

**AUSTIN AFFORDABLE  
PFC, INC.**

**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 PFC, INC.**

**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. 00060: authorizing the issuance, sale and delivery of Multifamily Housing Revenue Bonds (The Bridge at Canyon View Apartments), Series 2019A and Taxable Multifamily Housing Revenue Bonds (The Bridge at Canyon View Apartments), Series 2019B; authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily residential rental development; and containing other provisions relating to the subject.
3. Presentation, Discussion, and Possible Action regarding Resolution No. 00061: authorizing the issuance, sale and delivery of Multifamily Housing Governmental Note (Estates at Norwood), Series 2019; authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily residential rental development; and containing other provisions relating to the subject

**EXECUTIVE SESSION**

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

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

**OPEN SESSION**

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

## **REPORTS**

The Board accepts the following reports:

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

## **ADJOURNMENT**

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

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

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

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

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

The Housing Authority of the City of Austin is committed to compliance with the Americans with Disability Act. Reasonable modifications and equal access to the communications will be provided upon request. Meeting locations are planned with wheelchair access. If requiring Sign Language Interpreters or alternative formats, please give notice at least 2 days (48 hours) before the meeting date. Please call Judy Paciocco or Nidia Hirons 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 Hirons at 512.477.4488 x2104.

**AUSTIN AFFORDABLE PFC, INC.**

**BOARD ACTION REQUEST**

**ITEM NO. 1.**

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**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 AAPFC Minutes Summary**

**AUSTIN AFFORDABLE PFC, INC.  
BOARD OF DIRECTORS  
REGULAR MEETING**

**OCTOBER 17, 2019**

**SUMMARY OF MINUTES**

**THE AUSTIN AFFORDABLE PFC., INC. (AAPFC) BOARD OF DIRECTORS PUBLIC MEETING NOTICE WAS POSTED FOR 12:00 NOON ON THURSDAY, OCTOBER 17, 2019, AND WAS HELD AT THE PATHWAYS AT CHALMERS COURTS SOUTH, 1638 E. 2<sup>ND</sup> STREET, AUSTIN, TX**

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

The Board of Directors Regular Board Meeting of the Austin Affordable PFC, Inc., 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 Pathways at Chalmers Courts South, 1638 E. 2<sup>nd</sup> Street, Austin, TX

Roll call certified a quorum was present.

**MEMBERS PRESENT:**

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

**MEMBER(S) ABSENT:**

**STAFF PRESENT:**

Andrea Galloway, Ann Gass, Kelly Crawford, Ken Bodden, Leilani Lim-Villegas, Lisa Garcia, Martha Ross, Michael 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 June 26, 2019**

2<sup>nd</sup> Vice-President Carrington moved to Approve the Board Minutes Summary for the Board Meeting held on June 26, 2019. Vice-President Apostolou seconded the motion. The motion Passed (5-Ayes and 0-Nays).

**ACTION ITEMS**

**APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS**

**ITEM 2: Presentation, Discussion, and Possible Action on Resolution No. 00056: authorizing the issuance, sale and delivery of Multifamily Housing Revenue Bonds (Bridge at Granada Apartments), Series 2019; authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily residential rental development; and containing other provisions relating to the subject**

Austin Affordable Housing Corporation was presented 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 current projects in AAHC's current 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 authorize the issuance, sale and delivery of Multifamily Housing Revenue Bonds (Bridge at Granada Apartments), Series 2019; authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily residential rental development; and containing other provisions relating to the subject.

**Vice-President Apostolou** moved to Approve Resolution No. 00056: authorizing the issuance, sale and delivery of Multifamily Housing Revenue Bonds (Bridge at Granada Apartments), Series 2019; authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily residential rental development; and containing other provisions relating to the subject in an amount not to exceed \$26,000,000. **Director Bailey** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

**ITEM 3: Presentation, Discussion, and Possible Action on Resolution No. 00057: authorizing the issuance, sale and delivery of Multifamily Housing Revenue Bonds (Fannie Mae MBS Collateralized Pass-Through - Oaks on North Plaza), Series 2019; authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily residential rental development; and containing other provisions relating to the subject**

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 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 the issuance, sale and delivery of Multifamily Housing Revenue Bonds (Fannie Mae MBS Collateralized Pass-Through - Oaks on North Plaza), Series 2019; authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily residential rental development; and containing other provisions relating to the subject.

