

**AUSTIN AFFORDABLE
PFC, INC.**

**BOARD OF DIRECTORS
Regular Meeting**

**Thursday, June 18, 2020
12:00 PM**

Via Conference Call
1.571.317.3112 Access Code: 680-061-285
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
Via Conference Call
1.571.317.3112 Access Code: 680-061-285
Austin, TX
(512.477.4488)**

**Thursday, June 18, 2020
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 March 26, 2020

ACTION ITEMS

2. Presentation, Discussion and Possible Action on Resolution No. 00073: authorizing the issuance, sale and delivery of Multifamily Housing Governmental Note (Heritage Estates at Owen Tech), Series 2020; 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 on Resolution No. 00074: authorizing the issuance, sale and delivery of Multifamily Housing Governmental Note (Woodway Village Apartments), Series 2020; 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.
4. Presentation, Discussion and Possible Action on Resolution No. 00075: authorizing the issuance, sale and delivery of Multifamily Housing Governmental Note (Franklin Park), Series 2020; 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.

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

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

AUSTIN AFFORDABLE PFC, INC.

BOARD ACTION REQUEST

ITEM NO. 1.

MEETING DATE: June 18, 2020

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 March 26, 2020

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 March 26, 2020.

ATTACHMENTS:

- ▣ **20200326 AAPFC Minutes Summary**

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

March 26, 2020

SUMMARY OF MINUTES

AUSTIN AFFORDABLE PFC, INC. (HACA) BOARD OF DIRECTORS ANNUAL BOARD MEETING NOTICE WAS POSTED FOR 12:00 P.M. ON THURSDAY, MARCH 26, 2020, AND WAS HELD VIA CONFERENCE CALL FROM THE HACA CENTRAL OFFICE, 1124 S. IH 35, AUSTIN, TX

CALL TO ORDER, ROLL CALL, CERTIFICATION OF QUORUM

Carl S. Richie, Jr., HACA Chairperson called the Board of Directors Annual Board Meeting of Austin Affordable PFC, Inc., of March 26, 2020, to order, at 12:17 p.m. The meeting was held via Conference Call from the HACA Central Office, 1124 S. IH 35, Austin, TX

Roll call certified a quorum was present on the call.

MEMBERS PRESENT:

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

MEMBER(S) ABSENT:

ALSO ON THE CALL:

Bill Walter, Coats Rose
Wilson Stoker, Cokinos, Bosien & Young

STAFF PRESENT ON THE CALL:

Andrea Galloway, Ann Gass, Gloria Morgan, Kelly Crawford, Martha Ross, Michael Cummings, Michael Gerber, Nidia Hiroms, Pilar Sanchez, Ron Kowal, Suzanne Schwertner, and Sylvia Blanco

For the record, HACA **Chairman Richie** read an excerpt of Governor Abbott's Order Suspending Certain Provisions of Open Meetings Act Due to Coronavirus (COVID-19).

On March 16, 2020, the Governor of Texas suspended certain open meeting laws in response to the Coronavirus (COVID-19) disaster. This action allows governmental bodies, including Austin Affordable PFC, Inc. and its subsidiaries, to conduct meetings by telephone or video conference to advance the public health goal of limiting face-to-face meetings to slow the spread of COVID-19.

Accordingly, Austin Affordable PFC, Inc. (HACA) and its subsidiaries will be conducting their Annual Board Meetings via telephone conference at 12:00 PM on Thursday, March 26, 2020.

The public is invited to access and participate in the Board Meetings by dialing in using your phone. 1 (646) 749-3122 Access Code: 283-714-653

HACA will provide online written notice containing a public toll-free dial-in number, as well as an electronic copy of the agenda packet, in advance of the telephonic conference meetings at www.hacanet.org/board. The public will have a means to participate in the meetings through two-way audio connections. Additionally, HACA will post an audio recording of the meetings on our website.

CITIZENS COMMUNICATION – Citizen communication was opened up during each item on the agenda. No one provided any communication during any of the items.

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 January 14, 2020

Director Duncan-Hall moved the Approval of the Board Minutes Summary for the Board Meeting held on January 14, 2020. **Director Carrington** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ITEM 2: Presentation, Discussion, and Possible Action regarding Resolution No. 00065: Approval to ratify all actions taken by the Board of Directors during FYE 2019-2020, in order to resolve any irregularities which may have occurred regarding a quorum or vote by the Directors as reflected within the approved minutes and resolutions

The Board was asked to approve Resolution No. 00065: which ratifies all actions taken by the Board of Directors during the 2019-2020 Fiscal Year, in order to resolve any irregularities which may have occurred regarding a quorum or vote by the Commissioners as reflected within the approved minutes and resolutions.

