

AUSTIN AFFORDABLE HOUSING CORPORATION



BOARD OF DIRECTORS Regular Meeting

**Thursday, November 21, 2019
12:00 PM**

**The Bridge at Asher Apartments Club Room
10505 S. IH 35
Austin, TX**

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

**TO BE HELD AT
The Bridge at Asher Apartments Club Room
10505 S. IH 35
Austin, TX
(512.477.4488)**

Thursday, November 21, 2019

12:00 PM

CALL TO ORDER, ROLL CALL

CERTIFICATION OF QUORUM

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 October 17, 2019

ACTION ITEMS

2. Presentation, Discussion, and Possible Action regarding Resolution No. 00141 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 Canyon View 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, Bridges at Canyon View GP, LLC (the “General Partner”) to execute an amended and restated limited partnership agreement of Bridges at Canyon View, 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
3. Presentation, Discussion, and Possible Action regarding Resolution No. 00142 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 Estates at Norwood, 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, LDG Estates at Norwood GP, LLC (the “General Partner”) to execute an amended and restated limited partnership agreement of LDG Estates at Norwood, 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

EXECUTIVE SESSION

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

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

OPEN SESSION

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

REPORTS

The Board accepts the following reports:

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

ADJOURNMENT

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

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

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

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

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

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

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

ITEM NO. 1.

MEETING DATE: November 21, 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 October 17, 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 October 17, 2019.

ATTACHMENTS:

- ▣ **20191017 AAHC Minutes Summary**

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

OCTOBER 17, 2019

SUMMARY OF MINUTES

THE AUSTIN AFFORDABLE HOUSING CORPORATION (AAHC) BOARD OF DIRECTORS PUBLIC MEETING NOTICE WAS POSTED FOR 12:00 NOON ON THURSDAY, OCTOBER 17, 2019, AND WAS HELD AT THE CHALMERS COURTS, 1638 E. 2ND STREET, AUSTIN, TX

CALL TO ORDER, ROLL CALL, CERTIFICATION OF QUORUM

The Board of Directors Regular Board Meeting of the Austin Affordable Housing Corporation, of October 17, 2019, was called to order by Carl S. Richie, Jr., HACA Chairperson, at 12:29 p.m. The meeting was held at the Chalmers Courts, 1638 E. 2nd Street, Austin, TX

Roll call certified a quorum was present.

MEMBERS PRESENT:

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

MEMBER(S) ABSENT:

STAFF PRESENT:

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

ALSO IN ATTENDANCE:

Bill Walter, 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 August 29, 2019

Vice-President Apostolou moved to Approve the Board Minutes Summary for the Board Meeting held on August 29, 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. 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

Austin Affordable Housing Corporation was presented with an opportunity to partner with JCI Residential LLC on a 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 projects in the current AAHC

portfolio are Pathways at Georgian Manor to the northwest and Bridge at Cameron to the Northeast.

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

Board approval will allow AAHC to execute any and all documents, or take any other action, that is necessary or desirable to facilitate the development of the Bridge at Granada Apartments.

Director Bailey moved to Approve 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 in an amount not to exceed \$26,000,000. **Vice-President Apostolou seconded the motion.** The motion Passed (5-Ayes and 0-Nays).

ITEM 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

The Rental Assistance Demonstration (RAD) Program was authorized by the Consolidated and Further Continuing Appropriations Act of 2012 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.

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.

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.

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.

Vice-President Apostolou moved to Approve 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

October 17, 2019

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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 in an amount not to exceed \$6,300,000.00. **President Duncan-Hall seconded the motion.** The motion Passed (5-Ayes and 0-Nays).

ITEM 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 groundleased 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

Austin Affordable Housing Corporation was 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.

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.

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.

Vice-President Apostolou moved to Approve 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 groundleased 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 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 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

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 AAHC 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.

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 out right 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.

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.

President Duncan-Hall moved to Approve 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 in an amount not to exceed \$4,000,000. **Vice-President Apostolou seconded the motion.** The motion Passed (5-Ayes and 0-Nays).

THE BOARD DID NOT RECESS INTO EXECUTIVE SESSION.

ADJOURNMENT

2nd Vice-President Carrington moved to Adjourn the meeting. **Vice-President Apostolou** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

The meeting adjourned at 2:51 p.m.

Michael G. Gerber, Secretary

Dr. Tyra Duncan-Hall, President

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00141

ITEM NO. 2.