**2<sup>nd</sup> Vice-President Carrington** moved to Approve Resolution No. 00057: authorizing the issuance, sale and delivery of Multifamily Housing Revenue Bonds (Fannie Mae MBS Collateralized Pass-Through - Oaks on North Plaza), Series 2019; authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily residential rental development; and containing other provisions relating to the subject in an amount not to exceed \$15,000,000. **Vice-President Apostolou** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

**ITEM 4: Presentation, Discussion, and Possible Action on Resolution No. 00058: Resolution declaring intent to issue bonds to provide financing for a multifamily residential rental development for persons of low and moderate income (The Estates at Owen Tech); prescribing certain terms and conditions of such bonds; authorizing the filing of an application for allocation of private activity bonds with the Texas Bond Review Board; and containing other provisions relating to the subject**

Austin Affordable Housing Corporation was presented with a new opportunity to partner with Generation Housing Development out of Dallas, Texas on a property located at 14011 Owen Tech Blvd, Austin, TX 78728 (northwest quadrant of Owen Tech Blvd and Interstate 35) located in the Travis County ETJ.

The project (The Estates at Owen Tech) consists of 174 senior apartment units serving tenants at 60% area median family income. The nearest properties in AAHC's current portfolio (all family sites) are: Park at Summers Grove (to the West) and Preserve at Wells Branch (to the North). The Board has seen this property once before in June of 2019 to approve the Tax Credit

Application Resolution and a Bond Inducement Resolution with the incorrect amount.

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

HACA, through its Public Facility Corporation will issue tax-exempt bonds in an amount not to exceed \$20,000,000. In the January 30, 2019 HACA Board Work Session, the Board set out affordability goals for future acquisitions and developments for AAHC. By serving seniors with incomes at 60% and below Area Family Median Income, The Estates at Owen Tech meets these targeted affordability goals.

Unit Breakdown:

102 1-bedroom/1-bath units 72 2-bedroom/2-bath units

Board Approval will allow AAHC to file an application for allocation of private activity bonds with the Texas Bond Review Board. Staff will bring this matter back to the Board for final approval to proceed.

**Vice-President Apostolou** moved to Approve Resolution No. 00058: Resolution declaring intent to issue bonds to provide financing for a multifamily residential rental development for persons of low and moderate income (The Estates at Owen Tech); prescribing certain terms and conditions of such bonds; authorizing the filing of an application for allocation of private activity bonds with the Texas Bond Review Board; and containing other provisions relating to the subject in an amount not to exceed \$20,000,000. **2<sup>nd</sup> Vice-President Carrington** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

**ITEM 5: Presentation, Discussion, and Possible Action on Resolution No. 00059: Resolution ratifying the current list of officers of Austin Affordable PFC, Inc.**

Since the adoption of the Austin Affordable PFC, Inc. By-laws there have been no resolutions ratifying the officers. This resolution will clearly state the officers with signing authority for any questions by lenders, Bond Review Board or the Attorney General.

Board approval will ratify the officers for Austin Affordable PFC, Inc.

The following named individuals (each, an “**Officer**”) have been duly appointed and are now fulfilling the offices set forth after their names, with all the powers attached thereto:

Name	Position
Michael Gerber	President
Ron Kowal	Vice-President and Secretary
Martha Ross	Treasurer

**2<sup>nd</sup> Vice-President Carrington** moved to Approve Resolution No. 00059: Resolution ratifying the current list of officers of Austin Affordable PFC, Inc. **Vice-President Apostolou** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

**THE BOARD DID NOT RECESS INTO EXECUTIVE SESSION.**

**ADJOURNMENT**

**2<sup>nd</sup> 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 2:34 p.m.

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**Michael G. Gerber, Secretary**

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

**AUSTIN AFFORDABLE PFC, INC.**

**BOARD ACTION REQUEST**

**RESOLUTION NO. 00060**

**ITEM NO. 2.**

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**MEETING DATE:** November 21, 2019

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

**ITEM TITLE:** Presentation, Discussion, and Possible Action regarding Resolution No. 00060: authorizing the issuance, sale and delivery of Multifamily Housing Revenue Bonds (The Bridge at Canyon View Apartments), Series 2019A and Taxable Multifamily Housing Revenue Bonds (The Bridge at Canyon View Apartments), Series 2019B; authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily residential rental development; and containing other provisions relating to the subject.

