

# **AUSTIN AFFORDABLE HOUSING CORPORATION**



## **BOARD OF DIRECTORS Regular Meeting**

**Thursday, August 29, 2019  
10:00 AM**

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

**Thursday, August 29, 2019**

**10:00 AM**

**CALL TO ORDER, ROLL CALL**

**CERTIFICATION OF QUORUM**

**Pledge of Allegiance**

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

**Board Work Session**

**CONSENT ITEMS**

1. Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on June 26, 2019

**ACTION ITEMS**

2. Presentation, Discussion, and Possible Action on Resolution No. 00136 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) facilitate the development and rehabilitation of Pathways at Lakeside 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; (ii) Cause AAHC’s subsidiary limited liability company, Pathways at Lakeside, LLC (the “Owner”), to own the Development; (iii) cause the Owner to enter into development financing for the Development; and (iv) 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

**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:** August 29, 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 June 26, 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 June 26, 2019.

**ATTACHMENTS:**

- ▣ **201906226 AAHC Minutes Summary**

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

**JUNE 26, 2019**

**SUMMARY OF MINUTES**

**THE AUSTIN AFFORDABLE HOUSING CORPORATION (AAHC) BOARD OF DIRECTORS PUBLIC MEETING NOTICE WAS POSTED FOR 12:00 NOON ON THURSDAY, JUNE 26, 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 June 26, 2019, was called to order by Chuck Bailey, HACA Vice-Chairperson, at 10:08 a.m. Carl S. Richie, Jr., HACA Chairperson arrived at 10:27 a.m. 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, 2<sup>nd</sup> Vice-President  
Carl S. Richie, Jr., Director  
Charles Bailey, Director

**MEMBER(S) ABSENT:**

**STAFF PRESENT:**

Andrea Galloway, Ann Gass, Kelly Crawford, Ken Bodden, Leilani Lim-Villegas, Lisa Garcia, Martha Ross, Michael Gerber, Nidia Hiroms, Ron Kowal, Sylvia Blanco and Suzanne Schwertner

**ALSO IN ATTENDANCE:**

Bill Walters, Coats Rose  
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 April 18, 2019**

Amended Board Minutes Summary to include the note that HACA Vice-Chair Charles Bailey chaired the full meeting, including consideration of the HACA & AAHC agendas. This helped ensure an effective flow of the meeting and adherence to the requirements of the Texas Open Meetings Act.

2<sup>nd</sup> Vice-President Carrington moved to Approve the Board Minutes Summary, as amended, for the Board Meeting held on April 18, 2019. 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:** Overview of AAHC's acquisition and development strategy and priorities

**ITEM 3: Presentation, Discussion and Possible Action Regarding Resolution No: 00127: A Resolution by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to facilitate the development of the Pathways at Chalmers Courts East**

Pathways at Chalmers Courts East (Chalmers East) is the second in the three-phase redevelopment of Chalmers Courts. Chalmers East will be a 156-unit property, developed in partnership with Carleton Residential and financed using 9% Low Income Housing Tax Credits (LIHTC) through the Texas Department of Housing and Community Affairs. In addition to the 78 Project Based Rental Assistance (PBRA) units that will replace the current 78 public housing units, HACA will project-base 50 Housing Choice Vouchers at Chalmers East. Eight of those will be VASH vouchers that will serve homeless veterans.

Chalmers East is part of HACA's conversion to the Rental Assistance Demonstration (RAD) Program. The Rental Assistance Demonstration (RAD) Program was authorized by the Consolidated and Further Continuing Appropriations Act of 2012. RAD is a tool that enables Public Housing Authorities to convert public housing subsidies into long-term, Section 8 rental assistance subsidy. This is beneficial to PHAs because historically public housing subsidies and funding for capital projects have been unpredictable and fluctuate annually due to federal budget cuts. The project based rental assistance program provides a much more stable and predictable annual subsidy, benefitting PHAs and their residents.

More importantly, the RAD program provides PHAs an opportunity to make substantial physical improvements to its properties, resulting in a higher quality of life for residents. Additionally, provisions with RAD ensure that existing residents are protected and enjoy more choices on where they wish to reside. The Housing Authority of the City of Austin (HACA) has successfully converted sixteen properties through RAD. The two remaining properties, Chalmers and Lakeside will convert over the next two years.

