

# AUSTIN AFFORDABLE HOUSING CORPORATION



## **BOARD OF DIRECTORS Regular Meeting**

**Thursday, July 16, 2020  
12:00 PM**

**Via Conference Call**

+1 (312) 757-3121 Access Code: 653-997-133  
Austin, TX

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

**TO BE HELD AT  
Via Conference Call  
+1 (312) 757-3121 Access Code: 653-997-133  
Austin, TX  
(512.477.4488)**

**Thursday, July 16, 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 approval of the Board Minutes Summary for the June 18, 2020 Board Meeting

**ACTION ITEMS**

2. Presentation, Discussion and Possible Action on Resolution No. 00160 by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the development of Franklin Park, which consists of affordable housing units and associated amenities built upon land to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s wholly owned, subsidiary limited liability company, AAHC Franklin Park GP, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of Austin Leased Housing Associates III, Limited Partnership (the “Partnership”) and other related documents; (iii) cause the Partnership to enter into development financing for the Project; and (iv) cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein
3. Presentation, Discussion and Possible Action on Resolution No. 00161 by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the acquisition of the Arbors at Tallwood Apartments (the “Development”), which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s subsidiary limited liability company (the “Owner”) to own the Development; (iii) cause the Owner to enter into acquisition and development financing for the Development; and (iv) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein

**EXECUTIVE SESSION**

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

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

## **OPEN SESSION**

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

## **REPORTS**

The Board accepts the following reports:

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

## **ADJOURNMENT**

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

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

"En virtud del 30.06, Código Penal, (traspaso titular de licencia con una pistola), una persona bajo el subcapítulo H, capítulo 411, código de gobierno (Ley de licencia de arma o pistola), no se permiten en este 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 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 x 2104.

**AUSTIN AFFORDABLE HOUSING CORPORATION**

**BOARD ACTION REQUEST**

**ITEM NO. 1.**

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**MEETING DATE:** July 16, 2020

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

**ITEM TITLE:** Presentation, Discussion, and Possible Action regarding approval of the Board Minutes Summary for the June 18, 2020 Board Meeting

**BUDGETED ITEM:** N/A

**TOTAL COST:** N/A

**ACTION**

The Board is being asked to review and approve the Board Minutes Summary for the Board Meeting held on June 18, 2020.

**ATTACHMENTS:**

- ▣ **20200618 AAHC Minutes Summary**

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

**JUNE 18, 2020**

**SUMMARY OF MINUTES**

**THE AUSTIN AFFORDABLE HOUSING CORPORATION (AAHC) BOARD OF DIRECTORS REGULAR PUBLIC MEETING NOTICE WAS POSTED FOR 12:00 NOON ON THURSDAY, JUNE 18, 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**

The Board of Directors Regular Board Meeting of the Austin Affordable Housing Corporation, of June 18, 2020, was called to order by Edwina Carrington, AAHC Chairperson, at 2:47 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.

**MEMBERS PRESENT:**

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

**MEMBER(S) ABSENT:**

**ALSO ON THE CALL:**

Wilson Stoker, Cokinos, Bosien & Young

**STAFF PRESENT ON THE CALL:**

Andrea Galloway, Ann Gass, Barbara Jackson, Becky Summerset, Catherine Crago, Jimi Teasdale, Gloria Morgan, Leilani Lim-Villegas, Lisa Garcia, Martha Ross, Michael Cummings, Michael Gerber, Michael Roth, Nidia Hiroms, Pilar Sanchez, Ron Kowal, Suzanne Schwertner, Tiffany Middleton, and Sylvia Blanco

**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 April 16, 2020**

**Director Richie** moved to Approve the Board Minutes Summary for the Board Meeting held on April 16, 2020. **Director Duncan-Hall** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

**ACTION ITEMS**

**ITEM 2: Presentation, Discussion and Possible Action on Resolution No. 00158 by the Board of Directors of Austin Affordable Housing Corporation authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the development of the Estates at Owen Tech, which consists of affordable housing units and associated amenities built upon land to be ground leased from the Housing Authority of the City of Austin; (ii) cause AAHC's wholly owned, subsidiary limited liability company, TX Owen Tech GP, LLC to execute an amended and restated agreement of limited partnership of TX Owen Tech 2018, Ltd. and other related documents; (iii) cause the Partnership to enter into development financing for the Project; and (iv) cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein**

Austin Affordable Housing Corporation was presented with an opportunity to partner with Generation Housing Partners, LLC based in Dallas, Texas on a 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).