**BUDGETED ITEM:** N/A

**TOTAL COST:** N/A

**ACTION**

The board is being asked to approve Resolution No. 00060 authorizing the issuance, sale and delivery of Multifamily Housing Revenue Bonds (The Bridge at Canyon View Apartments), Series 2019A and Taxable Multifamily Housing Revenue Bonds (The Bridge at Canyon View Apartments), Series 2019B; authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such Multifamily Residential Rental Development; and containing other provisions relating to the subject.

**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 authorization of the issuance, sale and delivery of Multifamily Housing Revenue Bonds (The Bridge at Canyon View Apartments), Series 2019A and Taxable Multifamily Housing Revenue Bonds (The Bridge at Canyon View Apartments), Series 2019B; authorization of the execution and delivery of documents and instruments necessary to carry out the financing of such Multifamily Residential Rental Development; and containing other provisions relating to the subject.

**ATTACHMENTS:**

- ▣ **Exhibit to Resolution**

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**RESOLUTION NO. 00060**

**RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS (THE BRIDGE AT CANYON VIEW APARTMENTS) SERIES 2019A AND TAXABLE MULTIFAMILY HOUSING REVENUE BONDS (THE BRIDGE AT CANYON VIEW APARTMENTS) SERIES 2019B; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS AND INSTRUMENTS NECESSARY TO CARRY OUT THE FINANCING OF SUCH MULTIFAMILY RESIDENTIAL RENTAL DEVELOPMENT; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT.**

**WHEREAS**, Austin Affordable PFC, Inc. (the “Issuer”) has been duly created and organized pursuant to and in accordance with the provisions of the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the “Act”), for the purpose of assisting the Housing Authority of the City of Austin (the “Sponsor”) in financing, refinancing or providing public facilities; and

**WHEREAS**, the Act authorizes the Issuer: (a) to make loans to any person to provide financing for rental residential developments located within the corporate limits of the City of Austin, Texas (the “City”), and intended to be occupied substantially (at least 90 percent) by persons of low and moderate income, as determined by the Issuer; (b) to issue its revenue bonds for the purpose of obtaining moneys to make such loans and provide such financing, to establish necessary reserve funds and to pay administrative costs and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues, receipts or resources of the Issuer, including the revenues and receipts to be received by the Issuer from or in connection with such loans, and to mortgage, pledge or grant security interests in such loans or other property of the Issuer in order to secure the payment of the principal or redemption price of and interest on such bonds; and

**WHEREAS**, the Board of Directors of the Issuer (the “Board”) has determined to authorize the issuance, sale and delivery of its Multifamily Housing Revenue Bonds (The Bridge at Canyon View Apartments) Series 2019A and its Taxable Multifamily Housing Revenue Bonds (The Bridge at Canyon View Apartments) Series 2019B (collectively, the “Bonds”), pursuant to and in accordance with the terms of a Trust Indenture, dated on or about of December 1, 2019 (the “Indenture”), between the Issuer and BOKF, NA, as trustee (the “Trustee”), for the purpose of lending the proceeds thereof to Bridges at Canyon View, LP, a Texas limited partnership (the “Borrower”), to provide financing for the acquisition and construction of a multifamily housing residential rental development known as the Bridge at Canyon View Apartments, located within the City of Austin at approximately 4506 E. William Cannon Drive, Austin, Texas 78744 and described more fully on Exhibit A attached hereto (the “Project”), all in accordance with the Constitution and laws of the State of Texas; and

**WHEREAS**, the Board, by resolution adopted on December 15, 2016, declared its intent to issue its revenue bonds to provide financing for the Project; and

**WHEREAS**, in order to assist in carrying out the acquisition, construction and equipping of the Project, the Board has determined that the Issuer shall enter into a Loan Agreement (the “Agreement”), with the Borrower, pursuant to which (i) the Issuer will agree to make a mortgage loan funded with the proceeds of the Bonds (the “Mortgage Loan”) to the Borrower to enable the Borrower to finance costs of the acquisition, construction and equipping of the Project and related costs, and (ii) the Borrower will execute and deliver a promissory note (the “Note”) in an original principal amount equal to the original aggregate principal amount of the Bonds, and providing for payment of interest on such principal amount equal to the interest on the Bonds and to pay other

costs described in the Agreement; and

**WHEREAS**, in order to assure compliance with Section 142(d) of the Internal Revenue Code of 1986, as amended (the “Code”), the Issuer will require the Borrower to enter into a Land Use Restriction Agreement, dated on or about December 1, 2019 (the “Regulatory Agreement”) with respect to the Project; and

