LLC (the "Owner"), to own the Development;**
- c. **Cause the Owner to enter into development financing for the Development; and**
- d. **Cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.**

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. The conversion process to RAD will allow each property to address the needed repairs and renovations determined by a third party physical needs assessment. Rosewood Courts will receive updates to the

Goodwill building including replacement of the following: air handler in the attic with service railing, roofs on the end of the building, exterior door, flooring, and cabinets and counters in the upstairs kitchen. The site work will also include a new door to the water softener room, reaffixing or removing porch poles as necessary and tree trimming throughout. Resolution No. 107 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.

Director Apostolou moved to Approve Resolution No. 107 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 Pathways at Rosewood Courts. **Vice-President Carrington** seconded the motion. The motion Passed (4-Ayes and 0-Nays).

ITEM 3: Presentation, Discussion, and Possible Action regarding Resolution No. 108: 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 Pathways at Santa Rita Courts (the "Development"), which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin;**
- b. **Cause AAHC's subsidiary limited liability company, Pathways at Santa Rita Courts, LLC (the "Owner"), to own the Development;**
- c. **Cause the Owner to enter into development financing for the Development; and**
- d. **Cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein**

Resolution No. 108, is authorizing AAHC to execute any and all documents and take any other action necessary to facilitate the closing for Pathways at 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.

Director Apostolou moved to Approve Resolution No. 108 by the Board of Directors of Austin Affordable Housing Corporation authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to facilitate the development of Pathways at Santa Rita Courts. **Vice President Carrington** seconded the motion. The motion Passed (4-Ayes and 0-Nays).

ITEM 4: Presentation, Discussion, and Possible Action regarding Resolution No. 109: 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 rehabilitation and operation of the Pathways at Thurmond Heights

Resolution No. 109, is authorizing AAHC to execute any and all documents, or take any other action, that is desirable to facilitate the rehabilitation and operation of the Pathways at Thurmond Heights. Thurmond Heights will receive shade canopies for the playground as well as significant updates to the community room, including window replacements, adding an accessible path to the building entrance, adding a concrete pad under the mail drop, removing a wall in the manager’s office to make it accessible, abatement and replacement flooring throughout the building, two storefront doors with a push button, painting throughout the building, lever knobs on bathroom sinks, a new water heater and steam cleaning and re-grouting of the bathrooms.

Vice President Carrington moved to Approve Resolution No. 109 by the Board of Directors of Austin Affordable Housing Corporation authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to facilitate the rehabilitation and operation of the Pathways at Thurmond Heights. **Director Apostolou** seconded the motion. The motion Passed (4-Ayes and 0-Nays).

EXECUTIVE SESSION

The Board did not recess into Executive Session.

REPORTS

None presented.

ADJOURNMENT

Director Apostolou moved to adjourn the meeting. **Vice-President Carrington** seconded the motion. The motion Passed (4-Ayes and 0-Nays).

The meeting adjourned at 1:56 pm.

Michael G. Gerber, Secretary

Mary Apostolou, Vice-President

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 113

ITEM NO. 2.

MEETING DATE: October 17, 2018

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

ITEM TITLE: Presentation, Discussion, and Possible Action regarding Resolution No. 113: 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 Elysium Apartments, which will consist of affordable housing units and associated amenities built upon land to be ground-leased from the Housing Authority of the City of Austin;
- b. Cause AAHC’s wholly owned, subsidiary limited liability company, Elysium Grand GP, LLC (the “General Partner”), to execute an amended and restated agreement of limited partnership of Elysium Grand, 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: No

TOTAL COST: N/A

ACTION

The Board is being asked to approve Resolution No. 113, authorizing AAHC to proceed with the development of Elysium Grand Apartments.

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 strategic goals, AAHC 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 voucher holders does not exist and to give low and moderate income families housing options 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 HLD Texas, LLC (an entity of LDG Multifamily, LLC), Saigebrook Development, LLC, and O-SDA Industries, LLC to develop a 7.1 acre tract of land located at 3300 Oak Creek Drive and Mopac Expressway in Austin. The development will be in an extremely high opportunity area where the average median income is \$85,417.