Upon past advisement of legal counsel, Resolution No. 00065 was drafted to ensure all actions taken by the Board during FYE 2019-2020 be ratified, thus ensuring resolution of any irregularities during the voting process taken by the Directors. This is an action that will be presented for board action on an annual basis.

This Resolution resolves any irregularities in the voting process found in the Board meeting minutes and/or resolutions, and all actions taken during the 2019-2020 Fiscal Year by the Board of Directors are fully enforceable.

Director Duncan-Hall moved the Approval of Resolution No. 00065: Ratification of all actions taken by the Board of Directors during the 2019-2020 Fiscal Year, in order to resolve any irregularities which may have occurred regarding a quorum or vote by the Directors as reflected within the approved minutes and resolutions. **Director Carrington** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ACTION ITEMS

APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS

ITEM 3: Presentation, Discussion, and Possible Action regarding Resolution No. 00064: Election of new Officers for Austin Affordable Housing PFC., Inc.

With the recent re-appointment of three board members, the board has the opportunity to elect new board officers for the Austin Affordable PFC., INC. Board of Directors.

The Board of Directors for the Austin Affordable PFC., INC. approved new board officers: Edwina Carrington, Chairperson; Charles Bailey, Vice-Chairperson and Mary Apostolou, 2nd Vice-Chairperson.

Director Duncan-Hall moved the Approval Resolution No. 02642: Approval of the adoption of the revised Housing Choice Voucher Utility Allowance Schedules. **Director Apostolou** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ITEM 4: Presentation, Discussion, and Possible Action on Resolution No. 00066: Resolution declaring intent to issue bonds to provide financing for a multifamily residential rental development for persons of low and moderate income (Bridge at Turtle Creek); 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 an opportunity to partner with the Journeyman Group for the second time on a 3.32 acre tract of land located at 735 Turtle Creek Boulevard, Austin, Texas 78745. The project (Bridge at Turtle Creek) will consist of 310 family apartment units serving tenants at or below 60% of median family income. The nearest properties in AAHC's current portfolio are Urban Oaks and Bridge at South Point to the southeast.

The development will use a mixture of 4% tax credits and bonds to finance the development with a total project cost of approximately \$66,000,000. The planned development will consist of 233 one bedroom and one bath units, and 77 two bedroom and two bath units. All units will be marketed to HACA's Housing Choice Voucher residents. HACA, through its Public Facility Corporation is requesting the approval of an issuance of tax-exempt bonds in an amount not to exceed \$44,000,000. This approval will begin the initial process to submit applications for tax credits and bond approval. Staff will return to the Board in future months to report on progress and specifically any and all agreements and approvals.

Board approval allows 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.

Director Carrington moved to approve Resolution No. 00066: Resolution declaring intent to issue bonds to provide financing for a multifamily residential rental development for persons of low and moderate income (Bridge at Turtle Creek); 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 \$44,000,000. **Director Duncan-Hall** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ITEM 5: Presentation, Discussion, and Possible Action on Resolution No. 00067: Resolution declaring intent to issue bonds to provide financing for a multifamily residential rental development for persons of low and moderate income (The Henderson on Reinli); 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 an opportunity to partner with LDG Multifamily LLC on a 2.7428 acre tract of land located at the southeast corner of Reinli Street and Sheridan Avenue, Austin, Texas 78723 in north Austin.

The project (The Henderson on Reinli) will consist of 318 family apartment units serving tenants at or below 60% of median family income. The nearest property in AAHC's current portfolio Estates at Norwood and Pathways at Coronado Hills which are both northeast.

The development will use a mixture of 4% tax credits and bonds to finance the development with a total project cost of approximately \$68,500,000. The planned development will consist of 157 one bedroom and one bath units, 161 two bedroom and two bath units All units will be marketed to HACA's Housing Choice Voucher residents. HACA, through its Public Facility Corporation is requesting the approval of an issuance of tax-exempt bonds in an amount not to exceed \$45,000,000.

This approval begins the initial process to submit applications for tax credits and bond approval. Staff will be presenting back to the Board in the future months on the progress and specifically any and all agreements and approvals.

Director Apostolou moved to approve Resolution No. 00067: Resolution declaring intent to issue bonds to provide financing for a multifamily residential rental development for persons of low and moderate income (The Henderson on Reinli); 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 \$45,000,000. **Director Duncan-Hall** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ITEM 6: Presentation, Discussion, and Possible Action on Resolution No. 00068: Resolution declaring intent to issue bonds to provide financing for a multifamily residential rental development for persons of low and moderate income (The Matador); 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 an opportunity to partner with LDG Multifamily LLC on a 3.396 acre tract of land located at Southwest corner of South Congress Avenue and Little Texas Lane, Austin, Texas 78745 in south Austin. The project (The Matador) will consist of 285 family apartment units serving tenants at or below 60% of median family income. The nearest properties in AAHC's current portfolio are Pathways at Shadowbend to the southwest and Urban Oaks and Bridge at South Point to the south.