**WHEREAS**, the Board desires to ratify certain other actions heretofore taken with respect to the Bonds; and

**WHEREAS**, the Issuer desires to authorize the Trustee to invest and reinvest the proceeds of the Bonds and all other funds received and held under the Agreement; and

**WHEREAS**, Section 147(f) of the Code requires that the Bonds be approved by the “applicable elected representative” (the “AER”) after a public hearing following reasonable public notice; and

**WHEREAS**, with respect to bonds issued by the Issuer, the AER is the Mayor of the City; and

**WHEREAS**, notice of a public hearing with respect to the Bonds and the Project held by the Issuer on July 11, 2017, was published no less than 14 days before such date in a newspaper of general circulation available to residents within the City; and

**WHEREAS**, the Board held such public hearing on the date and at the time and place set out in such published notice, and conducted such hearing in a manner that provided a reasonable opportunity for persons with differing views on the issuance of the Bonds and the Project to be heard; and

**WHEREAS**, the Board has determined to provide financing for the Project in accordance with the Agreement, the Bonds, the Regulatory Agreement (all documents in such form as approved by the officers of the Issuer and its advisors), by authorizing the issuance of the Bonds, the execution and delivery or acceptance, as appropriate, of such documents and the taking of such other actions as may be necessary or convenient;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF AUSTIN AFFORDABLE PFC, INC. THAT:**

Section 1.--Public Hearing. The Board hereby finds, determines, recites and declares that a public hearing with respect to the Bonds and the Project was held on July 11, 2017; that notice of such public hearing was published no less than 14 days before such date in a newspaper of general circulation available to residents within the City; that such notice included the date, time and place of the public hearing, the location, general nature and the initial owner of the Project and the maximum aggregate principal amount of the Bonds; and that all comments from interested persons were taken at such public hearing and were provided to the AER.

Section 2.--Issuance, Execution, Sale and Delivery of the Bonds. The issuance of the Bonds is hereby authorized, according to the conditions set forth herein and in the Agreement, and upon execution and delivery of the Agreement, the President or Vice President and the Secretary of the Issuer are each hereby authorized to execute, attest and affix the Issuer’s seal (if any) to the Bonds and to deliver the Bonds to the Attorney General of the State of Texas for approval, the Comptroller of Public Accounts of the State of Texas for registration and the Trustee for authentication (to the extent required in the Indenture), and thereafter to sell the Bonds to the purchaser thereof as provided in the Indenture and deliver the Bonds as provided in the Indenture.

Section 3.--Interest Rate, Principal Amount, Maturity and Price. The officers of the Issuer are hereby authorized to fix and determine the interest rate, principal amount, maturity and price of the Bonds, all of which determinations shall be conclusively evidenced by the execution and delivery by such officers of the Indenture

and the Bonds; provided, however, that: (i) the interest on the Bonds shall initially not exceed 7%; (ii) the aggregate principal amount of the Multifamily Housing Revenue Bonds (The Bridge at Canyon View Apartments) Series 2019A shall not exceed \$25,000,000 and the aggregate principal amount of the Taxable Multifamily Housing Revenue Bonds (The Bridge at Canyon View Apartments) Series 2019B shall not exceed \$16,000,000; (iii) the final maturity of the Bonds shall occur not later than December 1, 2059; and (iv) the price at which the Bonds are sold shall not exceed the principal amount thereof.

Section 4.--Approval, Execution and Delivery of the Indenture and the Agreement. The officers of the Issuer are each hereby authorized to execute the Indenture and the Agreement in form and substance approved by such officers, with such changes or additions thereto as may be approved by any officer of the Issuer (upon advice of bond counsel to the Issuer), as evidenced by the execution and delivery of the Indenture and the Agreement.

Section 5.--Approval, Execution and Delivery of the Regulatory Agreement. The officers of the Issuer are each hereby authorized to execute the Regulatory Agreement in form and substance approved by such officers, with such changes or additions thereto as may be approved by any officer of the Issuer (upon advice of bond counsel to the Issuer), as evidenced by their execution and delivery and to deliver the Regulatory Agreement.

Section 6.--Determination of Moderate Income. The Board has heretofore determined and hereby confirms, in accordance with the Act, for purposes of the Project, until revised by the Board, that the maximum amount constituting moderate income shall be 80% of area median income, as established by the Issuer.

