

# AUSTIN AFFORDABLE HOUSING CORPORATION



## **BOARD OF DIRECTORS Regular Meeting**

**Thursday, May 23, 2019  
12:00 PM**

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

**Thursday, May 23, 2019**

**12:00 PM**

**CALL TO ORDER, ROLL CALL**

**CERTIFICATION OF QUORUM**

**Pledge of Allegiance**

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

**CONSENT ITEMS**

1. Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on April 18, 2019

**ACTION ITEMS**

2. Presentation, Discussion and Possible Action on Resolution No. 00124 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 Ventura at Parmer Lane
3. Presentation, Discussion and Possible Action on Resolution No. 00125 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 North Plaza Apartments
4. Presentation, Discussion, and Possible Action on Resolution No.00126 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 further facilitate the financing for the acquisition and development of the Bridge at Asher.

**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.

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\*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.**

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**MEETING DATE:** May 23, 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 April 18, 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 April 18, 2019

**ATTACHMENTS:**

- ▣ **20190418 AAHC Minutes Summary**

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

**APRIL 18, 2019**

**SUMMARY OF MINUTES**

**THE AUSTIN AFFORDABLE HOUSING CORPORATION (AAHC) BOARD OF DIRECTORS PUBLIC MEETING NOTICE WAS POSTED FOR 12:00 NOON ON THURSDAY, APRIL 18, 2019 AND WAS HELD AT HACA'S CENTRAL OFFICE, 1124 S. IH 35, AUSTIN, TEXAS**

**CALL TO ORDER, ROLL CALL, CERTIFICATION OF QUORUM**

The Board of Directors Regular Board Meeting of the Austin Affordable Housing Corporation (AAHC), of April 18, 2019, was called to order by Charles Bailey, HACA Vice-Chairperson, at 12:20 p.m. The meeting was held at HACA's Central Office, 1124 S. IH 35, Austin, Texas

Roll call certified a quorum was present.

**MEMBERS PRESENT:**

Dr. Tyra Duncan-Hall, President  
Mary Apostolou, Vice-President  
Edwina Carrington, 2<sup>nd</sup> Vice-President  
Charles Bailey, Director

**MEMBER(S) ABSENT:**

Carl S. Richie, Jr., Director

**STAFF PRESENT:**

Andrea Galloway, Catherine Crago, Felisa Epps, Gloria Morgan, Kelly Crawford, Ken Bodden, Lisa Garcia, Michael Cummings, Michael Gerber, Nidia Hiroms, Pilar Sanchez, Rodolfo Rodriguez, Sylvia Blanco and Tiffany Middleton

**ALSO IN ATTENDANCE:**

Wilson Stoker, Cokinos, Bosien & Young

**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 March 14, 2019**

**2<sup>nd</sup> Vice-President Carrington** moved to approve the Board Minutes Summary for the Board Meeting held on March 14, 2019 as presented. **Vice-President Apostolou** seconded the motion. The motion passed. (4-Ayes and 0-Nays).

**ACTION ITEMS**

**ITEM 2: Presentation, Discussion, and Possible Action regarding Resolution No. 00122 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 Loyola Lofts**

Austin Affordable Housing Corporation was presented with a second opportunity to partner with The NRP Group on a certain tract of land located at 6420 Loyola Lane, Austin, Texas 78724 in northeast Austin.

The project (Bridge at Loyola Lane Apartments) will consist of 204 family apartment units serving tenants at or below 60% of median family income. The Bridge at Loyola Lofts was presented to the Board for a bond inducement resolution at the September 2018 board meeting.

The development will use a mix of 4% tax credits and bonds to finance the development with a total project cost of approximately \$41,000,000. The planned development will consist of 19 one bedroom and one bath units, 79 two bedroom and two bath units, 90 three bedroom and two bath units and 16 four 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 \$30,000,000. 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 Loyola Lofts meets these targeted affordability goals.

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.

