

AUSTIN AFFORDABLE HOUSING CORPORATION



BOARD OF DIRECTORS Regular Meeting

**Thursday, March 14, 2019
12:00 PM**

**HACA Central Offices
1124 S. IH 35 Austin, TX 78704
Austin, TX**

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

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

Thursday, March 14, 2019

12:00 PM

REVISED

CALL TO ORDER, ROLL CALL

CERTIFICATION OF QUORUM

CONSENT AGENDA

Items on the Consent Agenda may be removed at the request of any Director and considered at another appropriate time on this agenda. Placement on the Consent Agenda does not limit the possibility of any presentation, discussion, or action at this meeting. Under no circumstances does the Consent Agenda alter any requirements under Chapter 551 of the Texas Government Code, Texas Open Meetings Act.

CONSENT ITEMS

1. Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on February 21, 2019
2. Presentation, Discussion, and Possible Action regarding Resolution No. 00121: Approval to ratify all actions taken by the Board of Directors during FYE 2019, in order to resolve any irregularities which may have occurred regarding a quorum or vote by the Commissioners as reflected within the approved minutes and resolution

ACTION ITEMS

3. Presentation, Discussion and Possible Action on Resolution No. 00118 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 participate in the housing tax credit application for Bridge at Canyon View
4. Presentation, Discussion and Possible Action on Resolution No. 00119 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 participate in the housing tax credit application for Bridge at Granada
5. Presentation, Discussion, and Possible Action on Resolution No. 00120 by the Board of Directors of Austin Affordable Housing Corporation ("AAHC") authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to:
 - i. Transfer ownership of certain real property (the "Land") to the Housing Authority of the

City of Austin, which Land will be leased by the Housing Authority of the City of Austin for the construction and development of mixed-income housing units and associated amenities to be known as The Oaks (the "Project");

- ii. Cause AAHC's wholly owned, subsidiary limited liability company, LDG Oaks GP, LLC (the "General Partner"), to execute an amended and restated agreement of limited partnership of LDG Oaks, LP, a Texas limited partnership (the "Partnership"), and other related documents for the admission of the General Partner to the Partnership;
- iii. Cause the Partnership to execute a ground lease covering the Land with the Housing Authority of the City of Austin, and cause the Partnership to enter into development financing for the Project; and
- iv. Cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

EXECUTIVE SESSION

The Board may go into Executive Session (close its meeting to the public) Pursuant to:

- a. 551.071, Texas Gov't Code, consultations with Attorney regarding legal advice, pending or contemplated litigation; or a settlement offer;
- b. 551.072, Texas Gov't Code, discussion about the purchase, exchange, lease or value of real property;
- c. 551.074, Texas Gov't Code, discuss the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee.
- d. 551.087, Texas Gov't Code, discuss certain economic development negotiations.

OPEN SESSION

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

REPORTS

The Board accepts the following reports:

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

ADJOURNMENT

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

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

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

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

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

The Housing Authority of the City of Austin is committed to compliance with the Americans with Disability Act. Reasonable modifications and equal access to the communications will be provided upon request. Meeting locations are planned with wheelchair access. If requiring Sign Language Interpreters or alternative formats, please give notice at least 2 days (48 hours) before the meeting date. Please call Judy Paciocco or Nidia Hiroms at HACA at 512.477.4488, for additional information; TTY users route through Relay Texas at 711. For more information on HACA, please contact Nidia Hiroms at 512.477.4488 x2104.

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

ITEM NO. 1.

MEETING DATE: March 14, 2019

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

ITEM TITLE: Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on February 21, 2019

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 February 21, 2019.

ATTACHMENTS:

- ▣ **20190221 AAHC Minutes Summary**

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

FEBRUARY 21, 2019

SUMMARY OF MINUTES

THE HOUSING AUTHORITY OF THE CITY OF AUSTIN (HACA) BOARD OF DIRECTORS PUBLIC MEETING NOTICE WAS POSTED FOR 12:00 NOON ON THURSDAY, FEBRUARY 21, 2019, 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 February 21, 2019, was called to order by Carl S. Richie, Jr., HACA Chairperson, at 12:18 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:

Tyra Duncan-Hall, President

Mary Apostolou, Vice-President

Edwina Carrington, 2nd Vice-President

Carl S. Richie, Jr., Director

Charles Bailey, Director

MEMBER(S) ABSENT:

STAFF PRESENT:

Ann Gass, Andrea Galloway, Catherine Crago, Frank Garcia, Gloria Morgan, Kelly Crawford, Ken Bodden, Lisa Garcia, Martha Ross, Michael Cummings, Michael Gerber, Michael Roth, Nora Morales, Pilar Sanchez, Ron Kowal, Suzanne Schwertner, and Sylvia Blanco