Section 7.--Execution and Delivery of Other Documents. The officers of the Issuer are each hereby authorized to execute, attest and affix the Issuer's seal (if any) to and deliver such other agreements, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 8.--Power to Revise Form of Documents. Notwithstanding any other provision of this Resolution, the officers of the Issuer are each hereby authorized to make or approve such revisions in the form of the documents hereby approved, in the opinion of bond counsel, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution; and approval of such changes by the Issuer shall be indicated by such officers' execution of the documents.

Section 9.--Incorporation of Preamble. The recitals in the preamble of this Resolution are true, correct and complete and each and all of such recitals and the findings therein are hereby incorporated by reference to the same extent as if set forth herein in full.

Section 10.--Submission to the Attorney General of Texas. The Board hereby authorizes the submission by bond counsel to the Attorney General of Texas, for approval as required under Chapter 1202, Texas Government Code, of a transcript of legal proceedings relating to the issuance, sale and delivery of the Bonds.

Section 11.--Purposes of Resolution. The Board has expressly determined and hereby confirms that the issuance of the Bonds to assist in the financing of the Project will promote the public purposes set forth in Chapter 392 and Section 394.002 of the Texas Local Government Code and will accomplish a valid public purpose of the Issuer by assisting persons of low and moderate income in the City to obtain decent, safe and sanitary housing at affordable prices, thereby helping to relieve unemployment, to preserve and increase the tax base of the City, and to reduce public expenditures for crime prevention and control, public health, welfare and safety and for other valid public purposes.

Section 12.--Limited Obligations. The Bonds and the interest thereon shall be limited obligations of the Issuer payable solely from the revenues, funds and assets pledged under the Agreement to secure payment of the

Bonds and under no circumstances shall the Bonds be payable from any other revenues, funds, assets or income of the Issuer. The Bonds shall not constitute an indebtedness, liability, general, special or moral obligation or a pledge or loan of the faith or credit or taxing power, within the meaning of any constitutional or statutory provision whatsoever, of the United States of America or any agency or instrumentality thereof, the State of Texas, the City, the Sponsor or any other political subdivision or governmental unit.

Section 13.--Ratification of Certain Prior Actions. All other prior actions taken for or on behalf of the Issuer in connection with the Bonds are hereby ratified, confirmed and approved.

Section 14.--Approval Conditions. The actions and obligations authorized in this Resolution shall be subject to and conditioned upon receipt by the Issuer on the date of delivery of the Bonds of the appropriate opinions of tax counsel with respect to the Bonds.

Section 15.--Information Return for Tax Exempt Private Activity Bonds. The Board further directs that an officer of the Issuer submit or cause to be submitted to the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Bonds is issued, a statement containing the information required by Section 149(e) of the Code.

Section 16.--Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

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

\_\_\_\_\_  
**Chairperson**

ATTEST:

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**Michael G. Gerber, Secretary**

*[End of Resolution]*

**Exhibit A**

**PROJECT AND BORROWER**

Borrower: Bridges at Canyon View, LP, a Texas limited partnership

Project: 215-unit multifamily residential rental development to be known as the Bridge at Canyon View Apartments

The Project will be located at approximately 4506 E. William Cannon Drive, Austin, Texas 78744. It will consist of 1 one-story clubhouse and 5 three-story residential apartment buildings with approximately 216,068 net rentable square feet and an average unit size of approximately 1,000 square feet. The unit mix will consist of:

<u>71</u>	one-bedroom/one-bath units
<u>54</u>	two-bedroom/two-bath units
<u>90</u>	three-bedroom/two-bath units
215	Total Units

Unit sizes will range from approximately 713 square feet to approximately 1,270 square feet.

Common areas will include a community house, fitness center, business center, service coordinator office, playground, and pool. All units will have central heating and air conditioning, carpeting, ceramic tile and vinyl plank, ceiling fans, mini-blinds, a dishwasher, a range and oven and balcony/patio.

**AUSTIN AFFORDABLE PFC, INC.**

**BOARD ACTION REQUEST**

**RESOLUTION NO. 00061**

**ITEM NO. 3.**

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**MEETING DATE:** November 21, 2019

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

**ITEM TITLE:** Presentation, Discussion, and Possible Action regarding Resolution No. 00061: authorizing the issuance, sale and delivery of Multifamily Housing Governmental Note (Estates at Norwood), Series 2019; authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily residential rental development; and containing other provisions relating to the subject

**BUDGETED ITEM:** N/A

**TOTAL COST:** N/A

**ACTION**

The Board is being asked to approve Resolution No. 00061 authorizing the issuance, sale and delivery of Multifamily Housing Governmental Note (Estates at Norwood), Series 2019; authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such Multifamily Residential Rental Development; and containing other provisions relating to the subject.