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.

**Director Duncan-Hall** moved to Approve Resolution No. 00158 by the Board of Directors of Austin Affordable Housing Corporation authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to facilitate the development of the Estates at Owen Tech, in an amount not to exceed \$20,000,000. **Director Richie** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

**ITEM 3: Presentation, Discussion and Possible Action on Resolution No. 00159 by the Board of Directors of Austin Affordable Housing Corporation authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the development of the Woodway Village Apartments, which consists of affordable housing units and associated amenities built upon land to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC's wholly owned, subsidiary limited liability company, AAHC Woodway Village GP, LLC to execute an amended and restated agreement of limited partnership of Austin Leased Housing Associates IV , Limited Partnership and other related documents; (iii) cause the Partnership to enter into development financing for the Project; and (iv) cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein**

Austin Affordable Housing Corporation was presented with an opportunity to partner with 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.

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.

Board approval authorizes AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: facilitate the development of the Woodway Village Apartments.

**Director Richie** moved to Approve Resolution No. 00159 by the Board of Directors of Austin Affordable Housing Corporation authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to facilitate the

development of the Woodway Village Apartments, in an amount not to exceed \$30,000,000. 2<sup>nd</sup> Vice-Chairperson Apostolou seconded the motion. The motion Passed (5-Ayes and 0-Nays).

**ITEM 4: Presentation, Discussion and Possible Action on Resolution No. 00160 by the Board of Directors of Austin Affordable Housing Corporation authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the development of Franklin Park, which consists of affordable housing units and associated amenities built upon land to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC's wholly owned, subsidiary limited liability company, AAHC Franklin Park GP, LLC to execute an amended and restated agreement of limited partnership of Austin Leased Housing Associates III, Limited Partnership (the "Partnership") and other related documents; (iii) cause the Partnership to enter into development financing for the Project; and (iv) cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein**

This item was pulled.

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

**ADJOURNMENT**

**Director Richie** moved to Adjourn the meeting. 2<sup>nd</sup> Vice-Chairperson Apostolou seconded the motion. The motion Passed (5-Ayes and 0-Nays).

The meeting adjourned at 2:52 p.m.

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**Michael G. Gerber, Secretary**

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**Edwina Carrington, Chairperson**

# AUSTIN AFFORDABLE HOUSING CORPORATION

## BOARD ACTION REQUEST

### RESOLUTION NO. 00160

#### ITEM NO. 2.

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**MEETING DATE:** July 16, 2020

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

**ITEM TITLE:** Presentation, Discussion and Possible Action on Resolution No. 00160 by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the development of Franklin Park, which consists of affordable housing units and associated amenities built upon land to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s wholly owned, subsidiary limited liability company, AAHC Franklin Park GP, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of Austin Leased Housing Associates III, Limited Partnership (the “Partnership”) and other related documents; (iii) cause the Partnership to enter into development financing for the Project; and (iv) cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein

**BUDGETED ITEM:** N/A

**TOTAL COST:** N/A

#### ACTION

The Board is being asked to approve Resolution No. 00160 authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the development of Franklin Park, which consists of affordable housing units and associated amenities built upon land to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s wholly owned, subsidiary limited liability company, AAHC Franklin Park GP, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of Austin Leased Housing Associates III, Limited Partnership (the “Partnership”) and other related documents; (iii) cause the Partnership to enter into development financing for the Project; and (iv) cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

#### SUMMARY

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

Austin Affordable Housing Corporation 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 AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the development of Franklin Park, which consists of affordable housing units and associated amenities built upon land to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s wholly owned, subsidiary limited liability company, AAHC Franklin Park GP, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of Austin Leased Housing Associates III, Limited Partnership (the “Partnership”) and other related documents; (iii) cause the Partnership to enter into development financing for the Project; and (iv) cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