ALSO IN ATTENDANCE:

Wilson Stoker, Cokinos, Bosien & Young

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 the Board Minutes Summary for the Board Meeting held on November 15, 2018

2nd Vice President Carrington moved to Approve the Board Minutes Summary for the Board Meeting held on December 20, 2018 as presented. **Vice President Apostolou** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ACTION ITEMS

APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS

ITEM 2: Presentation, Discussion, and Possible Action on Resolution No. 00116 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. Participate in the ownership of the Signature at Franklin Park, which consists of mixed-income housing units and associated amenities developed upon property to be leased from the Housing Authority of the City of Austin;
- b. Cause AAHC’s wholly owned, subsidiary limited liability company, AAHC Franklin Park GP, LLC (the “General Partner”) to acquire the general partner interest in Pleasant Valley Courtyards Housing, L.P., a Texas limited partnership (the “Partnership”), and to execute an amended and restated agreement of limited partnership of the Partnership and other related documents for the admission of the General Partner to the Partnership;
- c. Cause the Partnership to enter into modifications to the 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.

President Duncan-Hall moved to Approve Resolution No. 00116 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 participate in the ownership of the Signature at Franklin Park. **Vice-President Apostolou** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ITEM 3: Presentation, Discussion and Possible Action on Resolution No. 00117 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 participate in the housing tax credit application for Norwood Estates

Austin Affordable Housing Corporation was presented an opportunity to partner with LDG Multifamily, LLC on a certain tract of land located at 916 & 918 Norwood Park Blvd., Austin, Texas. The project (Estates at Norwood Apartments) will consist of 228 family apartment units serving tenants at or below 60% of median family income.

This will be Phase II to LDG’s already-built Paddocks at Norwood property, also consisting of 228 family units. Located in a very strong growth area, the site has a Capital Metro bus stop adjacent to the site, schools are less than .5 mile away, and retail is within walking distance.

The development will use a mixture of 4% tax credits and bonds to finance the development with a total project cost of approximately \$43,000,000. The planned development will consist of 36 one bedroom and one bath units, 108 two bedroom and two bath units and 84 three bedroom and two bath units. All units will be marketed to HACA’s Housing Choice Voucher families.

HACA, through its Public Facility Corporation, will issue tax-exempt bonds in an amount not to exceed \$28,000,000.

At the January 30, 2019 HACA Board Work Session, the Board set out affordability goals for future acquisitions and developments for AAHC. By serving families with incomes at 60% and below Area Family Median Income, the Estates at Norwood meets these targeted affordability goals.

2nd Vice-President Carrington moved to Approve Resolution No. 00117 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 participate in the housing tax credit application for Norwood Estates. **Vice-President Apostolou** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

THE BOARD DID NOT RECESS INTO EXECUTIVE SESSION.

ADJOURNMENT

President Duncan-Hall moved to Adjourn the meeting. **Vice-President Apostolou** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

The meeting adjourned at 1:25 pm.

Michael G. Gerber, Secretary

Dr. Tyra Duncan-Hall, President

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00121

ITEM NO. 2.

MEETING DATE: March 14, 2019

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

ITEM TITLE: Presentation, Discussion, and Possible Action regarding Resolution No. 00121: Approval to ratify all actions taken by the Board of Directors during FYE 2019, in order to resolve any irregularities which may have occurred regarding a quorum or vote by the Commissioners as reflected within the approved minutes and resolution

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to approve Resolution No. 00121: which ratifies all actions taken by the Board of Directors during the 2018-2019 Fiscal Year, in order to resolve any irregularities which may have occurred regarding a quorum or vote by the Directors as reflected within the approved minutes and resolutions.

SUMMARY

Background:

Upon past advisement of legal counsel, Resolution No. 00121 was drafted to ensure all actions taken by the Board during FYE 2019 be ratified, thus ensuring resolution of any irregularities during the voting process taken by the Directors. This is an action that will be presented for board action on an annual basis.

Process:

This Resolution resolves any irregularities in the voting process found in the Board meeting minutes and/or resolutions, and all actions taken during the 2018-19 Fiscal Year by the Board of Directors are fully enforceable.

Staff Recommendation:

Staff recommends Board approval of Resolution No. 00121 to ratify all actions taken by the Board of Directors during the 2017-2018 Fiscal Year.