This 90 unit family project will consist of 69 units targeting 30%-60% of median family income and 21 units for market rate housing. The development will be home to 25 project based HUD-VASH Vouchers from HACA. The VASH vouchers will include a 15 year HAP contract from the Department of Housing and Urban Development (HUD) with a 15 year option to extend. An onsite case manager will be provided by the Veteran's Administration and will be available to these residents.

Unit Distribution will consist of the following mix: 19 – One Bedrooms; 53 – Two Bedrooms; and 18 – Three Bedrooms.

Process:

The financing for this development will be a combination of 4% Housing Tax Credits, Tax Exempt Bonds, City of Austin General Obligation Bonds (GOB) and a conventional first mortgage. The City of Austin has approved a GOB amount of \$3,320,000.

Staff Recommendation:

Resolution No. 113 authorizes Austin Affordable Housing Corporation (AAHC) to execute any and all documents, or take actions, that are necessary or desirable to facilitate the acquisition and development of the Elysium Apartments.

RESOLUTION NO. 113

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 Elysium Apartments, which will consist of affordable housing units and associated amenities built upon land to be ground-leased from the Housing Authority of the City of Austin;
- b. Cause AAHC’s wholly owned, subsidiary limited liability company, Elysium Grand GP, LLC (the “General Partner”), to execute an amended and restated agreement of limited partnership of Elysium Grand, 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.

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 Elysium Grand Apartments, a 90-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 the General Partner as a general partner to the Partnership and admitting one or more affiliates of Boston Capital (collectively, the “**Boston Capital Parties**”) as limited partners 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 Austin Housing Finance Corporation (the “**Governmental Lender**”) of its Multifamily Housing Revenue Bonds (Elysium Apartments) Series 2018A in the original principal amount of \$10,000,000 and pursuant to a Promissory Note in the same amount (the “**2018A Bond Note**”) loan the associated bond proceeds to the Partnership (the “**2018A Bond Loan**”);

WHEREAS, in connection with the proceedings relating to the issuance and delivery by the Governmental Lender of its Taxable Multifamily Housing Revenue Bonds (Elysium Apartments) Series 2018B in the original principal amount not to exceed \$4,000,000 and pursuant to a Promissory Note in the same amount (the “**2018B Bond Note**”) loan the associated bond proceeds to the Partnership (the “**2018B Bond Loan**”, and together with the 2018A Bond Loan, the “**Bond Loans**”);

WHEREAS, the 2018A Bond Loan and the 2018 Bond Loan will be subject to the terms of a Trust Indenture (the “**Indenture**”) by and between the Governmental Lender and the trustee named therein, a Loan Agreement (the “**Loan Agreement**”) by and between the Partnership and Governmental Lender, fee and leasehold deed of trust by the Partnership and HACA in favor of the trustee named therein (“**Deed of Trust**”), a Regulatory and Land Use Restriction Agreement by and among the Governmental Lender, the Partnership, and the trustee named therein (“**Regulatory Agreement**”), and the Bond Loans shall be additionally secured by 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 Bond Loans (collectively, along with the 2018A Bond Note and the 2018B Bond Note, the “**Bond Documents**”);

WHEREAS, the Partnership desires to obtain a loan in the approximate amount of \$3,320,000 (the “**RHDA Loan**”) from Governmental Lender pursuant to the Rental Housing Development Assistance Program, and such RHDA Loan shall be evidenced by a promissory note and secured by a deed of trust, environmental indemnity agreement, restrictive covenants, 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 RHDA Loan (collectively, the “**RHDA Loan Documents**”);

WHEREAS, the Partnership desires that certain of the units in the Project be assisted pursuant to the HUD-Veterans Affairs Supportive Housing program (the “**VASH Units**”), and the VASH Units shall be subject to restrictions and requirements pursuant to the terms of certain documents which may include, without limitation, a subsidy assistance contract, a regulatory agreement, and such other instruments and agreements executed in the name of and on behalf of the Partnership as may be deemed 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 VASH Units (collectively, the “**VASH Documents**”);

WHEREAS, in connection with the transactions contemplated herein, the Partnership, General Partner and AAHC are required to enter into various documents which will evidence

the same, including, but not limited to the Ground Lease, Partnership Agreement, Bond Documents, RHDA Loan Documents, VASH 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, APPROVED AND ADOPTED this 17th day of October, 2018.