**ATTACHMENTS:**

- ▢ **Map of Franklin Park**

**RESOLUTION NO. 00160**

**A Resolution by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to:**

- 1. Facilitate the development of Signature at Franklin Park Apartments, which consists of affordable housing units and associated amenities to be developed upon property to be ground-leased from the Housing Authority of the City of Austin;**
- 2. Cause AAHC’s wholly owned, subsidiary limited liability company, AAHC Franklin Park GP, LLC (the “General Partner”) to execute an Amended and Restated Agreement of Limited Partnership of Austin Leased Housing Associates III, Limited Partnership (the “Partnership”) and other related documents;**
- 3. Cause the Partnership to enter into development financing for the Project; and**
- 4. Cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.**

**WHEREAS**, AAHC is the sole member of the General Partner;

**WHEREAS**, the General Partner is the sole general partner of the Partnership;

**WHEREAS**, the Partnership was formed for the purpose of owning, developing, managing, and otherwise dealing with Signature at Franklin Park Apartments, a 163-unit apartment complex (the “**Project**”) under development on a parcel of land located at 4509 East Saint Elmo Road, Austin, Texas (the “**Land**”), and intended for rental to persons of low and moderate income;

**WHEREAS**, in connection with the development of the Project, the Partnership desires to acquire a leasehold interest in the Land and ownership of the improvements comprising the Project from the current owner and, in connection therewith, enter into certain assignments and acquisition documents (the “**Acquisition Documents**”);

**WHEREAS**, the Partnership desires to enter into an amended and restated ground lease (“**Ground Lease**”) covering the Land with the Housing Authority of the City of Austin (“**HACA**”);

**WHEREAS**, AAHC, the General Partner and Partnership desire to enter into certain equity documents for the purpose of admitting one or more affiliates of WNC & Associates, Inc.

(collectively, the “**Limited Partners**”), as investor and special limited partners to the Partnership, including an Amended and Restated Agreement of Limited Partnership for the Partnership (the “**Partnership Agreement**”);

**WHEREAS**, in connection with the proceedings relating to the issuance and delivery by the Austin Affordable PFC, Inc. (the "**Governmental Lender**") of its Multifamily Housing Governmental Note (Signature at Franklin Park Apartments) Series 2020 (the “**Governmental Note**”) in the aggregate principal amount not to exceed \$15,000,000, pursuant to and in accordance with the terms of a Funding Loan Agreement (the “**Funding Loan Agreement**”) by and between the Governmental Lender, BOKF, NA, as fiscal agent (the “**Fiscal Agent**”), and JPMorgan Chase Bank, N.A.;

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

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

**WHEREAS**, the Partnership desires to obtain a bridge loan from JPMorgan Chase Bank, N.A. (“**Bridge Lender**”) in an amount not to exceed \$6,000,000 (“**Bridge Loan**”), which Bridge Loan will be evidenced, secured and/or governed by a promissory note in the amount of the bridge loan, a bridge loan agreement, an environmental indemnity, a guaranty, a pledge and security agreement, one or more financing statements and other security agreements, certificates, instruments and documents as may be required by the Bridge Lender (collectively, the “**Bridge Loan Documents**”);

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

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

form and substance approved by the Executing Officer (as such term is hereinafter defined), both individually and in a representative capacity as identified in these resolutions, his/her approval of each such instrument to be conclusively evidenced by his/her execution thereof; and it is further,

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

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

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

**RESOLVED**, that action by any of the officers of AAHC, and any person or persons designated and authorized so to act by any such officer, to do and perform, or cause to be done and performed, in the name and on behalf of AAHC and/or General Partner and/or the Partnership, or the execution and delivery, or causing to be executed and delivered, such other security agreements, financing statements, notices, requests, demands, directions, consents, approvals, waivers, acceptances, appointments, applications, certificates, agreements, supplements, amendments, further assurances or other instruments or communications, in the name and on behalf of AAHC or otherwise, as they, or any of them, may deem to be necessary or advisable in order to carry into effect the intent of the foregoing resolutions or to

comply with the requirements of the instruments approved or authorized by the foregoing resolutions is hereby approved, ratified and confirmed; and it is further

