

AUSTIN AFFORDABLE HOUSING CORPORATION



BOARD OF DIRECTORS Regular Meeting

**Thursday, October 17, 2019
12:00 PM**

**Chalmers Courts
1638 E. 2nd Street
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
Chalmers Courts
1638 E. 2nd Street
Austin, TX
(512.477.4488)**

Thursday, October 17, 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 August 29, 2019

ACTION ITEMS

2. Presentation, Discussion, and Possible Action on Resolution No. 00137 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 of the Bridge at Granada Apartments, which consists of affordable housing units and associated amenities built upon land to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC's wholly owned, subsidiary limited liability company, Bridge at Granada MM, LLC (the "Managing Member") to execute an amended and restated operating agreement of Bridge at Granada, LLC (the "Company") and other related documents; (iii) cause the Company to enter into development financing for the Project; and (iv) cause AAHC and/or the Managing Member and/or the Company to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein
3. Presentation, Discussion, and Possible Action on Resolution No. 00138 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 refinancing of the Pathways at Thurmond Heights, which consists of affordable housing units and associated amenities built upon land ground leased from the Housing Authority of the City of Austin (the "Development"); (ii) cause AAHC's subsidiary limited liability company, Pathways at Thurmond Heights, LLC (the "Owner"), to enter into a new loan for the Development and pay off existing debt; and (iii) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

4. Presentation, Discussion, and Possible Action on Resolution No. 00139 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 of the Oaks on North Plaza, which consists of affordable housing units and associated amenities built upon land to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC's wholly owned, subsidiary limited liability company, Oaks on North Plaza GP, LLC (the "General Partner") to execute an amended and restated limited partnership agreement of Oaks on North Plaza, LP (the "Partnership") and other related documents; (iii) 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
5. Presentation, Discussion, and Possible Action on Resolution No. 00140 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 acquisition, development and rehabilitation of Bridge at Bent Tree (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, AAHC Bridge at Bent Tree, 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.

*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 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: October 17, 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 August 29, 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 August 29, 2019.

ATTACHMENTS:

- ▣ **20190829 AAHC Minutes Summary**

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

AUGUST 29, 2019

SUMMARY OF MINUTES

THE AUSTIN AFFORDABLE HOUSING CORPORATION (AAHC) BOARD OF DIRECTORS PUBLIC MEETING NOTICE WAS POSTED FOR 12:00 NOON ON THURSDAY, AUGUST 29, 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 August 29, 2019, was called to order by Carl S. Richie, Jr., HACA Chairperson, at 10:17 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, 2nd Vice-President
Carl S. Richie, Jr., Director
Charles Bailey, Director (arrived at 10:20 a.m.)

MEMBER(S) ABSENT:

STAFF PRESENT:

Andrea Galloway, Ann Gass, Gloria Morgan, Jimi Teasdale, Kelly Crawford, Lisa Garcia, Michael Cummings, Michael Gerber, Nidia Hiroms, Nora Morales, Pilar Sanchez, and Sylvia Blanco

ALSO IN ATTENDANCE:

N/A

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 June 26, 2019

Vice-President Apostolou moved to Approve the Board Minutes Summary for the Board Meeting held on June 26, 2019. **President Duncan-Hall** 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. 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

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 Resident Protection Team held regular meetings and office hours throughout the planning process to ensure that residents were kept up to date on the plans for the RAD conversion.

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. Improvements include new elevators, community room floors and exterior doors, replacement of 25% of screen doors, addition of GFCI circuit breakers and upgrades of the emergency call system. This scope of work was developed with input from residents and property staff during a three-year planning process. Staff does not expect the repairs to require relocation of any residents. HACA hopes to undertake a more comprehensive redevelopment of Lakeside in the next several years.

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.

Director Bailey moved to Approve 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. **Vice-President Apostolou** 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

2nd 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.

Michael G. Gerber, Secretary

Dr. Tyra Duncan-Hall, President

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00137

ITEM NO. 2.

MEETING DATE: October 17, 2019

STAFF CONTACT: Suzanne Schwertner, Director of Development

ITEM TITLE: Presentation, Discussion, and Possible Action on Resolution No. 00137 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 of the Bridge at Granada Apartments, which consists of affordable housing units and associated amenities built upon land to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s wholly owned, subsidiary limited liability company, Bridge at Granada MM, LLC (the “Managing Member”) to execute an amended and restated operating agreement of Bridge at Granada, LLC (the “Company”) and other related documents; (iii) cause the Company to enter into development financing for the Project; and (iv) cause AAHC and/or the Managing Member and/or the Company 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. 00137 authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the development of the Bridge at Granada Apartments, which consists of affordable housing units and associated amenities built upon land to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s wholly owned, subsidiary limited liability company, Bridge at Granada MM, LLC (the “Managing Member”) to execute an amended and restated operating agreement of Bridge at Granada, LLC (the “Company”) and other related documents; (iii) cause the Company to enter into development financing for the Project; and (iv) cause AAHC and/or the Managing Member and/or the Company to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein

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 78753. The project (Bridge at Granada) will consist of 258 family apartment units; Two Hundred Thirty-Three (233) serving tenants at or

below 60% of median family income and Twenty-Five (25) market rate units. The Board has seen this project three times before: November 2018 for the Bond Inducement Resolution, March 2019 for the Tax Credit Application Resolution and August 2019 for the Public Hearing. The two closest current projects we have are Pathways at Georgian Manor to the northwest and Bridge at Cameron to the Northeast (see Map)