RESOLUTION NO. 00121

APPROVAL TO RATIFY ALL ACTIONS TAKEN BY THE BOARD OF DIRECTORS DURING FYE 2019, IN ORDER TO RESOLVE ANY IRREGULARITIES WHICH MAY HAVE OCCURRED REGARDING A QUORUM OR VOTE BY THE DIRECTORS AS REFLECTED WITHIN THE APPROVED MINUTES AND RESOLUTIONS

WHEREAS, in the event that there were any irregularities in any action or vote taken by AAHC's Board of Directors during the 2018-2019 Fiscal Year, the Austin Affordable Housing Corporation desires to ratify and affirm all of the actions and votes taken by the Board of Directors regardless of the irregularity, as each action and vote taken represents the true intention of a quorum or more of AAHC's Board of Directors.

WHEREAS, the purpose of this resolution is to give full legal force and effect to each action or vote of the Board of Directors taken during the 2018-19 Fiscal Year as if each action was taken by a quorum of the board without any irregularity, and therefore, every action taken by the Board of Directors during the 2018-19 Fiscal Year is fully enforceable.

NOW, THEREFORE, BE IT RESOLVED, the Austin Affordable Housing Corporation Board of Directors hereby ratifies and affirms all actions and votes taken by the Board of Directors during 2018-2019 Fiscal Year.

PASSED, APPROVED AND ADOPTED this 14th day of March 2019.

Michael G. Gerber, Secretary

Tyra Duncan-Hall, President

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00118

ITEM NO. 3.

MEETING DATE: March 14, 2019

STAFF CONTACT: Suzanne Schwertner, Homeownership Coordinator

ITEM TITLE: Presentation, Discussion and Possible Action on Resolution No. 00118 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 participate in the housing tax credit application for Bridge at Canyon View

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to approve Resolution No. 00118 authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to participate in the housing tax credit application for Bridge at Canyon View.

SUMMARY

Background:

Austin Affordable Housing Corporation has been presented an opportunity to partner again with LDG Multifamily, LLC on a certain tract of land located at 4506 East William Cannon, Austin, Texas. The project (Bridge at Canyon View Apartments) will consist of 215 family apartment units serving tenants at or below 60% of median family income.

Process:

The development will use a mix of 4% tax credits and bonds to finance the development with a total project cost of approximately \$37,000,000. The planned development will consist of 71 one bedroom and one bath units, 54 two bedroom and two bath units and 90 three bedroom and two bath units. All units will be marketed to HACA's Housing Choice Voucher families.

HACA, through its Public Facility Corporation, will issue tax-exempt bonds in an amount not to exceed \$26,000,000. In the January 30, 2019 HACA Board Work Session, the Board set out affordability goals for future acquisitions and developments for AAHC. By serving families with incomes at 60% and below Area Family Median Income, the Bridge at Canyon View meets these targeted affordability goals.

Unit Breakdown: 71 1-bedroom/1-bath units 713-716 sq ft

54 2-bedroom/2-bath units 949-954 sq ft
90 3-bedroom/2-bath units 1,265-1,270 sq ft

Staff Recommendation:

Board approval will allow AAHC to submit a non-competitive 4% tax credit application. Board resolution is a new requirement for non-profit General Partners under the 2019 TDHCA Qualified Allocation Plan (QAP). Staff will be presenting to the Board in future months on the progress and specifically any and all agreements and approvals. Staff will bring this matter back to the Board for final approval to proceed.

ATTACHMENTS:

RESOLUTION NO. 00118

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 participate in the housing tax credit application for Bridge at Canyon View

WHEREAS, AAHC is the sole member of Bridges at Canyon View GP, LLC, a Texas limited liability company (the “**General Partner**”);

WHEREAS, the General Partner is the sole general partner of Bridges at Canyon View, LP, a Texas limited partnership (the “**Partnership**”);

WHEREAS, the Partnership was formed for the purpose of owning, developing, managing, and otherwise dealing with Bridge at Canyon View, a multifamily affordable apartment complex (the “**Project**”) to be developed 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 submitted a 4% housing tax credit application to the Texas Department of Housing and Community Affairs (the “**Application**”);

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 Application and (ii) any and all such additional documents executed to consummate the transactions contemplated herein (collectively, the “**Application 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 the authorization of AAHC, Partnership and/or General Partner to enter into the Application 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 Application Documents, in the form as so executed and delivered is hereby approved, ratified and confirmed; and it is further

RESOLVED, that Ron Kowal, Vice President of AAHC, and any other 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 Application 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 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.

[End of Resolution]

PASSED, APPROVED AND ADOPTED this 14th day of March, 2019.

Michael G. Gerber, Secretary

Tyra Duncan-Hall, President

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00119

ITEM NO. 4.