The families who currently live at Chalmers East will be relocated using Housing Choice Vouchers or to another HACA public housing property. All but four of the families have chosen to relocate to the new Chalmers South, adjacent to the current site of Chalmers Courts. All families will have the right to return to the newly redeveloped Chalmers East. HACA staff has worked closely with the residents to ensure that all residents understand their right to return. Staff will continue to meet with the residents regularly in an effort to maintain the sense of community that has developed as the residents prepared for the redevelopment of Chalmers.

**Vice President Apostolou** moved to Approve Resolution No. 00127: A Resolution by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to facilitate the development of the Pathways at Chalmers Courts East. **2<sup>nd</sup> Vice-President Carrington** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

**ITEM 4: Presentation, Discussion and Possible Action on Resolution No. 00128 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 Signature at Franklin Park**

Austin Affordable Housing Corporation was presented with an opportunity to partner with Dominion on an existing property located at approximately 4509 E. St. Elmo Road, Austin, TX 78744 (Southeast Austin). The project (Signature at Franklin Park) consists of 163 family apartment units. There is a Land Use Restriction Agreement (LURA) on the property restricting units to the following rent/income restrictions: 26 units at 30% Area Median Income (AMI), 52 units at 40% AMI, 52 units at 50% AMI and 33 units at market rate. The nearest properties in AAHC’s current portfolio are: Lexington Hills located at 2430 Cromwell Circle, Austin, TX 78741 (to the North) and Pointe and Villages of Ben White located at 7000 East Ben White Blvd, Austin, TX 78741. This property was presented to the Board in February 2019 for approval to enter into the partnership with Dominion as the General Partner.

The development will use a mixture of 4% tax credits and bonds to finance the redevelopment with a total project cost of approximately \$28,000,000. The property currently has many unit amenities including fully equipped kitchens with dishwashers and disposals, built-in microwaves, private patio or balcony and washer and dryer connections. The property also has many common area amenities including a pool, playground, club room, business center, laundry facilities and a supportive services room. This redevelopment will allow for necessary upgrades and improvements to the development. All units will be marketed to HACA’s Housing Choice Voucher residents.

HACA, through its Public Facility Corporation will issue tax-exempt bonds in an amount not to exceed \$15,000,000. 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, Signature at Franklin Park meets these targeted affordability goals.

**Unit Breakdown:**

- 101 2-bedroom/1-bath units
- 49 3-bedroom/2-bath units
- 13 4-bedroom/2-bath units

Board approval would 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 present to the Board in future months on 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. 00128 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 Signature at Franklin Park. **Director Bailey** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

**ITEM 5: Presentation, Discussion, and Possible Action on Resolution No. 00129 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) participate in the ownership of Woodway Village and other actions as necessary**

Austin Affordable Housing Corporation (AAHC) was presented an opportunity to partner with Dominion on Woodway Village, located at 4600 Nuckols Crossing Road, Austin, TX 78744. The property was built in 2004 and consists of 160 family apartment units. There is a Land Use Restriction Agreement (LURA) on the property restricting all units to 60% Area Median Income (AMI).

The property currently has many unit amenities including fully equipped kitchens, attached garages on every unit, private patio or balcony and washer and dryer connections. The property also has many common area amenities including a clubhouse, perimeter fencing with controlled gate access, fitness center, recreational and wade pools, picnic area with BBQ grills, playground, on-site day care and laundry facility.

This property is located immediately southeast of Signature at Franklin Park, which is located at 4509 East Saint Elmo Road, Austin, TX 78744.

The Dominion Group has asked AAHC to participate in the existing ownership structure, as the new General Partner (GP) of this asset; it is the intention of the partnership to re-syndicate this property using 4% tax credits with bonds to be able to make necessary upgrades and improvements to the development later this year. The property will be managed by the management arm of the Dominion Group.

In order to facilitate this transaction, Austin Affordable Housing Corporation is requesting a Resolution from the Housing Authority of the City of Austin to acquire the land, lease the development site to the owner of the development, and such actions necessary or convenient to carry out this Resolution.