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 execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the development of the Bridge at Granada Apartments, which consists of affordable housing units and associated amenities built upon land to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s wholly owned, subsidiary limited liability company, Bridge at Granada MM, LLC (the “Managing Member”) to execute an amended and restated operating agreement of Bridge at Granada, LLC (the “Company”) and other related documents; (iii) cause the Company to enter into development financing for the Project; and (iv) cause AAHC and/or the Managing Member and/or the Company to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein

ATTACHMENTS:

- ▣ **Map of Bridge at Granada**

RESOLUTION NO. 00137

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 of the Bridge at Granada Apartments, which consists of affordable housing units and associated amenities built upon land to be ground-leased from the Housing Authority of the City of Austin;**
- 2. Cause AAHC’s wholly owned, subsidiary limited liability company, Bridge at Granada MM, LLC (the “Managing Member”) to execute an amended and restated operating agreement of Bridge at Granada, LLC (the “Company”) and other related documents;**
- 3. Cause the Company to enter into development financing for the Project; and**
- 4. Cause AAHC and/or the Managing Member and/or the Company 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 Managing Member;

WHEREAS, the Managing Member is the sole managing member of the Company;

WHEREAS, the Company was formed for the purpose of owning, constructing, developing, managing, and otherwise dealing with the Bridge at Granada Apartments, a 258-unit apartment complex (the “**Project**”) under development on a parcel of land located in Austin, Travis County, Texas (the “**Land**”), and intended for rental to persons of low and moderate income;

WHEREAS, in connection with the development of the Project, the Company desires to obtain site control of the Land from the Housing Authority of the City of Austin (“**HACA**”), by entering into a ground lease (“**Ground Lease**”) with HACA for the Project;

WHEREAS, AAHC, the Managing Member and Company desire to enter into certain equity documents for the purpose of admitting RBC Tax Credit Equity, LLC, an Illinois limited liability company (“**Investor Member**”) as an investor member, and RBC Tax Credit Manager II, Inc., a Delaware corporation (“**Special Investor Member**”) as a special investor member, and Granada Land, LLC, a Texas limited liability company (“**CBSM**”) as a Class B special member, to the Company, including an Amended and Restated Operating Agreement for the Company (the “**Operating Agreement**”);

WHEREAS, in connection with the proceedings relating to the issuance and delivery by the Austin Affordable PFC, Inc. (the "**Issuer**") of its Multifamily Housing Revenue Bonds (Bridge at Granada Apartments) Series 2019 (the "**Bonds**"), pursuant to and in accordance with the terms of a Trust Indenture (the "**Indenture**") by and between the Issuer and the trustee named therein;

WHEREAS, in connection with the issuance of the Bonds, the proceeds will be loaned to the Company pursuant to one or more Loan Agreements, between the Issuer and Company (the "**Loan Agreements**")

WHEREAS, in connection with the Loan Agreements, Bonds and the Indenture, the Company desires to enter into a Tax Regulatory Agreement and other related certifications and documents, all upon such terms and conditions as the Company deems reasonable (collectively, the "**Bond Documents**");

WHEREAS, the Company desires to obtain a construction and permanent loan from Mason Joseph Company, Inc. (the "**HUD Lender**") in an amount not to exceed \$32,000,000 (the "**FHA Loan**") to be insured by HUD under Section 221(d)(4) program pursuant to a commitment for insurance of advances issued to HUD Lender, as amended (HUD Project No. 115-35860), and in connection therewith enter into, execute and deliver a Note, a first lien Deed of Trust on the Project, a Regulatory Agreement for Multifamily Projects, and any other documents evidencing, securing, or necessary or convenient in connection with the FHA Loan (collectively, the "**FHA Loan Documents**");

WHEREAS, in connection with the transactions contemplated herein, the Company, Managing Member and AAHC are required to enter into various documents which will evidence a bridge loan from OREC Structured Finance Co., LLC or an affiliate thereof (the "**Bridge Lender**") to the Company in a principal amount not to exceed \$7,000,000, including, but not limited to a note, guaranty, pledge of membership interests in the Company (including a pledge of the Managing Member's membership interest), a collateral assignment of capital contributions, a developer fee subordination agreement, and other security agreements, certificates, directions, approvals, waivers, notices, instruments and other communications as may be required by the parties (the "**Bridge Loan Documents**," and together with the Operating Agreement, the Ground Lease, the FHA Loan Documents, and the Bond Documents, the "**Financing Documents**");

NOW, BE IT RESOLVED, that all of the documents, instruments, or other writing executed by AAHC (both individually and in a representative capacity as identified in these resolutions), in consummation of the transactions herein described (both individually and in a representative capacity as identified in these resolutions), including, but not limited to, (i) the Financing Documents and (ii) any and all such additional documents executed to consummate the transactions contemplated herein (collectively, the "**Transaction Documents**") shall be in form and substance approved by the Executing Officer (as such term is hereinafter defined), both individually and in a representative capacity as identified in these resolutions, his/her

approval of each such instrument to be conclusively evidenced by his execution thereof; and it is further,