The development will use a mixture of 4% tax credits and bonds to finance the development with a total project cost of approximately \$62,300,000. The planned development will consist of 126 one bedroom and one bath units, 159 two bedroom and two bath units All units will be marketed to HACA's Housing Choice Voucher residents. HACA, through its Public Facility Corporation is requesting the approval of an issuance of tax-exempt bonds in an amount not to exceed \$50,000,000. This approval will begin the initial process to submit applications for tax credits and bond approval. Staff will return to the Board in the future months to report on the progress and specifically any and all agreements and approvals.

Board approval allows 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

Director Duncan-Hall moved to approve Resolution No. 00068: Resolution declaring intent to issue bonds to provide financing for a multifamily residential rental development for persons of low and moderate income (The Matador); 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 \$50,000,000. **Director Apostolou** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ITEM 7: Presentation, Discussion, and Possible Action on Resolution No. 00069: Resolution declaring intent to issue bonds to provide financing for a multifamily residential rental development for persons of low and moderate income (The Conrad); 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 an opportunity to partner with LDG Multifamily LLC on a 3.391 acre tract of land located at the northwest corner of Onion Creek Parkway and S IH-35 Frontage Road, Austin, Texas 78748. The project (The Conrad) will consist of 280 family apartment units serving tenants at or below 60% of median family income. The nearest property in AAHC's current portfolio is Bridge at Asher which is north east.

The development will use a mixture of 4% tax credits and bonds to finance the development with a total project cost of approximately \$60,500,000. The planned development will consist of 121 one bedroom and one bath units, 159 two bedroom and two bath units All units will be marketed to HACA's Housing Choice Voucher residents. HACA, through its Public Facility Corporation is requesting the approval of an issuance of tax-exempt bonds in an amount not to exceed \$45,000,000.

This approval begins the initial process to submit applications for tax credits and bond approval. Staff will be presenting back to the Board in the future months on the progress and specifically any and all agreements and approvals.

Director Apostolou moved to approve Resolution No. 00069: Resolution declaring intent to issue bonds to provide financing for a multifamily residential rental development for persons of low and moderate income (The Conrad); 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 \$45,000,000. **Director Duncan-Hall** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ITEM 8: Presentation, Discussion, and Possible Action on Resolution No. 00070: Resolution declaring intent to issue bonds to provide financing for a multifamily residential rental development for persons of low and moderate income (The Park at Decker Lake); 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 an opportunity to partner with LDG Multifamily LLC on a 14.99 acre tract of land located at northwest corner of Decker Lane and Daffan Lane, Austin, Texas 78724 located in the Austin extraterritorial jurisdiction (ETJ). The project (The Park at Decker Lake) will consist of 264 family apartment units serving tenants at or below 60% of median family income. The nearest property in AAHC's current portfolio is Bridge at Loyola Lofts which is southwest of the property.

The development will use a mixture of 4% tax credits and bonds to finance the development with a total project cost of approximately \$62,200,000. The planned development will consist of 36 one bedroom and one bath units, 120 two bedroom and two bath units, 96 three bedroom and two bath units, and 12 four bedroom and two bath units. All units will be marketed to HACA's Housing Choice Voucher residents. HACA, through its Public Facility Corporation is requesting the approval of an issuance of tax-exempt bonds in an amount not to exceed \$45,000,000.

This approval begins the initial process to submit applications for tax credits and bond approval. Staff will be presenting back to the Board in the future months on the progress and specifically any and all agreements and approvals.

Director Apostolou moved to approve Resolution No. 00070: Resolution declaring intent to issue bonds to provide financing for a multifamily residential rental development for persons of low and moderate income (The Park at Decker Lake); 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 \$45,000,000. **Director Duncan-Hall** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ITEM 9: Presentation, Discussion, and Possible Action on Resolution No. 00071: Resolution declaring intent to issue bonds to provide financing for a multifamily residential rental development for persons of low and moderate income (The Ridge at East Village); 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 an opportunity to partner with LDG Multifamily LLC on a 28 acre tract of land located at the southwest corner of Yager Lane and Parmer, Austin, Texas 78653 in the Austin extraterritorial jurisdiction (ETJ). The project (The Ridge at East Village) will consist of 300 family apartment units serving tenants at or below 60% of median family income. The nearest property in AAHC's current portfolio is Harris Branch Senior which is northeast.

The development will use a mixture of 4% tax credits and bonds to finance the development with a total project cost of approximately \$67,600,000. The planned development will consist of 24 one bedroom and one bath units, 144 two bedroom and two bath units, 120 three bedroom and two bath units, and 12 four bedroom and two bath units. All units will be marketed to HACA's Housing Choice Voucher residents. HACA, through its Public Facility Corporation is requesting the approval of an issuance of tax-exempt bonds in an amount not to exceed \$50,000,000.