MEETING DATE: March 14, 2019

STAFF CONTACT: Suzanne Schwertner, Homeownership Coordinator

ITEM TITLE: Presentation, Discussion and Possible Action on Resolution No. 00119 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 participate in the housing tax credit application for Bridge at Granada

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to approve Resolution No. 00119 authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to participate in the housing tax credit application for Bridge at Granada.

SUMMARY

Background:

Austin Affordable Housing Corporation has been presented an opportunity to partner with JCI Residential, LLC on a certain tract of land located at 500 E. Wonsley Dr., Austin, Texas. The project (Granada Apartments) will consist of 258 family apartment units serving tenants at or below 60% of median family income.

Process:

The development will use a mix of 4% tax credits and bonds to finance the development with a total project cost of approximately \$37,000,000. The planned development will consist of 39 efficiency units, 180 one bedroom and one bath units, 36 two bedroom and two bath units and 3 three bedroom and two bath units. All units will be marketed to HACA's Housing Choice Voucher families.

HACA, through its Public Facility Corporation, will issue tax-exempt bonds in an amount not to exceed \$26,000,000. In the January 30, 2019 HACA Board Work Session, the Board set out affordability goals for future acquisitions and developments for AAHC. By serving families with incomes at 60% and below Area Family Median Income, the Bridge at Granada meets these targeted affordability goals.

Unit Breakdown: 39 0-bedroom/1-bath units 510 sq ft
180 1-bedroom/1-bath units 600 sq ft

36 2-bedroom/2-bath units 900 sq ft
3 3-bedroom/2-bath units 1,085 sq ft

Staff Recommendation:

Board approval will allow AAHC to submit a non-competitive 4% tax credit application. Board resolution is a new requirement for non-profit General Partners under the 2019 TDHCA Qualified Allocation Plan (QAP). Staff will be presenting to the Board in future months on the progress and specifically any and all agreements and approvals. Staff will bring this matter back to the Board for final approval to proceed.

ATTACHMENTS:

RESOLUTION NO. 00119

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 participate in the housing tax credit application for Granada Apartments

WHEREAS, AAHC is the sole member of Bridge at Granada MM, LLC, a Texas limited liability company (the “**Managing Member**”);

WHEREAS, the Managing Member is the sole managing member of Bridge at Granada, LLC, a Texas limited liability company (the “**Company**”);

WHEREAS, the Company was formed for the purpose of owning, developing, managing, and otherwise dealing with Granada Apartments, a multifamily affordable apartment complex (the “**Project**”) to be developed 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 Company submitted a 4% housing tax credit application to the Texas Department of Housing and Community Affairs (the “**Application**”);

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 Application and (ii) any and all such additional documents executed to consummate the transactions contemplated herein (collectively, the "**Application 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 the authorization of AAHC, Company and/or Managing Member to enter into the Application Documents and that execution and delivery in the name and on behalf of AAHC and/or Managing Member and/or the Company, by any of the officers of AAHC of the Application Documents, in the form as so executed and delivered is hereby approved, ratified and confirmed; and it is further

RESOLVED, that Ron Kowal, Vice President of AAHC, and any other 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 Managing Member and/or the Company, 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 Application 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 Managing Member), 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 Managing Member and/or Company, effective as of the date such action was taken; 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 Company 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 Company is authorized to act in pursuance of these resolutions.

[End of Resolution]

PASSED, APPROVED AND ADOPTED this 14th day of March, 2019.

Michael G. Gerber, Secretary

Tyra Duncan-Hall, President

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00120

ITEM NO. 5.

MEETING DATE: March 14, 2019

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

ITEM TITLE: Presentation, Discussion, and Possible Action on Resolution No. 00120 by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to:

- i. Transfer ownership of certain real property (the “Land”) to the Housing Authority of the City of Austin, which Land will be leased by the Housing Authority of the City of Austin for the construction and development of mixed-income housing units and associated amenities to be known as The Oaks (the “Project”);
- ii. Cause AAHC’s wholly owned, subsidiary limited liability company, LDG Oaks GP, LLC (the “General Partner”), to execute an amended and restated agreement of limited partnership of LDG Oaks, LP, a Texas limited partnership (the “Partnership”), and other related documents for the admission of the General Partner to the Partnership;
- iii. Cause the Partnership to execute a ground lease covering the Land with the Housing Authority of the City of Austin, and cause the Partnership to enter into development financing for the Project; and
- iv. Cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to approve Resolution No. 00120 authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to complete the transaction to construct and develop The Oaks project.

SUMMARY

Background:

AAHC partnered with LDG Multifamily, LLC (LDG) on their first ever new construction multifamily developments (Pointe at Ben White and Villages of Ben White) in 2014. These two properties are tax credit financed properties affordable to families with 60% AMFI.