RESOLVED, that AAHC (both individually and in a representative capacity as identified in these resolutions), review, execute and approve all other documents necessary to effectuate the foregoing transactions, all on such terms and containing such provisions as the Executing Officer shall deem appropriate, and the approval of the terms of each such instrument herein described by the Executing Officer shall be conclusively evidenced by his/her execution and delivery thereof; and it is further

RESOLVED, that the authorization of AAHC, Company and/or Managing Member 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 Company, 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 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 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), 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 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 Company, 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

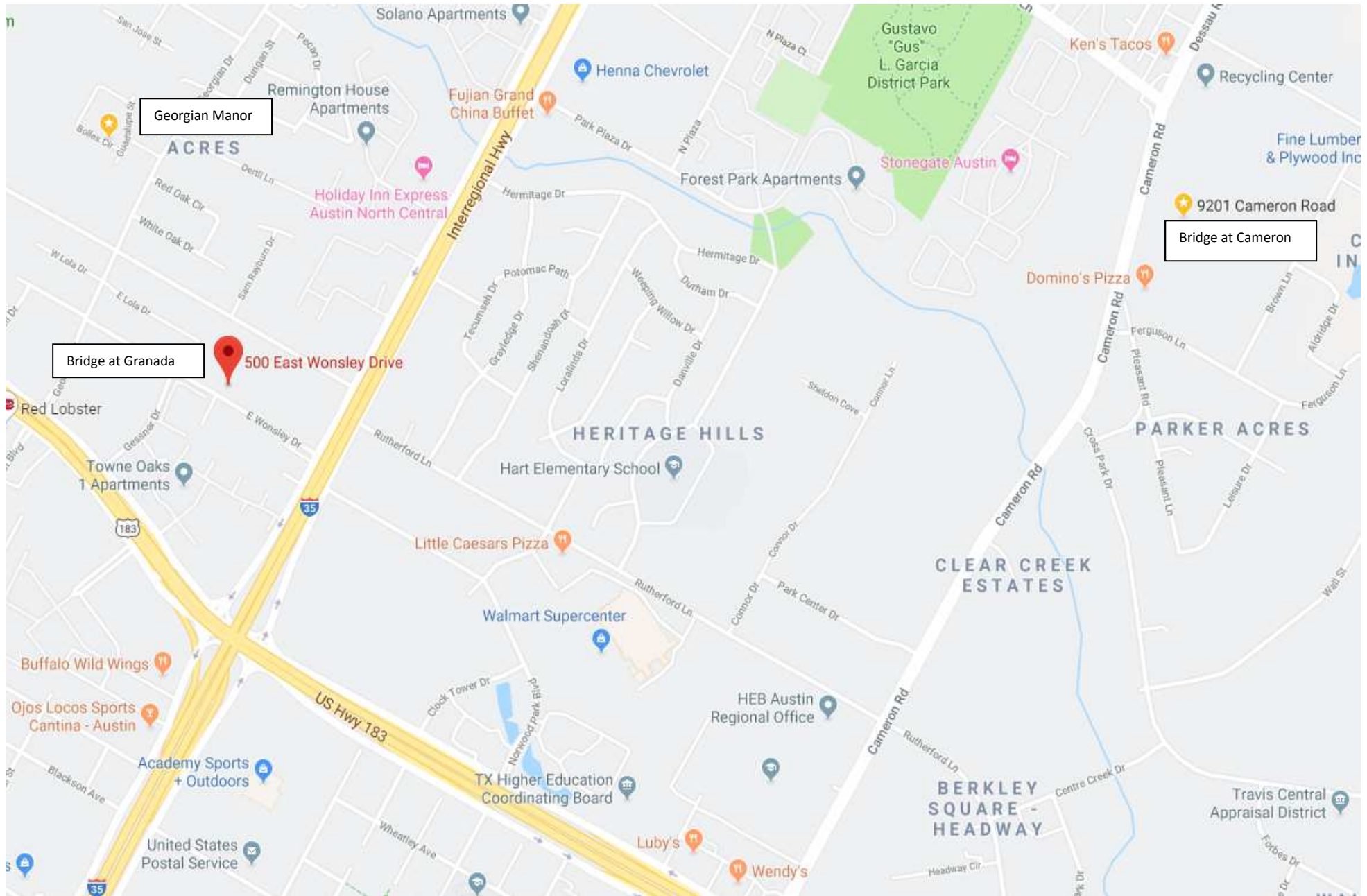
RESOLVED, that the Company be promptly notified in writing by the Secretary or any other officer of AAHC or any change in these resolutions, and until it has actually received such notice in writing, the Company is authorized to act in pursuance of these resolutions.

PASSED, APPROVED AND ADOPTED this 17th day of October, 2019.

Michael G. Gerber, Secretary

Tyra Duncan-Hall, President

[End of Resolution.]



AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00138

ITEM NO. 3.

MEETING DATE: October 17, 2019

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

ITEM TITLE: Presentation, Discussion, and Possible Action on Resolution No. 00138 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 refinancing of the Pathways at Thurmond Heights, which consists of affordable housing units and associated amenities built upon land ground leased from the Housing Authority of the City of Austin (the “Development”); (ii) cause AAHC’s subsidiary limited liability company, Pathways at Thurmond Heights, LLC (the “Owner”), to enter into a new loan for the Development and pay off existing debt; and (iii) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to approve Resolution No. 00138 which authorizes AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the refinancing of the Pathways at Thurmond Heights, which consists of affordable housing units and associated amenities built upon land ground leased from the Housing Authority of the City of Austin (the “Development”); (ii) cause AAHC’s subsidiary limited liability company, Pathways at Thurmond Heights, LLC (the “Owner”), to enter into a new loan for the Development and pay off existing debt; and (iii) 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.