**Vice-President Apostolou** moved to Approve Resolution No. 00129 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) participate in the ownership of Woodway Village. **2nd Vice-President Carrington** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

**ITEM 6: Presentation, Discussion, and Possible Action on Resolution No. 00130 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 Woodway Village**

Austin Affordable Housing Corporation (AAHC) was presented an opportunity to partner with Dominion on Woodway Village, located at 4600 Nuckols Crossing Road, Austin, TX 78744. The property was built in 2004 and consists of 160 family apartment units. There is a Land Use Restriction Agreement (LURA) on the property restricting all units to 60% Area Median Income (AMI) unit, private patio or balcony and washer and dryer connections. The property also has many common area amenities including a clubhouse, perimeter fencing with controlled gate access, fitness center, recreational and wade pools, picnic area with BBQ grills, playground, on-site day care and laundry facility.

This property is located immediately southeast of Signature at Franklin Park, which is located at 4509 East Saint Elmo Road, Austin, TX 78744.

The property will use a mixture of 4% tax credits and bonds to finance the redevelopment with a total project cost of approximately \$58,000,000. The redevelopment will include improvements to the site, unit upgrades, addressing deferred maintenance, and significant upgrades to the amenities, among other things. Utility monitoring meters and software will be installed to help management identify and address water leaks, which, combined with plumbing fixture replacement, will greatly decrease the current overconsumption of water. All units will be marketed to HACA’s Housing Choice Voucher residents.

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, Woodway Village meets these targeted affordability goals.

**Unit Breakdown:**

32 1-bedroom/1-bath units  
64 2-bedroom/1-bath units  
64 3-bedroom/2-bath units

Board approval would 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.

**Vice-President Apostolou** moved to Approve Resolution No. 00130 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 Woodway Village in an amount not to exceed \$30,000,000. **2nd Vice-President Carrington** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

## **THE BOARD OF DIRECTORS VOTED TO TAKE ITEMS 7 THROUGH 11 EN BLOC.**

### **ITEMS 7 THROUGH 11 WERE VOTED EN BLOC**

#### **ITEM 7: Presentation, Discussion, and Possible Action on Resolution No. 00131 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 The Estates at Owen Tech**

Austin Affordable Housing Corporation was presented with a new opportunity to partner with Generation Housing Development out of Dallas, Texas to construct a property located at 14011 Owen Tech Blvd, Austin, TX 78728 (northwest quadrant of Owen Tech Blvd and Interstate 35) located in the Travis County extraterritorial jurisdiction (ETJ). The project (The Estates at Owen Tech) consists of 174 senior apartment units serving tenants 62 and older at 60% area median family income. The nearest properties in AAHC’s current portfolio (all family sites) are: Park at Summers Grove located at 2900 Century Park Blvd, Austin, TX 78728 (to the West); Bridge at Tech Ridge located at 12800 Center Lake Drive, Austin, TX 78753 (to the South); and Preserve at Wells Branch located at 1773 Wells Branch Parkway, Austin, TX 78728 (to the North). This is the Board’s initial opportunity to review this potential project.

The development will use a mixture of 4% tax credits and bonds to finance the development with a total project cost of approximately \$27,000,000. The development will include elevators in both buildings, a community garden, barbeque grills, a resort-style swimming pool, community center, theater room, business center, and furnished fitness center. This property will be designed as an Aging in Place community with all units designed to accommodate persons with disabilities and common area amenities with easy access to elevators. All units will be marketed to HACA’s Housing Choice Voucher residents.

HACA, through its Public Facility Corporation will issue tax-exempt bonds in an amount not to exceed \$15,000,000. 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 Estates at Owen Tech meets these targeted affordability goals.

#### **Unit Breakdown:**

102 1-bedroom/1-bath units

72 2-bedroom/2-bath units

Board approval would 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 present 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.

**Vice-President Apostolou** moved to Approve Resolution No. 00131 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 The Estates at Owen Tech in an amount not to exceed \$15,000,000. **2nd Vice-President Carrington** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

#### **ITEM 8: Presentation, Discussion, and Possible Action on Resolution No. 00132 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 Springdale**

Austin Affordable Housing Corporation was presented with an opportunity to partner with LDG Development to construct a property located at 10400 Springdale Road, Austin, TX 78754 (Northeast Austin) located in the Travis County ETJ. The project (Springdale) consists of 312 family apartment units serving tenants at 60% area median family income. The nearest properties in AAHC’s current portfolio (all family sites) are: Sterling Village located at 10401 North Lamar Blvd, Austin, TX 78753 (to the Northwest) and Harris Branch Senior located at 12433 Dessau Road, Austin, TX 78754 (to the North). This is the Board’s initial opportunity to review this potential project.