Michael G. Gerber, Secretary

Tyra Duncan-Hall, President

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 114

ITEM NO. 3.

MEETING DATE: October 17, 2018

STAFF CONTACT: Ann Gass, Director of RAD

ITEM TITLE: Presentation, Discussion, and Possible Action regarding Resolution No. 114: 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 Pathways at Salina Apartments (the "Development"), which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin;
- b. Cause AAHC's subsidiary limited liability company, Pathways at Salina Apartments, LLC (the "Owner"), to own the Development;
- c. Cause the Owner to enter into development financing for the Development; and
- d. Cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to approve Resolution No. 108: 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 desirable to facilitate Items 1-4 above.

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 changes or 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 Salina Apartments.

The conversion process to RAD will allow HACA to address the needed repairs and renovations determined by a third party physical needs assessment. Salina Apartments will receive updates to the common areas including the community building, laundry room and courtyard, as well as work in the maintenance shop.

Staff Recommendation:

Resolution No. 114 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 Salina Apartments.

RESOLUTION NO. 114

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 Pathways at Salina Apartments (the "Development"), which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin;**
- b. **Cause AAHC's subsidiary limited liability company, Pathways at Salina Apartments, LLC (the "Owner"), to own the Development;**
- c. **Cause the Owner to enter into development financing for the Development; and**
- d. **Cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.**

WHEREAS, AAHC is the sole member of Owner;

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

WHEREAS, in connection with the acquisition and operation of the Development, the Owner desires to obtain site control of the land comprising the site of the Development (the “**Land**”) from the Housing Authority of the City of Austin (“**HACA**”), by entering into a ground lease (“**Ground Lease**”) with HACA for the Development;

WHEREAS, HACA 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 Development as RAD units, and with the receipt of HUD approval, HACA and the Owner desire to implement the RAD units pursuant to certain documents (“**RAD Documents**”) by and among HACA, HUD, and the Owner;

WHEREAS, in connection with the transactions contemplated herein, the Owner and AAHC are required to enter into various documents which will evidence a loan from AAHC to the Owner in a principal amount not to exceed \$2,500,000.00 (the “**AAHC Loan**”), 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 in connection with the AAHC Loan (the “**AAHC Loan 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 Ground Lease, RAD Documents, and the AAHC Loan 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 and/or the Owner to enter into the Transaction Documents and that execution and delivery in the name and on behalf of AAHC and/or the Owner, 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 the Owner, to execute and deliver all other documents and other writings of every nature whatsoever in connection with the development of the Development, 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, 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 Owner, 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 the Owner, 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 Owner 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 Owner is authorized to act in pursuance of these resolutions.

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

Michael G. Gerber, Secretary

Tyra Duncan-Hall, President

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

ITEM NO. 4.

MEETING DATE: October 17, 2018

STAFF CONTACT: Ann Gass, Director of RAD

ITEM TITLE: Presentation, Discussion, and Possible Action to ratify the prior action of the Board taken on September 20, 2018, regarding the approval of the Santa Rita RAD transaction (Amended Resolution #108) and amended amount of the gap financing loan (“Gap Loan”) from AAHC in a principal amount not to exceed \$1,300,000

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to undertake a ratification vote in relation to Amended Resolution #108, due to the lack of public notice that the loan amount was amended from \$1,000,000 to \$1,300,000.

SUMMARY

Background:

At the September 2018 Board Meeting, Commissioners were provided with updated financial information regarding a Gap Loan necessary for Santa Rita to be converted utilizing HUD's Rental Assistance Demonstration program. In the materials provided to the Board prior to the September 2018 meeting, staff expected that the loan amount necessary to close this transaction would be up to \$1,000,000. Given interest rate increases and other financial market concerns, staff determined that a slightly larger loan may be necessary, and recommended that the Board amend its resolution at the September Board Meeting and increase the authorized loan amount to \$1,300,000. On the advice of counsel, and to ensure that the public receives proper and full notification, the Board is being asked to ratify its action from the September 2018 Meeting, approving an amended Gap Loan in the amount of \$1,300,000.