SUMMARY

Background:

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

More importantly, the RAD program provides PHAs an opportunity to make substantial physical improvements to its properties, resulting in a higher quality of life for residents. Additionally, provisions with RAD ensure that existing residents are protected and enjoy more choices on where they wish to reside. The conversion process to RAD will allow each property to address the needed repairs and renovations determined by a third party physical needs assessment.

Throughout the first phase of HACA's RAD rehab work, Thurmond Heights units have been utilized as relocation "hotel" units in order to minimize the impact on HACA families and keep relocation costs down.

These "hotel" units remained in vacant status over an extended period to allow for the rotation of numerous temporarily relocated families from other properties. As a result, Pathways at Thurmond Heights, LLC., was unable to secure financing through Fannie Mae due to the number of units showing as vacant for underwriting purposes.

Process:

In order to facilitate the closing and conversion of Thurmond Heights Apartments to the Rental Assistance Demonstration Program (RAD), on September 20th, 2018, the Board of Directors of the Austin Affordable Housing Corporation (AAHC) approved a loan from Plains Capital Bank in an amount not to exceed \$5,000,000.

These funds were then loaned Pathways at Thurmond Heights, LLC. to cover the closing costs and initial replacement reserves required by the U.S. Department of Housing and Urban Development.

Thurmond Heights is now stable and able to meet the loan qualifications to achieve a Fannie Mae loan and AAHC will be able to pay off the existing loan with Plains Capital Bank.

The new loan, in an amount not to exceed \$6,300,000.00, will result in a much lower interest rate and will also allow the current secured property to this loan, Eastland Plaza to be debt free.

Staff Recommendation:

Board approval will allow AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the refinancing of the Pathways at Thurmond Heights, which consists of affordable housing units and associated amenities built upon land ground leased from the Housing Authority of the City of Austin (the "Development"); (ii) cause AAHC's subsidiary limited liability company, Pathways at Thurmond Heights, LLC (the "Owner"), to enter into a new loan for the Development and pay off existing debt; and (iii) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

RESOLUTION NO. 00138

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 refinancing of Pathways at Thurmond Heights, which consists of affordable housing units and associated amenities in Austin, Texas built upon land ground leased from the Housing Authority of the City of Austin (the “Development”);**
- 2. Cause AAHC’s subsidiary limited liability company, Pathways at Thurmond Heights, LLC (the “Owner”), to enter into a new loan for the Development and pay off existing debt; and**
- 3. Cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.**

WHEREAS, AAHC is the sole member of Owner;

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

WHEREAS, in connection with the acquisition and operation of the Development, the Owner obtained 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, in connection with the acquisition of the Development, the Owner obtained a loan in the principal amount of \$2,245,596 from AAHC (“**AAHC Loan**”);

WHEREAS, the Owner desires to refinance the Development and, in connection therewith, repay the AAHC Loan in full;

WHEREAS, in connection with the refinancing of the Development and related transactions contemplated herein, the Owner desires to enter into a loan with Bellwether Enterprise Mortgage Investments, LLC (or an affiliate thereof) (“**Lender**”), whereby the Owner will borrow a sum not to exceed \$7,000,000 (“**Bellwether Loan**”);

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, the Development contains units converted pursuant to the Rental Assistance Demonstration (**"RAD"**) Program administered by the United States Department of Housing and Urban Development (**"HUD"**), which RAD units were implemented 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) any modification or amendment to the Ground Lease which may be required by HUD or Lender, any modifications to the RAD Documents which may be required by HUD or Lender, 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 17th day of October, 2019.

Michael G. Gerber, Secretary

Tyra Duncan-Hall, President

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00139

ITEM NO. 4.

MEETING DATE: October 17, 2019

STAFF CONTACT: Suzanne Schwertner, Director of Development

ITEM TITLE: Presentation, Discussion, and Possible Action on Resolution No. 00139 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 of the Oaks on North Plaza, which consists of affordable housing units and associated amenities built upon land to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s wholly owned, subsidiary limited liability company, Oaks on North Plaza GP, LLC (the “General Partner”) to execute an amended and restated limited partnership agreement of Oaks on North Plaza, LP (the “Partnership”) and other related documents; (iii) 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. 00139 authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the development of the Oaks on North Plaza, which consists of affordable housing units and associated amenities built upon land to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s wholly owned, subsidiary limited liability company, Oaks on North Plaza GP, LLC (the “General Partner”) to execute an amended and restated limited partnership agreement of Oaks on North Plaza, LP (the “Partnership”) and other related documents; (iii) 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.

SUMMARY

Background:

Austin Affordable Housing Corporation is being presented with an opportunity to partner with The Related Affordable Companies (RA) on a purchase and rehab to extend the affordability of a 62 unit development located at 9125 North Plaza, Austin, Texas 78753 in Northeast Austin. The project (North Plaza Apartments)

consists of 16 one bedroom/one bath units; 40 two bedroom/two bath units; and 6 three bedroom/two bath 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. The nearest property in AAHC's current portfolio is Bridge at Cameron located at 9201 Cameron Road, Austin, TX 78754 (to the Southeast and under construction). The Board saw this project for the first time in the May 2019 for the Tax Credit Application Resolution and then again in June 2019 for the Bond Inducement Resolution.