The development will use a mixture of 4% tax credits and bonds to finance the development with a total project cost of approximately \$58,000,000. All units will be marketed to HACA’s Housing Choice Voucher residents.



HACA, through its Public Facility Corporation will issue tax-exempt bonds in an amount not to exceed \$45,000,000. 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, Springdale meets these targeted affordability goals.

**Unit Breakdown:**

- 36 1-bedroom/1-bath units
- 144 2-bedroom/2-bath units
- 120 3-bedroom/2-bath units
- 12 4-bedroom/2-bath units

Board approval would 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 present to the Board in future months on progress and specifically any and all agreements and approvals. Staff will bring this matter back to the Board for final approval to proceed.

**Vice-President Apostolou** moved to Approve Resolution No. 00132 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 Springdale in an amount not to exceed \$45,000,000. **2nd Vice-President Carrington** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

**ITEM 9: Presentation, Discussion, and Possible Action on Resolution No. 00133 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 Decker Lane**

Austin Affordable Housing Corporation was being presented with an opportunity to partner with LDG Development to construct a property located at approximately 8600 Decker Lane, Austin, TX 78724 (Northeast Austin) located in the Travis County extraterritorial jurisdiction (ETJ). The project (Decker Lane) consists of 264 family apartment units serving tenants at 60% area median family income. The nearest property in AAHC’s current portfolio is: Reserve at Springdale located at 5605 Springdale Road, Austin, TX 78723 (to the West and South). This is the Board’s initial opportunity to review this potential project.

The development will use a mixture of 4% tax credits and bonds to finance the development with a total project cost of approximately \$51,000,000. All units will be marketed to HACA’s Housing Choice Voucher residents. HACA, through its Public Facility Corporation will issue tax-exempt bonds in an amount not to exceed \$45,000,000. 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, Decker Lane meets these targeted affordability goals.

**Unit Breakdown:**

- 36 1-bedroom/1-bath units
- 120 2-bedroom/1-bath units
- 96 3-bedroom/2-bath units
- 12 4-bedroom/2-bath units

Board approval would 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.

**Vice-President Apostolou** moved to Approve Resolution No. 00133 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 Decker Lane in an amount not to exceed \$45,000,000. **2nd Vice-President Carrington** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

**ITEM 10: Presentation, Discussion, and Possible Action on Resolution No. 00134 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 Yager Lane**

Austin Affordable Housing Corporation was presented with an opportunity to partner with LDG Development on a property located at approximately 4800 E. Yager Lane, Austin, TX 78653 (Northeast Development on a property located at approximately 4800 E. Yager Lane, Austin, TX 78653 (Northeast Austin) located in the Travis County ETJ. The project (Yager

Lane) consists of 312 family apartment units serving tenants at 60% area median family income. The nearest properties in AAHC's current portfolio are: Harris Branch Senior located at 12433 Dessau Road, Austin, TX 78754 (to the North) and Harris Ridge Apartments located at 1501 East Howard Lane, Austin, TX 78754. This is the first time the Board is seeing this property.

The development will use a mixture of 4% tax credits and bonds to finance the development with a total project cost of approximately \$58,000,000. All units will be marketed to HACA's Housing Choice Voucher residents. HACA, through its Public Facility Corporation will issue tax-exempt bonds in an amount not to exceed \$45,000,000. 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, Yager Lane meets these targeted affordability goals.

**Unit Breakdown:**

- 36 1-bedroom/1-bath units
- 144 2-bedroom/1-bath units
- 120 3-bedroom/2-bath units
- 12 4-bedroom/2-bath units

Board approval would 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.

**Vice-President Apostolou** moved to Approve Resolution No. 00134 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 participate in the housing tax credit application for Yager Lane in an amount not to exceed \$45,000,000. **2nd Vice-President Carrington** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

**ITEM 11: Presentation, Discussion, and Possible Action on Resolution No. 00135 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 COTA FM 812**

Austin Affordable Housing Corporation was presented with an opportunity to partner with LDG Development on a property located at approximately 13411 FM 812, Del Valle, TX 78617 (Southeast of Austin) located in the Travis County ETJ. The project (COTA FM 812) consists of 240 family apartment units serving tenants at 60% area median family income. The nearest properties in AAHC's current portfolio are: Pointe at Ben White located at 6934 E Ben White Blvd, Austin, TX 78741 (to the Northwest) and Villages of Ben White located at 7000 E. Ben White Blvd, Austin, TX 78741 (to the Northwest). This is the first time the Board is seeing this property.