**President Duncan-Hall** moved to approve Resolution No. 00122 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 Loyola Lofts in an amount not to exceed \$30,000,000. **2<sup>nd</sup> Vice-President Carrington** seconded the motion. The motion passed. (4-Ayes and 0-Nays).

**ITEM 3: Presentation, Discussion, and Possible Action regarding Resolution No. 00123 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 acquisition of the Asher Apartments**

Austin Affordable Housing Corporation (AAHC), was presented with an opportunity to partner with Community Development Trust (CDT), to purchase a 452-unit apartment complex called the Asher Apartments. The complex is located at 10505 South IH 35, Austin, Texas 78747, in southeast Austin, The Asher is just south of AAHC's new construction development, Commons at Goodnight located on East Slaughter Lane. AAHC and CDT have also successfully been awarded the opportunity to partner on this transaction with the National Housing Trust (NHT), a national non-profit engaged in housing preservation, revitalization and expansion of affordable housing communities across the United States.

NHT approached a number of foundations with the concept to help acquire market rate housing in high opportunity areas and introduce Housing Choice Vouchers to the site as a way of bringing very low income households into areas of high opportunity. Kresge Foundation expressed a desire to join this effort. Through this collaboration, NHT will invest low cost equity into a purchase and introduce Housing Choice Vouchers to 20% of the units over a 2-year period.

The Asher Apartments has a purchase price of \$70 million dollars and will be a mix of equity and Freddie Mac long term debt of \$56 million dollars. NHT will contribute \$4 million and CDT and AAHC will make up the balance of the equity needed, with AAHC's contribution not to exceed \$2 million dollars.

Board approval will allow AAHC to acquire The Asher Apartments with a capital amount not to exceed \$2 million dollars in partnership with CDT.

**President Duncan-Hall** moved to Approve Resolution No. 00123 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 acquisition of the Asher Apartments in an amount not to exceed \$2 million dollars. **Vice-President Apostolou** seconded the motion. The motion Passed (4-Ayes and 0-Nays).

**EXECUTIVE SESSION**

The Board of Directors did not recess into Executive Session.

**REPORTS**

No other reporting.

**ADJOURNMENT**

**2<sup>nd</sup> Vice-President Carrington** moved to adjourn the meeting. **Vice-President Apostolou** seconded the motion. The motion Passed (4-Ayes and 0-Nays). The meeting adjourned at 1:32 p.m.

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**Michael G. Gerber, Secretary**

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**Tyra Duncan-Hall, President**

# AUSTIN AFFORDABLE HOUSING CORPORATION

## BOARD ACTION REQUEST

### RESOLUTION NO. 00124

#### ITEM NO. 2.

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**MEETING DATE:** May 23, 2019

**STAFF CONTACT:** Suzanne Schwertner, Director of Development

**ITEM TITLE:** Presentation, Discussion and Possible Action on Resolution No. 00124 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 Ventura at Parmer Lane

**BUDGETED ITEM:** N/A

**TOTAL COST:** N/A

#### ACTION

The Board is being asked to approve Resolution No. 00124 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 Ventura at Parmer Lane.

#### SUMMARY

***Background:***

Austin Affordable Housing Corporation is being presented with an opportunity to partner with Dominion on a certain 30 acre tract of land located at approximately 8407, 8509 and 8521 East Parmer Lane, Manor, Texas 78653 in Northeast Austin in the Travis County ETJ. The project (Ventura at Parmer Lane) will consist of 216 family apartment units serving tenants at or below 60% of median family income. The nearest property in AAHC's current portfolio would be Harris Branch Senior which is 4 1/2 miles going West on Parmer Lane and then North on Dessau. This is the first time the board is seeing Ventura at Parmer Lane

***Process:***

The development will use a mix of 4% tax credits and bonds to finance the development with a total project cost of approximately \$53,000,000. The planned development will consist of 48 one bedroom and one bath units, 84 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 \$34,000,000. 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, Ventura at Parmer Lane meets these targeted affordability goals.