Process:

The development will use a mixture of 4% tax credits and bonds to finance the redevelopment with a total project cost of approximately \$24,000,000. The redevelopment will include energy and water efficiency upgrades, improvements to resident amenities and quality of life and replacement of 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. 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.

Staff Recommendation:

Board approval will allow AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the development of the Oaks on North Plaza, which consists of affordable housing units and associated amenities built upon land to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC's wholly owned, subsidiary limited liability company, Oaks on North Plaza GP, LLC (the "General Partner") to execute an amended and restated limited partnership agreement of Oaks on North Plaza, LP (the "Partnership") and other related documents; (iii) 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.

ATTACHMENTS:

- ▣ **North Plaza Apartments Map**
- ▣ **Scope of Work North Plaza**

RESOLUTION NO. 00139

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 of the Oaks on North Plaza, which consists of affordable housing units and associated amenities built upon land to be ground-leased from the Housing Authority of the City of Austin;**
- 2. Cause AAHC’s wholly owned, subsidiary limited liability company, Oaks on North Plaza GP, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of Oaks on North Plaza, LP (the “Partnership”) and other related documents;**
- 3. 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 purpose of owning, developing, managing, and otherwise dealing with the Oaks on North Plaza, a 62-unit apartment complex (the “**Project**”) located on a parcel of land located in Austin, Travis County, Texas (the “**Land**”), and intended for rental to persons of low and moderate income;

WHEREAS, in connection with the development of the Project, the Partnership desires to obtain site control of the Land from the Housing Authority of the City of Austin (“**HACA**”), by entering into a ground lease (“**Ground Lease**”) with HACA for the Project;

WHEREAS, AAHC, the General Partner and Partnership desire to enter into certain equity documents for the purpose of admitting Wells Fargo Affordable Housing Community Development Corporation or an affiliate thereof as an investor limited partner to the Partnership, including an Amended and Restated Agreement of Limited Partnership for the Partnership (the “**Partnership Agreement**”);

WHEREAS, an application has been submitted to the United States Department of Housing and Urban Development (“**HUD**”) to permit the Partnership’s assumption of the existing

Section 8 Housing Assistance Payments (“**HAP**”) contract benefitting the Project and for the award of a new 20-year HAP contract in the Partnership’s name and, in connection with the approval therewith, the Partnership desires to (i) assume the HAP contract between HUD, the contract administrator named therein and the current owner of the Project, and (ii) enter into a new HAP contract and related documents, including but not limited to certifications, assignments and such other documents, all upon such terms and conditions as the Partnership deems reasonable (collectively, the “**HAP Documents**”);

WHEREAS, in connection with the proceedings relating to the issuance and delivery by the Austin Affordable PFC, Inc. (the “**Issuer**”) of its Multifamily Housing Revenue Bonds (Fannie Mae MBS Collateralized Pass-Through-Oaks on North Plaza), Series 2019 (the “**Bonds**”), pursuant to and in accordance with the terms of an Indenture of Trust (the “**Indenture**”) by and between the Issuer and the trustee named therein;

WHEREAS, in connection with the Bonds and the Indenture, the Partnership desires to enter into a Regulatory Agreement and Declaration of Restrictive Covenants, a Bond Purchase Agreement by and among the Partnership, the Issuer and Jefferies LLC, as underwriter of the Bonds, and other related certifications and documents, all upon such terms and conditions as the Partnership deems reasonable (the “**Bond Documents**”);

WHEREAS, the Partnership desires to enter into a loan with Wells Fargo Bank, National Association, whereby the Partnership will borrow a sum not to exceed \$15,000,000 (“**Wells Loan**”), in order to finance the acquisition, rehabilitation and equipping of the Project;

WHEREAS, the Wells Loan will be made pursuant to a promissory note to be secured, *inter alia*, by a leasehold 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 Wells Loan (collectively, the “**Wells Loan Documents**”);

WHEREAS, in connection with the transactions contemplated herein, the Partnership, General Partner and AAHC are required to enter into various documents which will evidence the same, including, but not limited to the Ground Lease, HAP Documents, Wells Loan Documents, Bond Documents and other security agreements, fixture filing statements, indemnity agreements, guaranties, development agreements, certificates, directions, approvals, waivers, notices, instruments and other communications as may be required by the parties (all of such documents collectively, the “**Financing Documents**”);

NOW, BE IT RESOLVED, that all of the documents, instruments, or other writing executed by AAHC (both individually and in a representative capacity as identified in these resolutions), in consummation of the transactions herein described (both individually and in a representative capacity as identified in these resolutions), including, but not limited to, (i) the

Financing Documents and (ii) any and all such additional documents executed to consummate the transactions contemplated herein (collectively, the "**Transaction Documents**") shall be in form and substance approved by the Executing Officer (as such term is hereinafter defined), both individually and in a representative capacity as identified in these resolutions, his/her approval of each such instrument to be conclusively evidenced by his execution thereof; and it is further,