AAHC now has the opportunity to partner with LDG once again on a third phase adjacent to these projects. The Oaks will consist of 96 units, with 50% of the units serving tenants at 80% AMFI and below and the other 50% of the units serving tenants at self-imposed market rate levels. This income model will allow those families that start with lower incomes and subsequently achieve higher wages that exceed income limits at the first two Ben White projects, to transition into The Oaks and remain near their families, schools and work.

Process:

The development will use a mixture of debt through Broadway Bank not to exceed \$20,000,000 and equity from LDG and AAHC to finance the development with a total project cost of approximately \$22,000,000. The planned development will consist of 48 one bedroom and one bath units and 48 two bedroom and one bath units. All units will be marketed to HACA's Housing Choice Voucher families.

Unit Breakdown: 48 1-bed/1-bath units 851 sq ft
 48 2-bed/1-bath units 1,094 sq ft

Staff Recommendation:

Board approval will allow AAHC to execute all necessary documents to complete the transaction to construct and develop mixed-income housing units to be known as The Oaks.

ATTACHMENTS:

RESOLUTION NO. 00120

A Resolution by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to:

- 1. Transfer ownership of certain real property (the “Land”) to the Housing Authority of the City of Austin, which Land will be leased by the Housing Authority of the City of Austin for the construction and development of mixed-income housing units and associated amenities to be known as The Oaks (the “Project”);**
- 2. Cause AAHC’s wholly owned, subsidiary limited liability company, LDG Oaks GP, LLC (the “General Partner”), to execute an amended and restated agreement of limited partnership of LDG Oaks, LP, a Texas limited partnership (the “Partnership”), and other related documents for the admission of the General Partner to the Partnership;**
- 3. Cause the Partnership to execute a ground lease covering the Land with the Housing Authority of the City of Austin, and cause the Partnership to enter into development financing for the Project; and**
- 4. Cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.**

WHEREAS, AAHC is the sole member of the General Partner;

WHEREAS, the General Partner is the sole general partner of the Partnership;

WHEREAS, the Partnership was formed for the purposes of owning, developing, managing, and otherwise dealing with the Project;

WHEREAS, AAHC currently owns the Land;

WHEREAS, AAHC desires to convey the Land to the Housing Authority of the City of Austin (“HACA”) pursuant to a special warranty deed (the “**Deed**”), and thereafter HACA will lease the Land to the Partnership pursuant to a long-term ground lease (the “**Ground Lease**”) for the construction and development of the Project on the Land;

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 LDG Oaks SLP, LLC, a Texas limited liability company (“SLP”), as special limited partner to the Partnership, including an Amended and Restated Agreement of Limited Partnership for the Partnership (the “**Partnership Agreement**”);

WHEREAS, General Partner will capitalize its ownership interest in the Partnership in an amount not to exceed \$600,000;

WHEREAS, the Partnership desires to enter into a construction loan and/or permanent loan with Broadway National Bank (or an affiliate thereof), whereby the Partnership will borrow a sum not to exceed \$20,000,000 (“**Loan**”), in order to finance the construction and development of the Project;

WHEREAS, the Loan will each be made pursuant to a promissory note to be secured, *inter alia*, by a deed of trust, 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 Loan (“**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 Deed, Ground Lease, Partnership Agreement, and 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 General Partner and/or Partnership to enter into the Transaction Documents and that execution and delivery in the name and on behalf of AAHC and/or the 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 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 and/or the Partnership), 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 the General Partner and/or the Partnership, or the execution and delivery, or causing to be executed and delivered, such other security agreements, financing statements, notices, requests, demands, directions, consents, approvals, waivers, acceptances, appointments, applications, certificates, agreements, supplements, amendments, further assurances or other instruments or communications, in the name and on behalf of AAHC or otherwise, as they, or any of them, may deem to be necessary or advisable in order to carry into effect the intent of the foregoing resolutions or to comply with the requirements of the instruments approved or authorized by the foregoing resolutions is hereby approved, ratified and confirmed; and it is further

RESOLVED, that the Board of Directors finds the actions authorized by these resolutions may reasonably be expected to directly or indirectly benefit AAHC; and it is further

RESOLVED, that the Partnership be promptly notified in writing by the Secretary or any other officer of AAHC or any change in these resolutions, and until it has actually received such notice in writing, the Partnership is authorized to act in pursuance of these resolutions.

PASSED, APPROVED AND ADOPTED this 14th day of March, 2019.

Michael G. Gerber, Secretary

Tyra Duncan-Hall, President