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

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

*[Remainder of page intentionally left blank for signature]*

**PASSED, APPROVED AND ADOPTED** this 16th day of July, 2020.

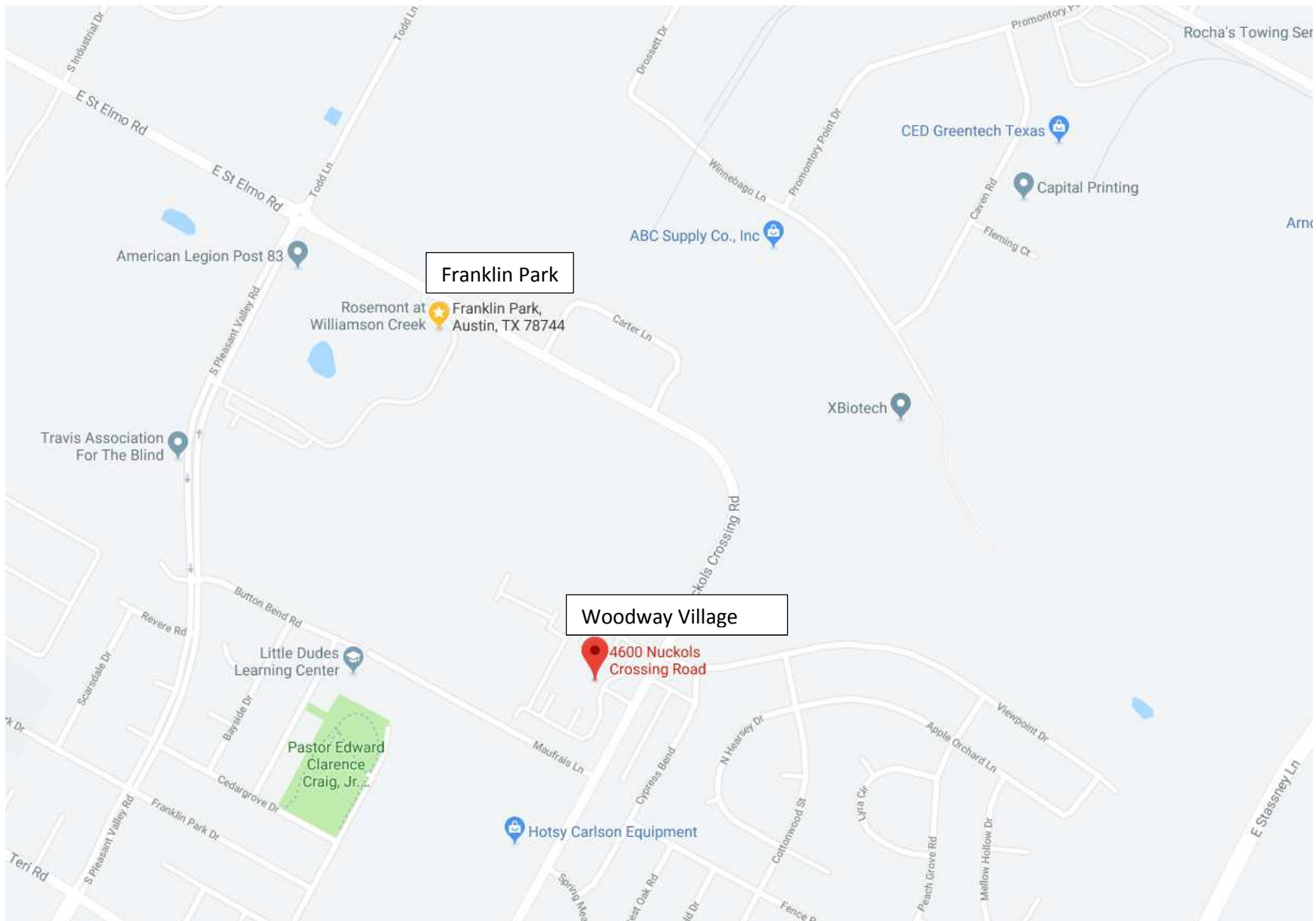
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Edwina Carrington, CHAIR

ATTEST:

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Secretary



# AUSTIN AFFORDABLE HOUSING CORPORATION

## BOARD ACTION REQUEST

### RESOLUTION NO. 00161

#### ITEM NO. 3.

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**MEETING DATE:** July 16, 2020

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

**ITEM TITLE:** Presentation, Discussion and Possible Action on Resolution No. 00161 by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the acquisition of the Arbors at Tallwood Apartments (the “Development”), which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s subsidiary limited liability company (the “Owner”) to own the Development; (iii) cause the Owner to enter into acquisition and development financing for the Development; and (iv) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein

**BUDGETED ITEM:** N/A

**TOTAL COST:** N/A

#### ACTION

The Board is being asked to approve Resolution No. 00161 authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the acquisition of the Arbors at Tallwood Apartments (the “Development”), which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s subsidiary limited liability company (the “Owner”) to own the Development; (iii) cause the Owner to enter into acquisition and development financing for the Development; and (iv) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein

#### SUMMARY

***Background:***

Austin Affordable Housing Corporation (AAHC), has been presented an opportunity to partner with Belveron Corporation, to purchase a 120 unit apartment complex called the Arbors at Tallwood. The complex is located at 8810 Tallwood Drive, Austin, Texas 78759, in the Northwest Central market in the very high opportunity area of Northwest Hills.

AAHC’s proposed partner, Belveron Corporation, prides itself on long term preservation of workforce housing. Located out of San Francisco, Belveron, is a privately held investment firm with a current portfolio

of more than 25,000 units across the United States. Founded in 2006, Belveron have invested in more than 200 properties in 32 states. AAHC is working with Managing partner, Paul Odland, and Senior Portfolio Manager, Josh Plattner.

The Arbors at Tallwood was built in 1972 and sits on 5.76 acres. 78% of the units have gone through renovation and improvement and the current ownership has spent more than \$600,000 on exterior work. The property has a newly installed dog park along with a swimming pool and clubhouse and is equipped with several remodeled laundry rooms throughout the site. The property feeds in to one of the strongest school districts in AISD, where residents are assigned to Hill Elementary School, Murchison Middle School and Anderson High School. The property's location to Mopac and 183 provides fantastic access to many employers, retail shops, grocery stores and medical providers. Below is a breakdown of the many variations of unit sizes.

24 1-bedroom/1-bath	700 square feet
16 1-bedroom/1-bath	730 square feet
38 2 bedroom/1 ½ bath	966 square feet
16 2-bedroom 2 bath	1,144 square feet
6 3-bedroom/2 bath	1,315 square feet
20 3-bedroom/2 ½ bath	1,354 square feet

***Process:***

The purchase price for the Arbors at Tallwood is \$17,825,000. Belveron will be investing 30% cash to the purchase (approximately \$5.4 MM) as a down payment. In addition, Belveron will place an additional \$1,800,000.00 for future capital needs. Belveron has also committed to place in escrow an additional reserve amount equal to 1 full year of mortgage payments to ease any future rental issues due to the Covid-19 virus. AAHC will not have any liability and will not be responsible for any guarantees required by the lender. The property will serve residents at 80% and below and AAHC and Belveron have committed to not raising rents for the next 12 months and is committed to leasing to all voucher holders. The property will be managed by Apartment Management Professionals.

***Staff Recommendation:***

Board approval will allow AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the acquisition of the Arbors at Tallwood Apartments (the "Development"), which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC's subsidiary limited liability company (the "Owner") to own the Development; (iii) cause the Owner to enter into acquisition and development financing for the Development; and (iv) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein

**ATTACHMENTS:**

- ▣ **Arbors at Tallwood Map**



**RESOLUTION NO. 00161**

A Resolution by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the acquisition of the Arbors at Tallwood Apartments (the “Development”), which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s subsidiary limited liability company, Arbors at Tallwood, LLC (the “Owner”), to own the Development; (iii) cause the Owner to enter into acquisition and development financing for the Development; and (iv) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

**WHEREAS**, AAHC is contemplating the acquisition of the Development;

**WHEREAS**, as part of the proposed ownership structure for the Development, AAHC desires to form AAHC Arbors at Tallwood, LLC, a Texas limited liability company, to serve as managing member of the Owner (the “**Managing Member**”), and AAHC shall serve as the sole member of the Managing Member;

**WHEREAS**, as sole member of the Managing Member, AAHC will cause the Managing Member to enter into an operating agreement of the Owner (the “**Operating Agreement**”);

**WHEREAS**, in connection with the acquisition and operation of the Development, the Owner desires to obtain ownership of the improvements comprising the Development pursuant to a bill of sale and to obtain site control of the land comprising the site of the Development (the “**Land**”) from the Housing Authority of the City of Austin (“**HACA**”), by entering into a ground lease (“**Ground Lease**”) with HACA for the Land;