RESOLVED, that AAHC (both individually and in a representative capacity as identified in these resolutions), review, execute and approve all other documents necessary to effectuate the foregoing transactions, all on such terms and containing such provisions as the Executing Officer shall deem appropriate, and the approval of the terms of each such instrument herein described by the Executing Officer shall be conclusively evidenced by his/her execution and delivery thereof; and it is further

RESOLVED, that the authorization of AAHC, Partnership and/or General Partner to enter into the Transaction Documents and that execution and delivery in the name and on behalf of AAHC and/or General Partner and/or the Partnership, by any of the officers of AAHC of the Transaction Documents, in the form as so executed and delivered is hereby approved, ratified and confirmed; and it is further

RESOLVED, that any officer of AAHC (each an "**Executing Officer**"), acting alone without the joinder of any other officer, is hereby authorized and directed for and on behalf, and as the act and deed of AAHC and/or General Partner and/or the Partnership, to execute and deliver all other documents and other writings of every nature whatsoever in connection with the development of the Project, including but not limited to, the Transaction Documents, as the Executing Officer deems necessary in order to carry into effect the intent and purposes of these resolutions, and any other instruments approved by the Executing Officer (acting in a representative capacity as identified in these resolutions, acting individually and on behalf of the General Partner), executing same, his/her approval of each such instrument to be conclusively evidenced by his/her execution thereof, and to take such other action in the consummation of the transactions herein contemplated as the Executing Officer acting shall deem to be necessary or advisable, without the necessity of attestation by the secretary or other officer or director, and any and all acts heretofore taken by the Executing Officer to such end are hereby expressly ratified and confirmed as the acts and deeds of AAHC and/or General Partner and/or Partnership, effective as of the date such action was taken; and it is further

RESOLVED, that action by any of the officers of AAHC, and any person or persons designated and authorized so to act by any such officer, to do and perform, or cause to be done and performed, in the name and on behalf of AAHC and/or General Partner and/or the Partnership, or the execution and delivery, or causing to be executed and delivered, such other security agreements, financing statements, notices, requests, demands, directions, consents, approvals, waivers, acceptances, appointments, applications, certificates, agreements, supplements, amendments, further assurances or other instruments or communications, in the

name and on behalf of AAHC or otherwise, as they, or any of them, may deem to be necessary or advisable in order to carry into effect the intent of the foregoing resolutions or to comply with the requirements of the instruments approved or authorized by the foregoing resolutions is hereby approved, ratified and confirmed; and it is further

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

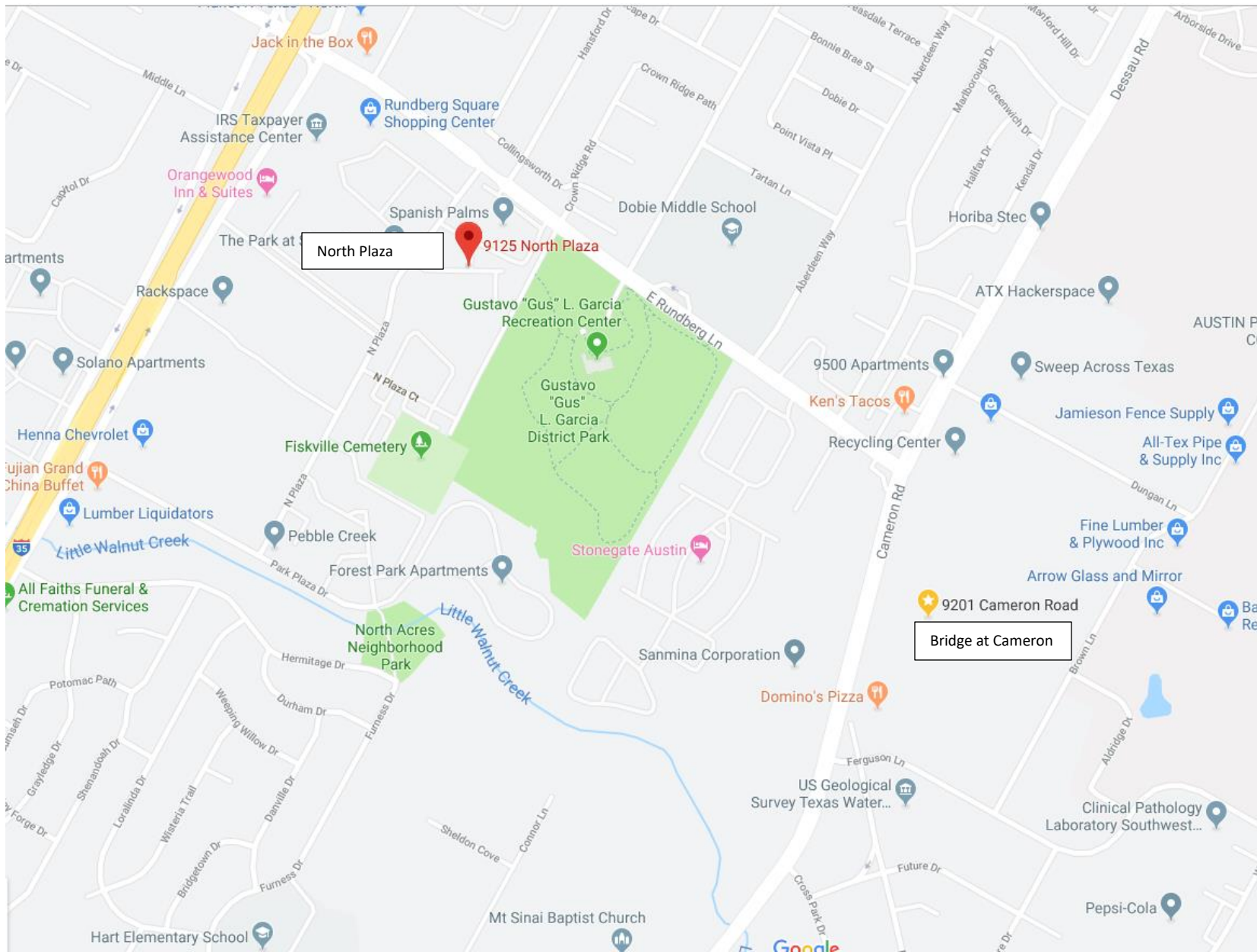
RESOLVED, that the Partnership be promptly notified in writing by the Secretary or any other officer of AAHC or any change in these resolutions, and until it has actually received such notice in writing, the Partnership is authorized to act in pursuance of these resolutions.