This approval begins the initial process to submit applications for tax credits and bond approval. Staff will be presenting back to the Board in the future months on the progress and specifically any and all agreements and approvals.

Director Apostolou moved to approve Resolution No. 00071: Resolution declaring intent to issue bonds to provide financing for a multifamily residential rental development for persons of low and moderate income (The Ridge at East Village); 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 \$50,000,000. **Director Bailey** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ITEM 10: Presentation, Discussion, and Possible Action on Resolution No. 00072: Resolution declaring intent to issue bonds to provide financing for a multifamily residential rental development for persons of low and moderate income (Kingswood); 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 an opportunity to partner with LDG Multifamily LLC on a 23.054 acre tract of land located at southeast corner of FM Road 812 and Burkland Farms Road, Austin, Texas 78617 in the Austin extraterritorial jurisdiction (ETJ). The project (Kingswood) will consist of 328 family apartment units serving tenants at or below 60% of median family income. The nearest properties in AAHC's current portfolio are Pointe and Villages of Ben White to the northwest.

The development will use a mixture of 4% tax credits and bonds to finance the development with a total project cost of approximately \$65,000,000. The planned development will consist of 48 one bedroom and one bath units, 132 two bedroom and two bath units, 124 three bedroom and two bath units, and 24 four bedroom and two bath units. All units will be marketed to HACA's Housing Choice Voucher residents. HACA, through its Public Facility Corporation is requesting the approval of an issuance of tax-exempt bonds in an amount not to exceed \$50,000,000.

This approval begins the initial process to submit applications for tax credits and bond approval. Staff will return to the Board in future months to report on progress and specifically any and all agreements and approvals.

Director Carrington moved to approve Resolution No. 00072: Resolution declaring intent to issue bonds to provide financing for a multifamily residential rental development for persons of low and moderate income (Kingswood); 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 \$50,000,000.

Director Apostolou seconded the motion. The motion Passed (5-Ayes and 0-Nays).

THE BOARD DID NOT RECESS INTO EXECUTIVE SESSION.

REPORTS

None.

Director Bailey moved to adjourn the meeting. **Director Carrington** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

The meeting adjourned at 2:57 p.m.

Michael G. Gerber, Secretary

Dr. Tyra Duncan-Hall, Chairperson

AUSTIN AFFORDABLE PFC, INC.

BOARD ACTION REQUEST

RESOLUTION NO. 00073

ITEM NO. 2.

MEETING DATE: June 18, 2020

STAFF CONTACT: Suzanne Schwertner, Director of Development

ITEM TITLE: Presentation, Discussion and Possible Action on Resolution No. 00073: authorizing the issuance, sale and delivery of Multifamily Housing Governmental Note (Heritage Estates at Owen Tech), Series 2020; 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. 00073 authorizing the issuance, sale and delivery of Multifamily Housing Governmental Note (Heritage Estates at Owen Tech), series 2020; 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 Generation Housing Partners, LLC based in Dallas, Texas on a certain tract of land located at 14011 Owen Tech Boulevard, Austin, Texas 78728 (northwest quadrant of Owen Tech Blvd and Interstate 35) located in the Travis County ETJ. The project (Heritage Estates at Owen Tech) will consist of 174 senior apartment units serving tenants 62 years old and above with incomes from 40%-70% Area Median Family Income (AMFI). The board has seen this project twice before: June 2019 for the Tax Credit Application Resolution and October 2019 for the Bond Inducement Resolution. The nearest property in AAHC's current portfolio is Preserve at Wells Branch located at 1773 Wells Branch Parkway, Austin, TX 78728 (to the North).

Process:

The development will use a mix of 4% tax credits and bonds to finance the construction with a total project cost of approximately \$35,000,000. The planned development will consist of 104 one bedroom/one bath units and 70 two bedroom/two bath units. Income averaging will be used to enable more deeply affordable units. Seventeen units will be affordable to tenants with incomes at 40% AMFI or below; 148 will be affordable to tenants with incomes at 60% AMFI or below; and 9 units will be affordable to tenants with incomes at 70% AMFI or below. All units averaged together will equal 60% AMFI. 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 \$20,000,000. Financing of the project will come from the following sources: Bank OZK will carry the construction phase debt; KeyBank N.A. will provide the permanent debt; Monarch Private Capital, LLC will provide equity; and TDHCA will carry a Multifamily Direct Loan. 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 40% to 70% AMFI and below, Heritage Estates at Owen Tech meets these targeted affordability goals.

Heritage Estates at Owen Tech will offer transportation options via the on-site bus stop or the community van. Amenities will include Energy Star appliances, ceiling fans, laundry connections, high-efficiency HVAC, open concept floor plans, covered entries and nine-foot ceilings. Common-area amenities will include barbeque grills, a resort-style swimming pool, community event center, theater room, business center, outdoor community garden and fitness center.