**WHEREAS**, the Owner desires to enter into a bridge loan and/or permanent loan with Bellwether Enterprise Real Estate Capital, LLC (or an affiliate thereof), whereby the Owner will borrow a sum not to exceed \$15,000,000 (“**Loan**”), in order to finance the acquisition and renovation of the Development;

**WHEREAS**, the Loan will each be made pursuant to a promissory note to be secured, *inter alia*, by a deed of trust, UCC financing statements, certificates, affidavits, directions, amendments, indemnifications, notices, requests, demands, waivers, and any other assurances, instruments, or other communications executed in the name of and on behalf of the Owner as may be deemed to be necessary or advisable in order to carry into effect or to comply with the requirements of the instruments approved or authorized by these resolutions in connection with the Loan (collectively, the “**Loan Documents**”);

**NOW, BE IT RESOLVED**, that all of the documents, instruments, or other writing

executed by AAHC (both individually and in a representative capacity as identified in these resolutions), in consummation of the transactions herein described (both individually and in a representative capacity as identified in these resolutions), including, but not limited to, (i) the Ground Lease and Loan Documents, (ii) the Operating Agreement, and (iii) any and all such additional documents executed to consummate the transactions contemplated herein (collectively, the "**Transaction Documents**") shall be in form and substance approved by the Executing Officer (as such term is hereinafter defined), both individually and in a representative capacity as identified in these resolutions, his/her approval of each such instrument to be conclusively evidenced by his execution thereof; and it is further,

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

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

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

**RESOLVED**, that action by any of the officers of AAHC, and any person or persons designated and authorized so to act by any such officer, to do and perform, or cause to be done and performed, in the name and on behalf of AAHC and/or Managing Member and/or the Owner, or the execution and delivery, or causing to be executed and delivered, such other

security agreements, financing statements, notices, requests, demands, directions, consents, approvals, waivers, acceptances, appointments, applications, certificates, agreements, supplements, amendments, further assurances or other instruments or communications, in the name and on behalf of AAHC or otherwise, as they, or any of them, may deem to be necessary or advisable in order to carry into effect the intent of the foregoing resolutions or to comply with the requirements of the instruments approved or authorized by the foregoing resolutions is hereby approved, ratified and confirmed; and it is further