Unit Breakdown: 48 1-bedroom/1-bath units  
84 2-bedroom/2-bath units  
84 3-bedroom/2-bath units

***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. 00124**

**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 Ventura at Parmer Lane**

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

**WHEREAS**, the General Partner is the sole general partner of Austin Leased Housing Associates II, Limited Partnership, a Texas limited partnership (the “**Partnership**”);

**WHEREAS**, the Partnership was formed for the purpose of owning, developing, managing, and otherwise dealing with Ventura at Parmer Lane, 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 23rd day of May, 2019.

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CHAIRPERSON

ATTEST:

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SECRETARY

# AUSTIN AFFORDABLE HOUSING CORPORATION

## BOARD ACTION REQUEST

### RESOLUTION NO. 00125

#### ITEM NO. 3.

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**MEETING DATE:** May 23, 2019

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

**ITEM TITLE:** Presentation, Discussion and Possible Action on Resolution No. 00125 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 North Plaza Apartments

**BUDGETED ITEM:** N/A

**TOTAL COST:** N/A

#### ACTION

The board is being asked to approve Resolution No. 00125 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 North Plaza Apartments.

#### SUMMARY

***Background:***

Austin Affordable Housing Corporation, (AAHC) is being presented with an opportunity to partner with The Related Affordable Companies RA) to acquire, rehabilitate, and extend the affordability of a 62 unit development called the Oaks on North Plaza, a family apartment community located at 9125 North Plaza, Austin, Texas 78753. Located adjacent to the new Gustavo Garcia park and recreation center, the property was built in 1980, and although it is well maintained, it has not had any significant upgrades. The property consists of one, two and three bedroom units contained in 23 buildings spread out across 5 acres. A section 8 HAP contract covers all 62 units and was renewed in April of 2015 for a period of 20 years. This is not a former tax credit or bond project and therefore there are no restrictions on the property. Related Affordable, a subsidiary of Related Companies, has developed or preserved over 50,000 units with a total value of over \$5 billion.

***Process:***

RA and AAHC have entered into a purchase contract with a sales price of \$6.2 million. The property is currently under due diligence period until the end of May. The preliminary scope of work will focus on energy and water efficiency upgrades, improving resident amenities and quality of life and replacing aging systems currently on the site. Painting, flooring, energy efficient lighting, electrical panel upgrades and new doors and windows are among a few of the items being addressed. Bathrooms, kitchens, common areas and the building

exterior will all receive major upgrades.

RA and AAHC plans to complete the renovations of approximately \$3.3 million in hard costs, or \$53,000 per unit using 4% tax credits credits and bonds. The bonds will be issued by Austin Affordable PFC. RA and AAHC will submit a tax credit application in June. RA and AAHC will use Wells Fargo as the equity partner.

In addition to the physical improvements to the site, RA and AAHC will extend the affordability for another 35 years under the LIHTC program and renew the Section 8 contracts for at least another 20 years. These commitments will protect these housing resources otherwise at risk of losing their affordability when current section 8 contracts expire.

**Unit breakdown:**

16 1 bedroom/1 bath units	553 sq. ft.
40 2 bedroom/2 bath units	882 sq. ft.
6 3 bedroom/2 bath units	1,054 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. 00125**

**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 Oaks on North Plaza**

**WHEREAS**, AAHC is the sole member of Oaks on North Plaza GP, LLC, a Texas limited liability company (the “**General Partner**”);

**WHEREAS**, the General Partner is the sole general partner of Oaks on North Plaza, LP, a Texas limited partnership (the “**Partnership**”);

**WHEREAS**, the Partnership was formed for the purpose of owning, developing, managing, and otherwise dealing with Oaks on North Plaza, 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 23rd day of May, 2019.

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CHAIRPERSON

ATTEST:

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SECRETARY

# AUSTIN AFFORDABLE HOUSING CORPORATION

## BOARD ACTION REQUEST

### RESOLUTION NO. 00126

#### ITEM NO. 4.

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**MEETING DATE:** May 23, 2019

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

**ITEM TITLE:** Presentation, Discussion, and Possible Action on Resolution No.00126 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 further facilitate the financing for the acquisition and development of the Bridge at Asher.