Unit Breakdown: 104 1-bedroom/1-bath 614-835 sq ft
 70 2-bedroom/2-bath 1,083 – 1,169 sq ft

Staff Recommendation:

Board approval will authorize the issuance, sale and delivery of Multifamily Housing Governmental Note (Heritage Estates at Owen Tech), series 2020; 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:

- **Exhibit to Resolution**

RESOLUTION NO. 00073

RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING GOVERNMENTAL NOTE (HERITAGE ESTATES AT OWEN TECH) SERIES 2020; 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 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 Note (Heritage Estates at Owen Tech) Series 2020 (the “Governmental Note”) pursuant to and in accordance with the terms of a Funding Loan Agreement dated as of June 1, 2020 (the “Funding Loan Agreement”), between the Governmental Lender, BOKF, NA, as fiscal agent (the “Fiscal Agent”), and Bank OZK, as initial funding lender (the “Funding Lender”), for the purpose of lending the proceeds thereof to TX Owen Tech 2018, Ltd., 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 Heritage Estates at Owen Tech to be located at approximately 14011 Owen Tech Blvd., Austin, Texas as 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 October 17, 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 Project Loan Agreement dated as of June 1, 2020 (the “Project Loan Agreement”), between the Governmental Lender, Fiscal Agent and the Borrower, pursuant to which (i) the Governmental Lender will agree to make a mortgage loan funded with the proceeds of the Governmental Note (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 a promissory note (the “Multifamily Note”) in an original aggregate principal amount equal to the original aggregate principal amount of the Governmental Note, and providing for payment of interest on such principal amount equal to the interest on the Governmental Note and to pay other costs described in the Project Loan 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 June 1, 2020 (the “Regulatory Agreement”) with respect to the Project; and

WHEREAS, it is anticipated that the Multifamily Note will be secured by a Leasehold Multifamily Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing with Ground Lessor Subordination and Joinder (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 Note and the Mortgage, will be assigned to the Fiscal Agent, as its interests may appear, for the benefit of Funding Lender, 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, notice of a public hearing with respect to the Governmental Note and the Project held by the Governmental Lender on April 15, 2020, was published no less than 7 days before such date; 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 Project Loan Agreement, the Regulatory Agreement, the Multifamily Note, 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 Note, 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 April 15, 2020; that notice of such public hearing was published no less than 7 days prior to the hearing date; 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 Note; and that all comments from interested persons were taken at such public hearing and were provided to the Applicable Elected Representative (as defined in the Code).

Section 2.--Issuance, Execution, Sale and Delivery of the Governmental Note. The issuance of the Governmental Note 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 to deliver the Governmental Note 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 Note to the initial funding lender thereof and deliver the Governmental Note 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 Note, 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 the 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 Note shall not exceed \$20,000,000; and (iii) the final maturity of the Governmental Notes shall occur not later than June 1, 2060.

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 Project Loan Agreement. The form and substance of the Project Loan Agreement are hereby approved; and that the officers of the Governmental Lender are each hereby authorized to execute and attest to the Project Loan Agreement and to deliver the Project 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 and attest 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 Note. That the Mortgage and the Multifamily Note are hereby accepted by the Governmental Lender; and that the officers of the Governmental Lender are each hereby authorized to endorse the Multifamily Note 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 and attest 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 Note.

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 to obtain decent, safe and sanitary housing at affordable prices.

Section 14.--Limited Obligations. The Governmental Note and the interest thereon shall be limited obligations of the Governmental Lender payable solely from the revenues, funds and assets pledged under the Funding Loan Agreement to secure payment of the Governmental Note and under no circumstances shall the Governmental Note 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 Note 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 Note of the appropriate opinions of bond counsel with respect to the Governmental Note.

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 Note 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 18th day of June, 2020.

[End of Resolution.]

ATTEST:

Chairperson

Secretary

**EXHIBIT A
PROJECT AND BORROWER**

Borrower: TX Owen Tech 2018, Ltd., a Texas limited partnership

Project: 174-unit multifamily residential rental development to be known as Heritage Estates at Owen Tech

The Project will be located at approximately 14011 Owen Tech Blvd., Austin, Texas. It will consist of 2 residential apartment buildings with approximately 154,161 net rentable square feet. The unit mix will consist of:

<u>104</u>	one-bedroom units
<u>70</u>	two-bedroom units
174	Total Units

AUSTIN AFFORDABLE PFC, INC.

BOARD ACTION REQUEST

RESOLUTION NO. 00074

ITEM NO. 3.