**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 the issuance, sale and delivery of Multifamily Housing Governmental Note (Estates at Norwood), Series 2019; authorize the execution and delivery of documents and instruments necessary to carry out the financing of such Multifamily Residential Rental Development; and containing other provisions relating to the subject.

**ATTACHMENTS:**

- **Resolution Exhibit**



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**RESOLUTION NO. 00061**

**RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING GOVERNMENTAL NOTES (ESTATES AT NORWOOD APARTMENTS) SERIES 2019A-1 and 2019A-2; APPROVING THE FORM AND SUBSTANCE OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS AND INSTRUMENTS NECESSARY TO CARRY OUT THE FINANCING OF SUCH MULTIFAMILY RENTAL RESIDENTIAL DEVELOPMENT; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT**

**WHEREAS**, Austin Affordable PFC, Inc. (the “Governmental Lender”) has been duly created and organized pursuant to and in accordance with the provisions of the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the “Act”), for the purpose of assisting the Housing Authority of the City of Austin (the “Sponsor”) in financing, refinancing or providing public facilities; and

**WHEREAS**, the Act authorizes the Governmental Lender: (a) to make loans to any person to provide financing for rental residential developments located within the corporate limits of the City of Austin, Texas (the “City”), and intended to be occupied substantially (at least 90 percent) by persons of low and moderate income, as determined by the Governmental Lender; (b) to borrow funds for the purpose of obtaining moneys to make such loans and provide such financing, to establish necessary reserve funds and to pay administrative costs and other costs incurred in connection with any such borrowing by the Governmental Lender; and (c) to pledge all or any part of the revenues, receipts or resources of the Governmental Lender, including the revenues and receipts to be received by the Governmental Lender from or in connection with such loans, and to mortgage, pledge or grant security interests in such loans or other property of the Governmental Lender in order to secure the repayment of any such borrowing by the Governmental Lender; and

**WHEREAS**, the Board of Directors of the Governmental Lender (the “Board”) has determined to authorize the issuance, sale and delivery of its Multifamily Housing Governmental Notes (Estates at Norwood Apartments) Series 2019A-1 and 2019A-2 (the “Governmental Notes”) pursuant to and in accordance with the terms of a Funding Loan Agreement dated as of December 1, 2019 (the “Funding Loan Agreement”), between the Governmental Lender, BOKF, NA, as fiscal agent (the “Fiscal Agent”), and Citibank, N.A., as initial funding lender (the “Funding Lender”), for the purpose of lending the proceeds thereof to LDG Estates at Norwood, LP, a Texas limited partnership (the “Borrower”), to provide financing for the acquisition, construction and equipping of a multifamily rental residential development to be known as the Estates at Norwood to be located within the City at approximately 916 and 918 Norwood Park Boulevard, Austin, Texas 78753, described more fully on Exhibit A attached hereto (the “Project”), all in accordance with the Constitution and laws of the State of Texas; and

**WHEREAS**, the Board, by resolution adopted on June 26, 2019, declared its intent to provide financing for the Project; and

**WHEREAS**, in order to assist in carrying out such acquisition, construction and equipping of the Project, the Board has determined that the Governmental Lender shall enter into a Borrower Loan Agreement dated as of December 1, 2019 (the “Borrower Loan Agreement”), between the Governmental Lender and the Borrower, pursuant to which (i) the Governmental Lender will agree to make a mortgage loan funded with the proceeds of the Governmental Notes (the “Mortgage Loan”) to the Borrower to enable the Borrower to finance the cost of acquisition, construction and equipping of the Project and related costs, and (ii) the Borrower will execute and deliver to the Governmental Lender promissory notes (the “Multifamily Notes”) in an original aggregate principal amount equal to the original aggregate principal amount of the Governmental Notes, and providing for payment of interest on such principal amount equal to the interest on the Governmental Notes and to pay other costs described in the Agreement; and

**WHEREAS**, in order to assure compliance with Section 142(d) of the Internal Revenue Code of 1986, as amended (the “Code”), the Governmental Lender will require the Borrower to enter into a Regulatory

Agreement and Declaration of Restrictive Covenants dated as of December 1, 2019 (the “Regulatory Agreement”) with respect to the Project; and

**WHEREAS**, it is anticipated that the Multifamily Notes will be secured by a Leasehold Deed of Trust (with Security Agreement, Assignment of Rents and Fixture Filing) (the “Mortgage”) from the Borrower for the benefit of the Governmental Lender; and