**BUDGETED ITEM:** N/A

**TOTAL COST:** N/A

#### ACTION

The Board is being asked to approve Resolution No. 00126 authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to further facilitate the financing for the acquisition and development of the Bridge at Asher.

#### SUMMARY

***Background:***

Austin Affordable Housing Corporation (AAHC), has been presented an opportunity to partner with Community Development Trust (CDT), to purchase a 452-unit apartment complex called the Bridge at Asher. The complex is located at 1050 South IH 35 Austin, Texas 78747. Located in southeast Austin, The Asher is just south of our new construction development, Commons at Goodnight located on East Slaughter Lane. AAHC and CDT have also successfully been awarded the opportunity to partner on this transaction with the National Housing Trust (NHT), a national non-profit engaged in housing preservation, revitalization and expansion of affordable housing communities across the United States.

NHT had an idea to create a fund based on the premise of studies which demonstrated that children who grow up in high opportunity neighborhoods have a number of improved life experiences. They have better college attendance, higher earnings, improved health and are less likely to become single parents.

NHT's idea was to help acquire market rate housing in high opportunity areas and introduce Housing Choice Vouchers to the site as a way of bringing very low income households into areas of high opportunity.

NHT approached a number of foundations with this concept, and Kresge Foundation expressed a desire to join the effort. Through this collaboration NHT will invest low cost funds into a purchase and introduce

housing choice vouchers to 20% of the units over a 2-year period. NHT and Kresge were excited about the opportunity the Bridge at Asher could bring and committed \$4 million to help purchase the complex.

***Process:***

The Bridge at Asher has a purchase price of \$70 million dollars and will be a mix of equity and Freddie Mac Long term debt of \$56 million dollars. NHT will contribute \$4 million in subordinate financing and CDT and AAHC will make up the balance in equity needed, with AAHC's contribution not to exceed \$2 million dollars.

Unit breakdown:

294 1-bedroom/1-bath units	556-992 square feet
120 2-bedroom/2-bath units	1,000 -1,278 square feet
48 3-bedroom/2-bath units	1,307-1,434 square feet

***Staff Recommendation:***

Board approval will allow AAHC to acquire the Bridge at Asher with a capital amount not to exceed \$2 million dollars and \$4 million dollars in subordinate financing from NHT in partnership with CDT.

**ATTACHMENTS:**



**RESOLUTION NO. 00126**

**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: (i) cause AAHC-CDT Bridge at Asher, LLC (the “Owner”) to enter into additional financing for the acquisition and development of the Bridge at Asher (the “Development”); and (ii) 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 AAHC Bridge at Asher MM, LLC, a Delaware limited liability company (the “**Managing Member**”), which in turn serves as the sole managing member of the Owner;

**WHEREAS**, as an additional source of funds in order to finance the acquisition of the Development, the Owner desires to obtain a subordinate loan from NHTE Opportunity Housing, LLC or an affiliate thereof (“**Lender**”), whereby the Owner will borrow a sum not to exceed \$4,500,000 (“**Loan**”);

**WHEREAS**, the Loan will be made pursuant to a promissory note (“**Note**”) and a loan agreement (“**Loan Agreement**”) to be secured, *inter alia*, by that certain Unconditional and Continuing Guaranty by AAHC in favor of Lender (“**Guaranty**”), and 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 Owner 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 (collectively, the “**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 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 Managing Member and/or Owner to enter into the Transaction Documents and that execution and delivery in the name and on behalf of AAHC and/or Managing Member 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 Managing Member and/or 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 (acting in a representative capacity as identified in these resolutions, acting individually and on behalf of the Managing Member and the Owner), 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 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 Managing Member 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.

*[End of Resolution]*

**PASSED** this 23rd day of May, 2019.

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CHAIRPERSON

ATTEST:

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SECRETARY