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

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

*[End of Resolution]*

**PASSED, APPROVED AND ADOPTED** this 16th day of July, 2020.

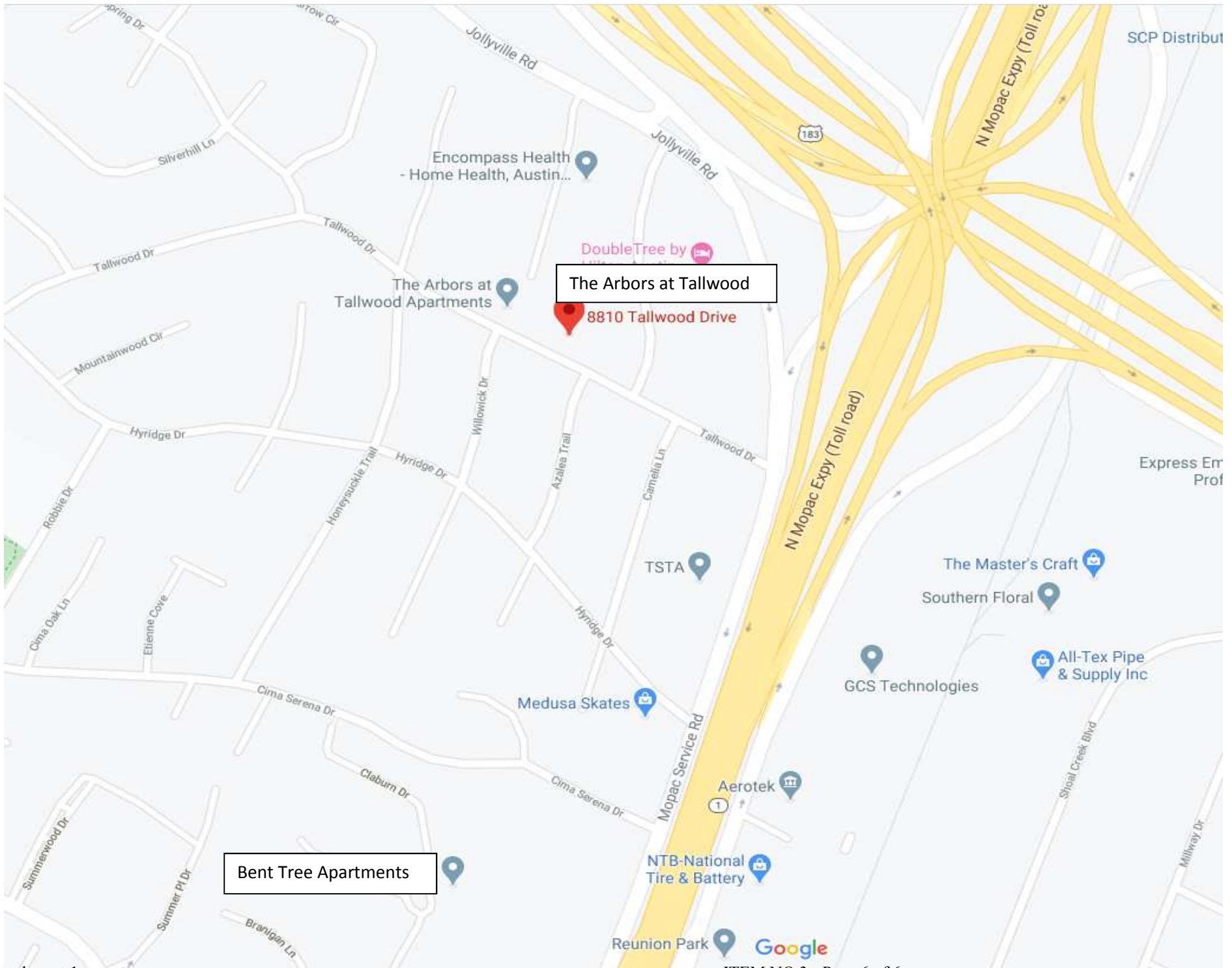
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Edwina Carrington, Chair

ATTEST:

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SECRETARY





# Franklin Park—

4509 East Saint Elmo Road, Austin, TX 78744

- Partnership with Dominion Group
- Serving tenants at 30% to 80% Area Median Family Income (AMFI) and below
- Located in the city of Austin
- Unit breakdown – 163 units:
  - 101 – 2-bedroom/2 bath
  - 49 – 3 bedroom/2 bath
  - 13 – 4 bedroom/2 bath



# Franklin Park—

4509 East Saint Elmo Road, Austin, TX 78744

- Construction Lender – JP Morgan Chase
- Equity Bridge Lender - JP Morgan Chase
- Permanent Lender – Bellwether Enterprise Real Estate Capital, LLC
- Equity – WNC & Associates, Inc.
- Housing Choice Vouchers will be accepted



# Franklin Park—

4509 East Saint Elmo Road, Austin, TX 78744

- Exterior rehab will include: 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, and four new BBQ grill stations
- Interior rehab will include new 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



# Franklin Park—

4509 East Saint Elmo Road, Austin, TX 78744







# Arbors at Tallwood –

8810 Tallwood Drive, Austin, Texas 78759

- Partnership with Belveron Corporation
- 50% of units servicing tenants at 80% Area Median Family Income (AMFI) and below; 50% of units serving tenants over 80% AMFI
- Located in the city of Austin
- Unit breakdown – 120 units:

24 1-bedroom/1-bath	700 square feet
16 1-bedroom/1-bath	730 square feet
38 2 bedroom/1 ½ bath	966 square feet
16 2-bedroom 2 bath	1,144 square feet
6 3-bedroom/2 bath	1,315 square feet
20 3-bedroom/2 ½ bath	1,354 square feet



# Arbors at Tallwood—

8810 Tallwood Drive, Austin, TX 78759

- Built in 1972
- 5.76 acres
- Located in a very high opportunity area off Mopac Expressway and Highway 183
- Schools –
  - Hill Elementary
  - Murchison Middle
  - Anderson High