**WHEREAS**, the Governmental Lender’s rights (except for certain reserved rights) under the Mortgage Loan, including the Multifamily Notes and the Mortgage, will be assigned to the Fiscal Agent, as its interests may appear, pursuant to an Assignment of Deed of Trust and Loan Documents (the “Assignment”) between the Governmental Lender and the Fiscal Agent and acknowledged, accepted and agreed to by the Borrower; and

**WHEREAS**, the Board desires to ratify certain other actions heretofore taken with respect to the Governmental Note; and

**WHEREAS**, the Governmental Lender desires to authorize the Fiscal Agent to invest and reinvest the proceeds of the Governmental Note and all other funds received and held under the Funding Loan Agreement; and

**WHEREAS**, Section 147(f) of the Code requires that the Governmental Note be approved by the “applicable elected representative” (the “AER”) after a public hearing following reasonable public notice; and

**WHEREAS**, with respect to notes issued by the Governmental Lender, the AER is the Mayor of the City; and

**WHEREAS**, notice of a public hearing with respect to the Governmental Note and the Project held by the Governmental Lender on September 9, 2019, was published no less than 14 days before such date in a newspaper of general circulation available to residents within the City; and

**WHEREAS**, the Board held such public hearing on the date and at the time and place set out in such published notice, and conducted such hearing in a manner that provided a reasonable opportunity for persons with differing views on the issuance of the Governmental Note and the Project to be heard; and

**WHEREAS**, the Board and its advisors have examined proposed forms of the Funding Loan Agreement, the Borrower Loan Agreement, the Regulatory Agreement, the Multifamily Notes, the Mortgage, and the Assignment, and have found the form and substance of such documents to be satisfactory and proper; and have determined to provide financing for the Project in accordance with such documents by authorizing the issuance of the Governmental Notes, the execution and delivery of such documents and the taking of such other actions as may be necessary or convenient;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF GOVERNMENTAL LENDER THAT:**

Section 1.--Public Hearing. The Board hereby finds, determines, recites and declares that a public hearing with respect to the Governmental Note and the Project was held on September 9, 2019; that notice of such public hearing was published no less than 14 days before such date in a newspaper of general circulation available to residents within the City; that such notice included the date, time and place of the public hearing, the location, general nature and the initial owner of the Project and the maximum aggregate principal amount of the Governmental Notes; and that all comments from interested persons were taken at such public hearing and were provided to the AER.

Section 2.--Issuance, Execution, Sale and Delivery of the Governmental Notes. The issuance of the Governmental Notes is hereby authorized, according to the conditions set forth herein and in the Funding Loan Agreement, and that, upon execution and delivery of the Funding Loan Agreement, the President or any Vice President or Secretary of the Governmental Lender each are authorized hereby to execute, attest and affix the Governmental Lender’s seal to the Governmental Notes (if any) and to deliver the Governmental Notes to the Attorney General of the State of Texas for approval, the Comptroller of Public Accounts of the State of Texas for registration and to the Fiscal Agent for authentication (to the extent required in the Funding Loan Agreement), and thereafter to sell the Governmental Notes to the initial funding thereof and deliver the Governmental Notes as provided in the Funding Loan Agreement.

Section 3.--Interest Rate, Principal Amount, Maturity and Price. The officers of the Governmental Lender are hereby authorized to fix and determine the interest rate, principal amount, maturity and price of the Governmental Notes, all of which determinations shall be conclusively evidenced by the execution and delivery

by such officers of the Funding Loan Agreement; provided, however, that: (a) the interest rate on each Governmental Note shall not exceed 7% per annum, subject to adjustment as provided in the Funding Loan Agreement; provided that, in no event shall the interest rate on the Governmental Note (including any default interest rate) exceed the maximum interest rate permitted by applicable law; (b) the aggregate principal amount of the Governmental Notes shall not exceed \$35,000,000; and (iii) the final maturity of the Governmental Notes shall occur not later than December 1, 2059.

Section 4.--Approval, Execution and Delivery of the Funding Loan Agreement. The form and substance of the Funding Loan Agreement are hereby approved; and that the President or any Vice President or the Secretary of the Governmental Lender are each hereby authorized to execute and attest to the Funding Loan Agreement and to deliver the Funding Loan Agreement to the Fiscal Agent. The Fiscal Agent is authorized to invest the moneys held under the Funding Loan Agreement as provided therein.