PASSED, APPROVED AND ADOPTED this 17th day of October, 2019.

PRESIDENT

ATTEST:

VICE PRESIDENT



Whitestone Construction Group, LLC.
Proposal For Renovation North Plaza Apartments
9125 N. Plaza
Austin, Tx. 78753

Units - 62 units Rehab Scope and Specifications

Item#	Description	Qty	Units
A	Site		
1	Remove & repair/replace existing damaged concrete sidewalks. Remove damaged curbing and replace with like profile.	1	TL
2	Mill existing parking lot and install new 2" asphalt overlay. Restripe parking spaces as necessary including ADA parking spaces.	1	TL
3	Demo curb and sidewalk and install double ADA ramp (starts at parking lot level and ramps up to sidewalk height in two directions). Includes new curbing.	2	EA
4	Dumpster enclosures.	2	EA
5	New monument property sign.	1	TL
Total for Site Work items			
B	Building Exteriors		
1	Siding and Trim Replacement: Type A Bldgs. - Replace siding, window and door trim with fiber cement sheet siding and trims (all soffit and fascias to remain). Type B and B-A Bldgs. - Remove stucco and sheathing down to studs. Install new OSB sheathing, moisture barrier, fiber cement sheet siding with flashing and vinyl H-channel molding. Replace all exterior window and door trim with fiber cement trim. (All existing lap siding, fascias and soffits to remain). Type BC Bldgs. - Replace existing sheet siding, window and door trim with fiber cement sheet siding and trims (existing lap siding, soffits and fascias to remain).	1	TL
2	Replace all windows with vinyl framed LOW-E double pane insulated glass windows. All first floor window sashes will have tempered glass on windows on first floor within 18" of finish floor height to meet code. Upstairs bedroom windows will be casement windows in order to meet egress requirements per code.	1	TL
3	Exterior Painting - Apartment buildings and leasing office. Pressurewash, prep and paint all previously painted exterior surfaces. Includes all existing lap siding, new siding and trims, fascias, doors, disconnect boxes, and vents.	1	TL
4	Replace gutters and downspouts and replace missing splash blocks.	1	TL
Total for Building Exterior Work items			
C	Unit Interiors		
1	Replace apartment front and rear entry door units including door hardware, viewer with knocker(6-panel metal door w/wood jamb).	124	EA
2	Replace apartment front and rear aluminum screen storm door units.	124	EA
3	Replace exterior storage closet and water heater door units.	84	EA
4	Replace refrigerators w/ Energy Star 18 CF refrigerator.	62	EA
5	Replace gas ranges.	62	EA
6	Replace Range Vent Hood.	62	EA
7	Provide 1.6 cu ft. countertop microwave.	62	EA
8	Remove and Replace all kitchen & bathroom cabinets including laminated counter tops in kitchens, cultured marble tops with integrated bowl in bathrooms with vanity cabinets. Install all new pantry and linen fronts.	62	UNITS
9	Replace double bowl stainless steel kitchen sink with strainer, faucet, new P-trap, angle stops, hot and cold water supply lines & garbage 1/3 HP disposal.	62	EA
10	Install new energy star dishwasher.	62	EA
11	Includes tub valve, trim and shower head.	62	EA
12	Replace all commodes with water efficient .8 gpf with seats.	102	EA
13	Replace all Bath accessories.	102	EA