MEETING DATE: June 18, 2020

STAFF CONTACT: Suzanne Schwertner, Director of Development

ITEM TITLE: Presentation, Discussion and Possible Action on Resolution No. 00074: authorizing the issuance, sale and delivery of Multifamily Housing Governmental Note (Woodway Village Apartments), Series 2020; 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. 00074 authorizing the issuance, sale and delivery of Multifamily Housing Governmental Note (Woodway Village Apartments), Series 2020; 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 was presented an opportunity to partner with Dominion Group in 2019 to become the General Partner in an existing development located at 4600 Nuckols Crossing Road, Austin, Texas 78744. This property had been built using tax credits and reached its 15 year compliance period expiration. The project (Woodway Village) consists of 160 family apartment units serving residents at or below 60% Area Median Income. The board saw this project originally in June of 2019 for two resolutions to add AAHC as the General Partner as well as an inducement resolution and tax credit application resolution to apply for a new issuance of bonds/tax credits. This property is located immediately southeast of Signature at Franklin Park, which is located at 4509 East Saint Elmo Road, Austin, TX 78744.

Process:

The development will use a mix of 4% tax credits and bonds to finance the rehab with a total project cost of approximately \$36,000,000. The development currently consists of 32 one bedroom/one bath units, 47 two bedroom/two bath units, 16 two bedroom/two and half bath, 1 three bedroom/two bath and 64 three bedroom/two and half 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 \$30,000,000. In the January 30, 2019 HACA Board Work Session, the Board set out affordability goals for future acquisitions and developments for AAHC. By serving families with incomes at 60% and below Area Median Income, Woodway Village meets these targeted affordability goals.

Rehab will include refurbishing eight units to meet accessibility codes and four units to accommodate hearing or visually impaired residents. In addition, work will include interior and exterior renovations to the apartment interiors and community building, addition to community building, construction of a new fitness center, new bus shelter, new mail kiosk, new pavilion, new maintenance building, and exterior building improvements and site improvements such as fence repair, roof and stucco repair, landscaping, irrigation system modifications for new landscaping and concrete drive repair.

Merchants Capital will provide the equity bridge loan and the permanent loan. Stratford Capital Group will provide equity.

Unit Breakdown: 32 1-bedroom/1-bath
 47 2-bedroom/2-bath
 16 2-bedroom/2 ½ bath
 1 3-bedroom/2-bath
 64 3-bedroom/2 ½ bath

Staff Recommendation:

Board approval will authorize the issuance, sale and delivery of Multifamily Housing Governmental Note (Woodway Village Apartments), series 2020; 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**

RESOLUTION NO. 00074

RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING GOVERNMENTAL NOTE (WOODWAY VILLAGE APARTMENTS) SERIES 2020; 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 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 Note (Woodway Village Apartments) Series 2020 (the “Governmental Note”) pursuant to and in accordance with the terms of a Funding Loan Agreement dated as of July 1, 2020 (the “Funding Loan Agreement”), between the Governmental Lender, BOKF, NA, as fiscal agent (the “Fiscal Agent”), and Merchants Capital Corp., as initial funding lender (the “Funding Lender”), for the purpose of lending the proceeds thereof to Austin Leased Housing Associates IV, Limited Partnership, a Texas limited partnership (the “Borrower”), to provide financing for the acquisition, rehabilitation and equipping of a multifamily rental residential development to be known as Woodway Village Apartments to be located at approximately 4600 Nuckols Crossing Road, Austin, Texas 78744 as 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, rehabilitation and equipping of the Project, the Board has determined that the Governmental Lender shall enter into a Project Loan Agreement dated as of July 1, 2020 (the “Project Loan Agreement”), between the Governmental Lender, Fiscal Agent and the Borrower, pursuant to which (i) the Governmental Lender will agree to make a mortgage loan funded with the proceeds of the Governmental Note (the “Mortgage Loan”) to the Borrower to enable the Borrower to finance the cost of acquisition, rehabilitation and equipping of the Project and related costs, and (ii) the Borrower will execute and deliver to the Governmental Lender a promissory note (the “Multifamily Note”) in an original aggregate principal amount equal to the original aggregate principal amount of the Governmental Note, and providing for payment of interest on such principal amount equal to the interest on the Governmental Note and to pay other costs described in the Project Loan 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 July 1, 2020 (the “Regulatory Agreement”) with respect to the Project; and

WHEREAS, it is anticipated that the Multifamily Note 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 Note and the Mortgage, will be assigned to the Fiscal Agent, as its interests may appear, pursuant to an Assignment of Notes, Liens, Security Interest and Other 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 the Governmental Note, the AER is the City Council of Austin, Texas; and

WHEREAS, notice of a public hearing with respect to the Governmental Note and the Project held by the Governmental Lender on April 15, 2020, was published no less than 7 days before such date on the Sponsor’s website; 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 Project Loan Agreement, the Regulatory Agreement, the Multifamily Note, 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 Note, 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 April 15, 2020; that notice of such public hearing was published no less than 7 days prior to the hearing; 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 Note; 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 Note. The issuance of the Governmental Note 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 to deliver the Governmental Note 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 Note to the initial funding lender thereof and deliver the Governmental Note 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 Note, 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 the 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 Note shall not exceed \$30,000,000; and (iii) the final maturity of the Governmental Notes shall occur not later than July 1, 2060.