Section 5.--Approval, Execution and Delivery of the Borrower Loan Agreement. The form and substance of the Borrower Loan Agreement are hereby approved; and that the officers of the Governmental Lender are each hereby authorized to execute, attest and affix the Governmental Lender's seal (if any) to the Borrower Loan Agreement and to deliver the Borrower Loan Agreement to the Borrower.

Section 6.--Approval, Execution and Delivery of the Regulatory Agreement. The form and substance of the Regulatory Agreement are hereby approved; and that the officers of the Governmental Lender are each hereby authorized to execute, attest and affix the Governmental Lender's seal (if any) to the Regulatory Agreement and to deliver the Regulatory Agreement to the Borrower and the Fiscal Agent.

Section 7.--Determination of Moderate Income. The Board has heretofore determined and hereby confirms, in accordance with the Act, for purposes of the Project, until revised by the Board, that the maximum amount constituting moderate income shall be 80% of area median income, as established by the Governmental Lender.

Section 8.--Acceptance of the Mortgage and the Multifamily Notes. That the Mortgage and the Multifamily Notes are hereby accepted by the Governmental Lender; and that the officers of the Governmental Lender are each hereby authorized to endorse the Multifamily Notes to the order of the Fiscal Agent, without recourse.

Section 9.--Execution and Delivery of Other Documents. The officers of the Governmental Lender are each hereby authorized to execute, attest and affix the Governmental Lender's seal (if any) to and deliver such other agreements, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, written requests and other papers, including the Assignment, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 10.--Power to Revise Form of Documents. Notwithstanding any other provision of this Resolution, the officers of the Governmental Lender are each hereby authorized to make or approve such revisions to this Resolution and in the form of the documents hereby approved, in the opinion of Bond Counsel, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution; and approval of such changes by the Governmental Lender shall be indicated by such officers' execution of the documents.

Section 11.--Incorporation of Preamble. The recitals in the preamble of this Resolution are true, correct and complete and each and all of such recitals and the findings therein are hereby incorporated by reference to the same extent as if set forth herein in full.

Section 12.--Submission to the Attorney General of Texas. The Board hereby authorizes the submission by bond counsel to the Attorney General of Texas, for approval as required under Chapter 1202, Texas Government Code, of a transcript of legal proceedings relating to the issuance, sale and delivery of the Governmental Notes.

Section 13.--Purposes of Resolution. The Board has expressly determined and hereby confirms that the issuance of the Governmental Notes to assist in the financing of the Project will promote the public purposes set forth in Chapter 392 and Section 394.002 of the Local Government Code and will accomplish a valid public purpose of the Governmental Lender by assisting persons of low and moderate income in the City to obtain decent, safe and sanitary housing at affordable prices.

Section 14.--Limited Obligations. The Governmental Notes and the interest thereon shall be limited obligations of the Governmental Lender payable solely from the revenues, funds and assets pledged under the Agreement to secure payment of the Governmental Notes and under no circumstances shall the Governmental Notes be payable from any other revenues, funds, assets or income of the Governmental Lender.

Section 15.--Ratification of Certain Prior Actions. All other prior actions taken for or on behalf of the

Governmental Lender in connection with the Governmental Notes are hereby ratified, confirmed and approved. Section 16.--Approval Conditions. The actions and obligations authorized in this Resolution shall be subject to and conditioned upon receipt by the Governmental Lender on the date of delivery of the Governmental Notes of the appropriate opinions of bond counsel with respect to the Governmental Notes.

Section 17.--Information Return for Tax Exempt Private Activity Bonds. The Board further directs that an officer of the Governmental Lender submit or cause to be submitted to the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Governmental Notes are issued, a statement containing the information required by Section 149(e) of the Code.

Section 18.--Reserved.

Section 19.--Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

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

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**Chairperson**

ATTEST:

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**Michael G. Gerber, Secretary**

*[End of Resolution.]*

**EXHIBIT A**  
**PROJECT AND BORROWER**

Borrower: LDG Estates at Norwood, LP, a Texas limited partnership

Project: 228-unit multifamily residential rental development to be known as the Estates at Norwood

The Project will be located at approximately 916 and 918 Norwood Park Boulevard, Austin, Texas 78753. It will consist of 7 residential apartment buildings with approximately 241,548 net rentable square feet. The unit mix will consist of:

<u>36</u>	one-bedroom/one-bath units
<u>108</u>	two-bedroom/two-bath units
<u>84</u>	three-bedroom/two-bath units
228	Total Units