14	Install new medicine cabinet.	102	EA
15	Replace bath lavatory faucet with new P-traps, supply lines and angle stops in bathrooms with new cultured marble counter tops.	64	EA
16	Replace wall hung bath lavatory sink with faucet with new P-traps, supply lines and angle stops in half baths.	38	EA
17	Apartment units - Install new Air Handler with evaporator coils, condensor (Energy Star rated-15 SEER), gas furnace (90% AFUE rated) - Install new copper line sets. Install new 2" PVC fresh air and exhaust venting with roof jack. Reuse all existing ductwork. Install new registers. Install new programable thermostat.	62	EA
18	Install new circuit and install disconnect for exterior condenser unit.	62	EA
19	Replace electrical breaker panel with arc fault breakers.	62	EA
20	Install dedicated circuit for water heater and dishwasher.	62	EA
21	Replace existing water heater with new Power Vent 40 gallon gas water heater (Rheem 42,000 BTU). Includes new overflow drain pan, gas valve and flex pipe, water valves (2ea), stainless steel supply lines (2ea) . Reuse existing vent piping. (does not includes expansion tank, water hammer arrestors). Add fresh air venting.	62	EA
22	Install venting for dryer.	62	EA
23	Paint interior units (does not include closet interiors in occupied units). Tenants to move all belongings and contents necessary to perform work.	62	UNITS
24	Replace all existing light fixtures with new energy star rated light fixtures. Replace ceiling fans at all existing locations with energy star rated light kits (L/R and B/R in 1B/R units only). Includes exterior entry porch and patio light fixtures. Replaces all plugs and switches including GFCI outlets in bathrooms (1Ea) and kitchens (3ea).	62	UNITS
25	Install E-Star combo light/exhaust fan in full baths and exhaust fan in half baths. Reuse existing vent piping.	62	UNITS
26	Replace existing hard wired smoke/CO detectors at existing locations in all units.	62	UNITS
27	Install lithium smoke/CO detectors in all bedrooms.	62	UNITS
28	Replaced damaged interior hollow core door units and paint.	250	EA
29	Install interior door hardware.	62	UNITS
30	Sheetrock repair - Electrical circuit and HVAC installation.	62	UNITS
31	Interior painting - Paint kitchens and bathrooms and touch up painting.	62	UNITS
32	Replace apartment unit mini-blinds with new horizontal 1" pvc mini-blinds.	1	TL
33	Flooring Replacement - Overlay units complete with Vinyl Plank. Install vinyl plank in all in common areas and in bedrooms upstairs. Install 1/4" round at all vinyl floor locations. Install new rubber stair treads on all steps. Tenants responsible to move all electronics and contents necessary to install flooring. WS to provide assistance with furniture moving in order to install flooring.	1	TL
34	Convert unit to ADA unit. Reconfigure walls, plumbing and electrical necessary for conversion.	2	EA
35	ADA Units - Additional Bedrooms	2	EA
36	Convert unit to visual and hearing impaired unit.	2	EA
Total for Building Interior Work items			

D	Common Areas		
1	Leasing Office Upgrades	1	TL
2	Landscaping	1	TL
3	Exterior Lighting Upgrades	1	TL
4	New Mailbox	1	TL

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00140

ITEM NO. 5.

MEETING DATE: October 17, 2019

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

ITEM TITLE: Presentation, Discussion, and Possible Action on Resolution No. 00140 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 acquisition, development and rehabilitation of Bridge at Bent Tree (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, AAHC Bridge at Bent Tree, 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

ACTION

The Board is being asked to approve Resolution No. 00140 authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the acquisition, development and rehabilitation of Bridge at Bent Tree (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, AAHC Bridge at Bent Tree, 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

SUMMARY

Background:

Austin Affordable Housing Corporation purchased Bent Tree Apartments located at 8405 Bent Tree Road, Austin, 78759 in August 2004. The project consists of 126 apartment units. The property has 70-one bedroom/one bath units, 40-two bedroom/one bath units, and 16-two bedroom/two bath units. Even though the property was one of our market rate acquisitions, the current household income breakdown is: 7% less than 30% AMI (\$28,770), 4% less than 40% AMI (\$38,360), 13% less than 50% AMI (\$47,950), 26% less

than 60% AMI (\$57,540), 26% less than 80% AMI (\$76,620) and 24% Greater than 80% AMI (\$76,621). The nearest property in AAHC's current portfolio is Bridge at Terracina just south of the property.

Process:

AAHC is seeking to refinance in an amount not to exceed \$4,000,000 the current balance of the loan, set up a capital reserve account and do some rehabilitation work to the property. Included in this scope of work would be replacing windows, roofs, gutters, 4-5 patios, sealcoat and restripe the parking lot and update handicapped access to common areas.

Bent Tree Apartments is the last property owned outright by AAHC. The refinance would change the ownership structure to a single purpose entity, where HACA would take ownership of the land and lease it back to the single purpose entity. This would be in line with the structure on all of AAHC's acquisition properties and would also impose income limits of 50% of units at 80% AMI and below. In January 30, 2019 HACA Board Work Session, the Board set out affordability goals for future acquisitions and developments for AAHC. By restricting 50% of units to 80% AMI and below, this falls in line with the goals of AAHC.

Staff Recommendation:

Board approval will allow AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the acquisition, development and rehabilitation of Bridge at Bent Tree (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, AAHC Bridge at Bent Tree, 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

ATTACHMENTS:

- ▣ **Bridge at Bent Tree Map**

RESOLUTION NO. 00140

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 acquisition, development and rehabilitation of Bridge at Bent Tree (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, AAHC Bridge at Bent Tree, 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 owns the Development and is contemplating the 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, AAHC desires to transfer the land comprising the site of the Development (the “**Land**”) to the Housing Authority of the City of Austin (“**HACA**”), and to convey the improvements comprising the Development to the Owner via a bill of sale;

WHEREAS, in connection with the acquisition and operation of the Development, the Owner desires to obtain site control of the Land from 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 \$4,000,000 (“**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"**);

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 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 17th day of October, 2019.

Michael G. Gerber, Secretary

Tyra Duncan-Hall, President