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 Project Loan Agreement. The form and substance of the Project Loan Agreement are hereby approved; and that the officers of the Governmental Lender are each hereby authorized to execute and attest to the Project Loan Agreement and to deliver the Project 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 and attest 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 Note. That the Mortgage and the Multifamily Note are hereby accepted by the Governmental Lender; and that the officers of the Governmental Lender are each hereby authorized to endorse the Multifamily Note 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 and attest 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 Note.

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 to obtain decent, safe and sanitary housing at affordable prices.

Section 14.--Limited Obligations. The Governmental Note and the interest thereon shall be limited obligations of the Governmental Lender payable solely from the revenues, funds and assets pledged under the Funding Loan Agreement to secure payment of the Governmental Note and under no circumstances shall the Governmental Note 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 Note 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 Note of the appropriate opinions of bond counsel with respect to the Governmental Note.

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 Note 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 18th day of June, 2020.

[End of Resolution.]

ATTEST:

CHAIR

Secretary

**EXHIBIT A
PROJECT AND BORROWER**

Borrower: Austin Leased Housing Associates IV, Limited Partnership, a Texas limited partnership

Project: 160-unit multifamily residential rental development to be known as Woodway Village Apartments

The Project will be located at approximately 4600 Nuckols Crossing Road, Austin, Texas 78744. It will consist of 30 residential apartment buildings with approximately 166,529 net rentable square feet. The unit mix will consist of:

<u>32</u>	one-bedroom/one-bath units
<u>47</u>	two-bedroom/two-bath units
<u>16</u>	two-bedroom/two- and one-half bath units
<u>1</u>	three-bedroom/two-bath units
<u>64</u>	three-bedroom/two- and one-half bath units
160	Total Units

AUSTIN AFFORDABLE PFC, INC.

BOARD ACTION REQUEST

RESOLUTION NO. 00075

ITEM NO. 4.

MEETING DATE: June 18, 2020

STAFF CONTACT: Suzanne Schwertner, Director of Development

ITEM TITLE: Presentation, Discussion and Possible Action on Resolution No. 00075: authorizing the issuance, sale and delivery of Multifamily Housing Governmental Note (Franklin Park), Series 2020; 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. 00075 authorizing the issuance, sale and delivery of Multifamily Housing Governmental Note (Franklin Park), Series 2020; 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 was presented an opportunity to partner with Dominion Group in 2019 to become the General Partner in an existing development located at 4509 East Saint Elmo Road, Austin, Texas 78744. This property had been built using tax credits and reached its 15 year compliance period expiration. The project (Franklin Park) consists of 163 family apartment units serving residents between 30% and 80% Area Median Income. The board saw this project originally in February of 2019 for two resolutions to add AAHC as the General Partner and then in June of 2019 for an inducement resolution and tax credit application resolution to apply for a new issuance of bonds/tax credits. This property is located immediately northwest of Woodway Village which is located at 4600 Nuckols Crossing Road, Austin, TX 78744.

Process:

The development will use a mix of 4% tax credits and bonds to finance the rehab with a total project cost of approximately \$25,000,000. The development currently consists of 101 two bedroom/one bath units, 49 three bedroom/two bath units and 13 four bedroom/two bath units. Twenty-six units are affordable to tenants earning 30% AMFI and below; 53 units are at 40% AMFI and below; 52 units are at 50% AMFI and below; and 32 units are at 80% AMFI and below. 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 \$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 between 30% and 80% Area Median Income, Franklin Park meets these targeted affordability goals.

Rehab will include converting a three-bedroom unit to an Accessible unit and converting one three-bedroom and one four-bedroom unit to Audio-Visual impaired units. In addition, the following amenities will be added: a new outdoor bus shelter, new outdoor pavilions, new outdoor pool and pool deck with fabric shade canopies, new outdoor sod play field, new outdoor playground with fabric shade canopies, two new outdoor trash enclosures, four new outdoor charcoal BBQ grill stations and two new monument signs. Renovations to apartment buildings include: improvements to existing interior and exterior fixtures, equipment and appliances.

Due to the limited interior scope of work, rehab will be complete with tenants in place following strict COVID-19 guidelines.

WNC & Associates, Inc. will provide Equity. JP Morgan Chase will provide the construction loan and an equity bridge loan. Bellwether Enterprise Real Estate Capital, LLC will provide permanent financing.