MEETING DATE: November 21, 2019

STAFF CONTACT: Suzanne Schwertner, Director of Development

ITEM TITLE: Presentation, Discussion, and Possible Action regarding Resolution No. 00141 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 Canyon View 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, Bridges at Canyon View GP, LLC (the “General Partner”) to execute an amended and restated limited partnership agreement of Bridges at Canyon View, 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. 00141 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 Canyon View 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, Bridges at Canyon View GP, LLC (the “General Partner”) to execute an amended and restated limited partnership agreement of Bridges at Canyon View, 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 has been presented an opportunity to partner with LDG Development LLC on a certain 26.3 acre tract of land located at 4506 E. William Cannon Drive, Austin, Texas 78744. The project (Bridge at Canyon View) will consist of 215 family apartment units serving

residents at or below 60% Area Median Income. The board has seen this project three times before: December 2016 for the bond inducement and 3 year carryforward resolution, March 2017 for the Public Hearing and March 2019 for the Tax Credit Application Resolution. The project was originally envisioned as a senior property, but when HUD changed their minimum qualifying senior age from 55 and above to 62 and above, it was determined that the demand was not as favorable for this project. In further research, market studies showed a higher demand and need for family units in the area. This research and eventual change (including configuration and unit count adjustment) is the reason for the additional time between presentations to the board. The two closest current projects AAHC owns are Urban Oaks and Bridge at South Point to the West.

Process:

The development will use a mix of 4% tax credits and bonds to finance the construction with a total project cost of approximately \$53,000,000. The planned development will consist of 71 one bedroom/one bath units, 54 two bedroom/two bath units and 90 three bedroom/two bath units. As with all AAHC properties, 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 \$25,000,000 and a taxable tail 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 Median Income, the Bridge at Canyon View meets these targeted affordability goals.

Unit Breakdown:

- 71 1-bedroom/1-bath 713-718 sq ft
- 54 2-bedroom/2-bath 949-954 sq ft
- 90 3-bedroom/2-bath 1,265-1,270 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 Canyon View 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, Bridges at Canyon View GP, LLC (the "General Partner") to execute an amended and restated limited partnership agreement of Bridges at Canyon View, 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:

- ▣ **Bridge at Canyon View Map**

RESOLUTION NO. 00141

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 Canyon View Apartments, which consists of affordable housing units and associated amenities developed upon property to be ground-leased from the Housing Authority of the City of Austin;**
- 2. Cause AAHC’s wholly owned, subsidiary limited liability company, Bridges at Canyon View GP, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of Bridges at Canyon View, 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 Bridge at Canyon View Apartments, a 215-unit apartment complex (the “**Project**”) under development on a parcel of land located in Austin, Travis County, Texas (the “**Land**”), and intended for rental to persons of low and moderate income;

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

WHEREAS, AAHC, the General Partner and Partnership desire to enter into certain equity documents for the purpose of admitting one or more affiliates of Citibank, N.A., a national banking association (collectively, the “**Citibank Parties**”), as limited partners to the Partnership, including an Amended and Restated Agreement of Limited Partnership for the Partnership (the “**Partnership Agreement**”);

WHEREAS, in connection with the proceedings relating to the issuance and delivery by Austin Affordable PFC, Inc. (the “**Governmental Lender**”) of its Multifamily Housing Revenue Bonds (The Bridge at Canyon View Apartments) Series 2019A in the original principal amount of \$25,000,000 and pursuant to a Promissory Note in the same amount (the “**2019A Bond Note**”) loan the associated bond proceeds to the Partnership (the “**2019A**

Bond Loan”);

WHEREAS, in connection with the proceedings relating to the issuance and delivery by the Governmental Lender of its Taxable Multifamily Housing Revenue Bonds (The Bridge at Canyon View Apartments) Series 2019B in the original principal amount not to exceed \$16,000,000 and pursuant to a Promissory Note in the same amount (the “**2019B Bond Note**”) loan the associated bond proceeds to the Partnership (the “**2019B Bond Loan**”, and together with the 2019A Bond Loan, the “**Bond Loans**”);

WHEREAS, the 2019A Bond Loan and the 2019B Bond Loan will be subject to the terms of a Trust Indenture (the “**Indenture**”) by and between the Governmental Lender and the trustee named therein, a Loan Agreement (the “**Loan Agreement**”) by and between the Partnership and Governmental Lender, fee and leasehold deed of trust by the Partnership and HACA in favor of the trustee named therein (“**Deed of Trust**”), a Land Use Restriction Agreement by and among the Governmental Lender, the Partnership, and the trustee named therein (“**Regulatory Agreement**”), and the Bond Loans shall be additionally secured by UCC financing statements, certificates, affidavits, directions, amendments, indemnifications, notices, requests, demands, waivers, and any other assurances, instruments, or other communications executed in the name of and on behalf of the Partnership as may be deemed to be necessary or advisable in order to carry into effect or to comply with the requirements of the instruments approved or authorized by these resolutions in connection with the Bond Loans (collectively, along with the 2019A Bond Note and the 2019B Bond Note, the “**Bond Documents**”);