The development will use a mixture of 4% tax credits and bonds to finance the development with a total project cost of approximately \$45,000,000. All units will be marketed to HACA's Housing Choice Voucher residents. HACA, through its Public Facility Corporation will issue tax-exempt bonds in an amount not to exceed \$35,000,000. 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, COTA FM 812 meets these targeted affordability goals.

**Unit Breakdown:**

- 36 1-bedroom/1-bath units
- 108 2-bedroom/1-bath units
- 84 3-bedroom/2-bath units
- 12 4-bedroom/2-bath units

Board approval would 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.

**Vice-President Apostolou** moved to Approve Resolution No. 00135 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 participate in the housing tax credit application for COTA FM 812 in an amount not to exceed \$35,000,000. **2nd Vice-President Carrington** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

**THE BOARD RECESSED INTO EXECUTIVE SESSION AT 12:11 P.M.**

**THE BOARD RETURNED INTO OPEN SESSION AT 12:55 P.M. NO ACTION WAS TAKEN.**

**ADJOURNMENT**

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

The meeting adjourned at 1:02 p.m.

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**Michael G. Gerber, Secretary**

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**Dr. Tyra Duncan-Hall, President**

# AUSTIN AFFORDABLE HOUSING CORPORATION

## BOARD ACTION REQUEST

### RESOLUTION NO. 00136

#### ITEM NO. 2.

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**MEETING DATE:** August 29, 2019

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

**ITEM TITLE:** Presentation, Discussion, and Possible Action on Resolution No. 00136 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) facilitate the development and rehabilitation of Pathways at Lakeside 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; (ii) Cause AAHC’s subsidiary limited liability company, Pathways at Lakeside, LLC (the “Owner”), to own the Development; (iii) cause the Owner to enter into development financing for the Development; and (iv) 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

#### SUMMARY

##### ***Background:***

The Rental Assistance Demonstration (RAD) Program was authorized by the Consolidated and Further Continuing Appropriations Act of 2012. RAD is a tool that enables Public Housing Authorities to convert public housing subsidies into long-term, Section 8 rental assistance subsidy. This is beneficial to PHAs because historically public housing subsidies and funding for capital projects have been unpredictable and fluctuate annually due to federal budget cuts. The project based rental assistance program provides a much more stable and predictable annual subsidy, benefitting PHAs and their residents. Provisions with RAD also ensure that existing residents are protected and enjoy more choices on where they wish to reside. The Housing Authority of the City of Austin (HACA) submitted applications and received a “Commitment to enter into a Housing Assistance Payment Contract” (CHAP) award for Lakeside Apartments.

As part of this conversion to RAD, HACA plans to make certain minor repairs to ensure the ongoing usefulness of the community space and units at Lakeside. These improvements include new elevators, community room floors and exterior doors, replacement of 25% of screen doors, addition of GFCIs, and upgrade of emergency call system. HACA hopes to undertake a more comprehensive redevelopment of Lakeside in the next several years.

***Staff Recommendation:***

Resolution No. 00136 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 Lakeside.

**RESOLUTION NO. 00136**

**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 . Facilitate the development and rehabilitation of Pathways at Lakeside 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;**
- 2. Cause AAHC’s subsidiary limited liability company, Pathways at Lakeside, LLC (the “Owner”), to own the Development;**
- 3. Cause the Owner to enter into development financing for the Development; and**
- 4 . 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 contemplating the acquisition and rehabilitation of the Development;

**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,** the Owner desires to enter into a loan with Bellwether Enterprise Mortgage Investments, LLC (or an affiliate thereof), whereby the Owner will borrow a sum not to exceed \$6,500,000 (“**Bellwether Loan**”), in order to finance the acquisition, rehabilitation and operation of the Development;

**WHEREAS,** the Bellwether Loan will be made pursuant to a loan agreement and a promissory note to be secured, *inter alia*, by a deed of trust, UCC financing statements, certificates, affidavits, directions, amendments, indemnifications, guaranties, 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 Bellwether Loan (collectively, the

**“Bellwether Loan Documents”**);

**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;

**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 Bellwether 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 29th day of August, 2019.

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**Michael G. Gerber, Secretary**

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**Carl S. Richie, Jr., Chairperson**