Unit Breakdown:

101 2-bedroom/2-bath 950 sq ft
49 3-bedroom/2-bath 1,100 sq ft
13 4-bedroom/2-bath 1,300 sq ft

Staff Recommendation:

Board approval will authorize the issuance, sale and delivery of Multifamily Housing Governmental Note (Franklin Park), series 2020; 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**

RESOLUTION NO. 00075

RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING GOVERNMENTAL NOTE (SIGNATURE AT FRANKLIN PARK APARTMENTS) SERIES 2020; 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 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 Note (Signature at Franklin Park Apartments) Series 2020 (the “Governmental Note”) pursuant to and in accordance with the terms of a Funding Loan Agreement dated as of July 1, 2020 (the “Funding Loan Agreement”), between the Governmental Lender, BOKF, NA, as fiscal agent (the “Fiscal Agent”), and JPMorgan Chase Bank, N.A., as initial funding lender (the “Funding Lender”), for the purpose of lending the proceeds thereof to Austin Leased Housing Associates III, Limited Partnership, a Texas limited partnership (the “Borrower”), to provide financing for the acquisition, rehabilitation and equipping of a multifamily rental residential development to be known as Signature at Franklin Park Apartments to be located at approximately 4509 East Saint Elmo Road, Austin, Texas as 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, rehabilitation and equipping of the Project, the Board has determined that the Governmental Lender shall enter into a Project Loan Agreement dated as of July 1, 2020 (the “Project Loan Agreement”), between the Governmental Lender, Fiscal Agent and the Borrower, pursuant to which (i) the Governmental Lender will agree to make a mortgage loan funded with the proceeds of the Governmental Note (the “Mortgage Loan”) to the Borrower to enable the Borrower to finance the cost of acquisition, rehabilitation and equipping of the Project and related costs, and (ii) the Borrower will execute and deliver to the Governmental Lender a project note (the “Multifamily Note”) in an original aggregate principal amount equal to the original aggregate principal amount of the Governmental Note, and providing for payment of interest on such principal amount equal to the interest on the Governmental Note and to pay other costs described in the Project Loan 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 July 1, 2020 (the “Regulatory Agreement”) with respect to the Project; and

WHEREAS, it is anticipated that the Multifamily Note will be secured by a Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing [Leasehold] (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 Note 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”) from the Governmental Lender to the Fiscal Agent; 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 the Governmental Note, the AER is the City Council of Austin, Texas; and

WHEREAS, notice of a public hearing with respect to the Governmental Note and the Project held by the Governmental Lender on October 8, 2019, was published no less than 7 days before such date; 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 Project Loan Agreement, the Regulatory Agreement, the Multifamily Note, 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 Note, 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 October 8, 2019; that notice of such public hearing was published no less than 7 days prior to the hearing; 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 Note; 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 Note. The issuance of the Governmental Note 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 to deliver the Governmental Note 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 Note to the Funding Lender and deliver the Governmental Note 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 Note, 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 the 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 Note shall not exceed \$15,000,000; and (iii) the final maturity of the Governmental Notes shall occur not later than July 1, 2060.

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 Project Loan Agreement. The form and substance of the Project Loan Agreement are hereby approved; and that the officers of the Governmental Lender are each hereby authorized to execute and attest to the Project Loan Agreement and to deliver the Project 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 and attest 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 Note. That the Mortgage and the Multifamily Note are hereby accepted by the Governmental Lender; and that the officers of the Governmental Lender are each hereby authorized to endorse the Multifamily Note 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 and attest 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 Governmental Lender's 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 Governmental Lender's 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 Note.

Section 13.--Purposes of Resolution. The Board has expressly determined and hereby confirms that the issuance of the Governmental Note 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 to obtain decent, safe and sanitary housing at affordable prices.

Section 14.--Limited Obligations. The Governmental Note and the interest thereon shall be limited obligations of the Governmental Lender payable solely from the revenues, funds and assets pledged under the Funding Loan Agreement to secure payment of the Governmental Note and under no circumstances shall the Governmental Note 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 Note are hereby ratified, confirmed and approved.

Section 16.--Approval Conditions. The actions and obligations authorized in this Resolution shall be subject

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 Note of the appropriate opinions of Governmental Lender's counsel with respect to the Governmental Note.

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 Note 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 18th day of June, 2020.

[End of Resolution.]

ATTEST:

Edwina Carrington, CHAIR

Secretary

**EXHIBIT A
PROJECT AND BORROWER**

Borrower: Austin Leased Housing Associates III, Limited Partnership, a Texas limited partnership

Project: 163-unit multifamily residential rental development to be known as Signature at Franklin Park Apartments

The Project will be located at approximately 4509 East Saint Elmo Road, Austin, Texas. It will consist of 8 residential apartment buildings with approximately 166,750 net rentable square feet. The unit mix will consist of:

<u>101</u>	two-bedroom/one-bath units
<u>49</u>	three-bedroom/two-bath units
<u>13</u>	four-bedroom/two-bath units
163	Total Units