WHEREAS, in connection with the transactions contemplated herein, the Partnership, General Partner and AAHC are required to enter into various documents which will evidence the same, including, but not limited to the Ground Lease, Partnership Agreement, Bond Documents, 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, General Partner and/or Partnership to enter into the Transaction Documents and that execution and delivery in the name and on behalf of AAHC and/or 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

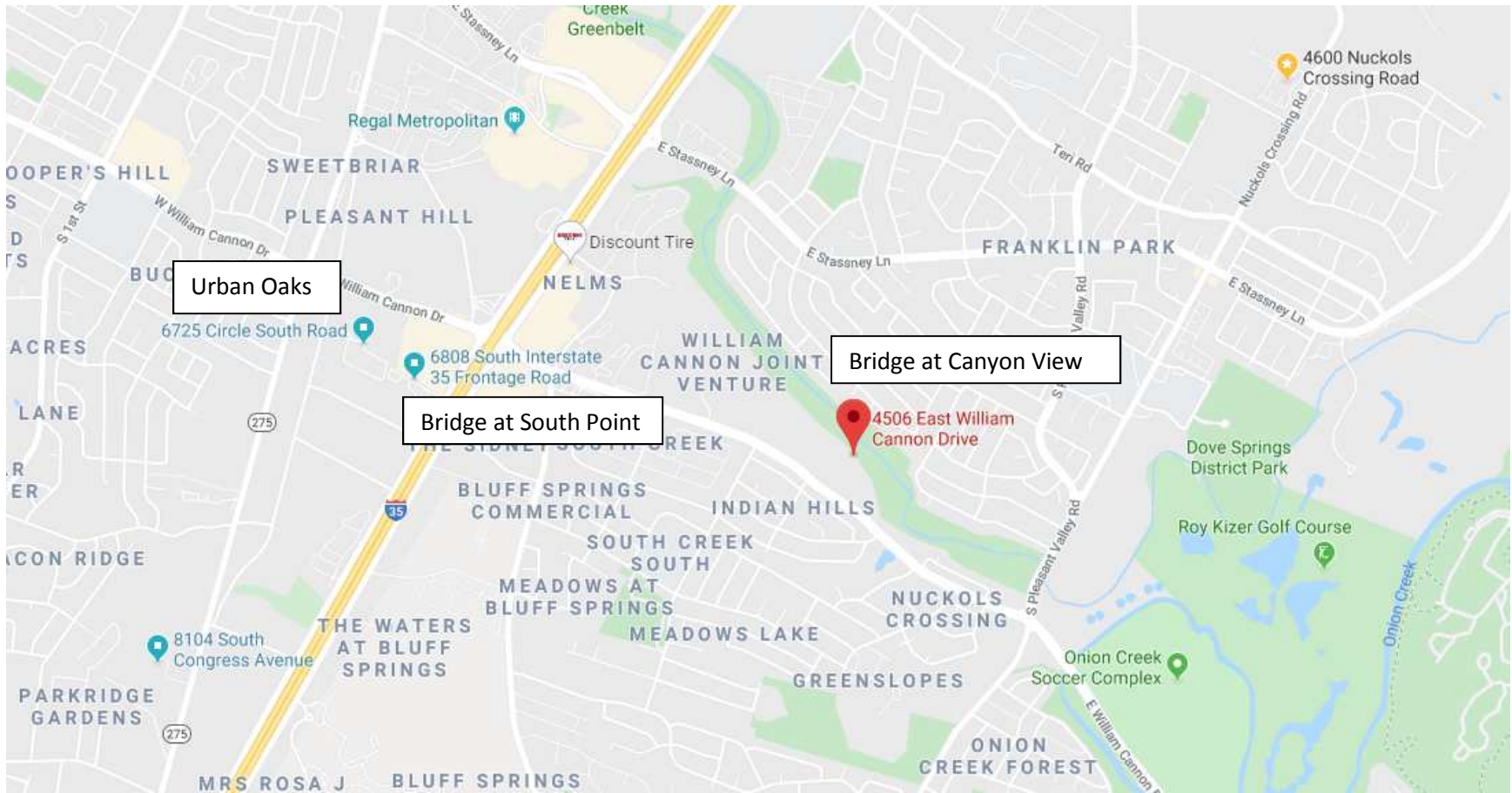
RESOLVED, that the Partnership be promptly notified in writing by the Secretary or any other officer of AAHC or any change in these resolutions, and until it has actually received such notice in writing, the Partnership is authorized to act in pursuance of these resolutions.

PASSED, APPROVED AND ADOPTED this 21st day of November, 2019.

Chairperson

ATTEST:

Michael G. Gerber, Secretary



AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00142

ITEM NO. 3.

MEETING DATE: November 21, 2019

STAFF CONTACT: Suzanne Schwertner, Director of Development

ITEM TITLE: Presentation, Discussion, and Possible Action regarding Resolution No. 00142 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 Estates at Norwood, 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, LDG Estates at Norwood GP, LLC (the “General Partner”) to execute an amended and restated limited partnership agreement of LDG Estates at Norwood, 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. 00142 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 Estates at Norwood, 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, LDG Estates at Norwood GP, LLC (the “General Partner”) to execute an amended and restated limited partnership agreement of LDG Estates at Norwood, 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 has been presented an opportunity to partner with LDG Development LLC on a certain tract of land located at 916 & 918 Norwood Park Blvd, Austin, Texas 78753. The project (Estates at Norwood) will consist of 228 family apartment units serving residents at or below 60% Area Median Income. The board has seen this project three times before: November 2018 for the bond

inducement resolution, February 2019 the Tax Credit Application Resolution, and July 2019 to amend the Inducement Resolution. The two closest current projects AAHC owns are Bridge at Granada to the Northeast and HACA RAD PBRA property Pathways at Georgian Manor farther Northeast.

Process:

The development will use a mix of 4% tax credits and bonds to finance the construction with a total project cost of approximately \$44,000,000. The planned development will consist of 36 one bedroom/one bath units, 108 two bedroom/two bath units and 84 three bedroom/two bath units. As with all AAHC properties, 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 \$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 Median Income, the Bridge at Canyon View meets these targeted affordability goals.

Unit Breakdown:

36 1-bedroom/1-bath 806 sq ft
108 2-bedroom/2-bath 1,033 sq ft
84 3-bedroom/2-bath 1,202 sq ft

Staff Recommendation:

Board approval will authorize AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the development of the Estates at Norwood, 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, LDG Estates at Norwood GP, LLC (the "General Partner") to execute an amended and restated limited partnership agreement of LDG Estates at Norwood, 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:

- ▣ **Estates at Norwood Map**

RESOLUTION NO. 00142

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 Estates at Norwood, which consists of affordable housing units and associated amenities to be developed upon property to be ground-leased from the Housing Authority of the City of Austin;**
- 2. Cause AAHC’s wholly owned, subsidiary limited liability company, LDG Estates at Norwood GP, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of LDG Estates at Norwood, 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 Estates at Norwood, a 228-unit apartment complex (the “**Project**”) under development on a parcel of land located at 916 and 918 Norwood Park Boulevard) 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 one or more affiliates of Enterprise Housing Credit Investments, LLC (collectively, the “**Enterprise Parties**”), as limited partners to the Partnership, including an Amended and Restated Agreement of Limited Partnership for the Partnership (the “**Partnership Agreement**”);

WHEREAS, in connection with the proceedings relating to the issuance and delivery by the Austin Affordable PFC, Inc. (the “**Governmental Lender**”) of its Multifamily Housing Governmental Note (Estates at Norwood Apartments) Series 2019A-1 and Multifamily

Housing Governmental Note (Estates at Norwood Apartments) Series 2019A-2 (the “**Governmental Notes**”) in the aggregate principal amount of \$35,000,000, pursuant to and in accordance with the terms of a Funding Loan Agreement (the “**Funding Loan Agreement**”) by and between the Governmental Lender, BOKF, NA, as fiscal agent (the “**Fiscal Agent**”), and Citibank, N.A. (“**Citibank**”);

WHEREAS, in connection with the issuance of the Governmental Notes, the proceeds will be loaned to the Partnership pursuant to a Borrower Loan Agreement, between the Governmental Lender and Borrower (the “**Borrower Loan Agreement**”).

WHEREAS, in connection with the Borrower Loan Agreement, the Governmental Notes and the Funding Loan Agreement, the Partnership desires to enter into a tax regulatory agreement, and other related certifications and documents, all upon such terms and conditions as the Partnership deems reasonable (collectively, the “**Tax-Exempt Loan Documents**”);

WHEREAS, in connection with the development of the Project, the Partnership desires to obtain an additional loan from Citibank, which shall be used for the development of the Project and shall not exceed \$5,000,000.00 (the “**Citi Loan**”) and in connection therewith, Citi will require the Partnership to execute a promissory note, loan agreement, deed of trust, assignments, and certain other documents evidencing and/or securing the Citi Loan (the “**Citi Documents**”);

WHEREAS, in connection with the transactions contemplated herein, the Partnership, General Partner and AAHC are required to enter into various documents which will evidence the same, including, but not limited to the Ground Lease, Partnership Agreement, Tax-Exempt Loan Documents, Citi 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/her 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.

[Remainder of page intentionally left blank for signature]

PASSED, APPROVED AND ADOPTED this 21st day of November, 2019.

Chairperson

ATTEST:

Michael G. Gerber, Secretary