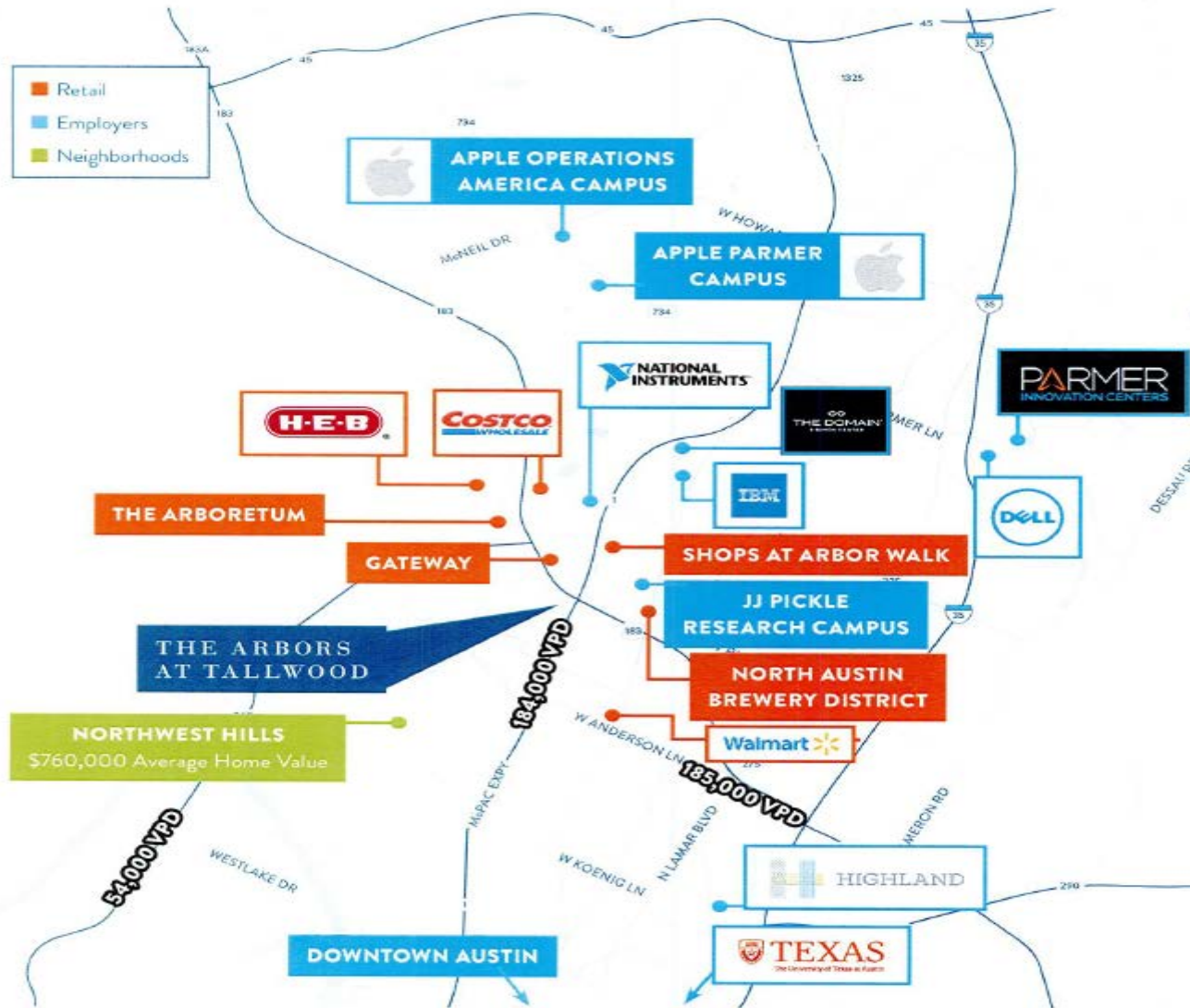
# Arbors at Tallwood—

8810 Tallwood Drive, Austin, TX 78759

- Belveron will invest 30% equity as down payment
- Belveron will escrow an addition \$1,800,000 for future capital needs.
- Belveron has also committed an additional 1 year of mortgage payments to be escrowed
- Rents will remain the same with no increasing for the next 12 months
- Housing Choice Vouchers will be accepted

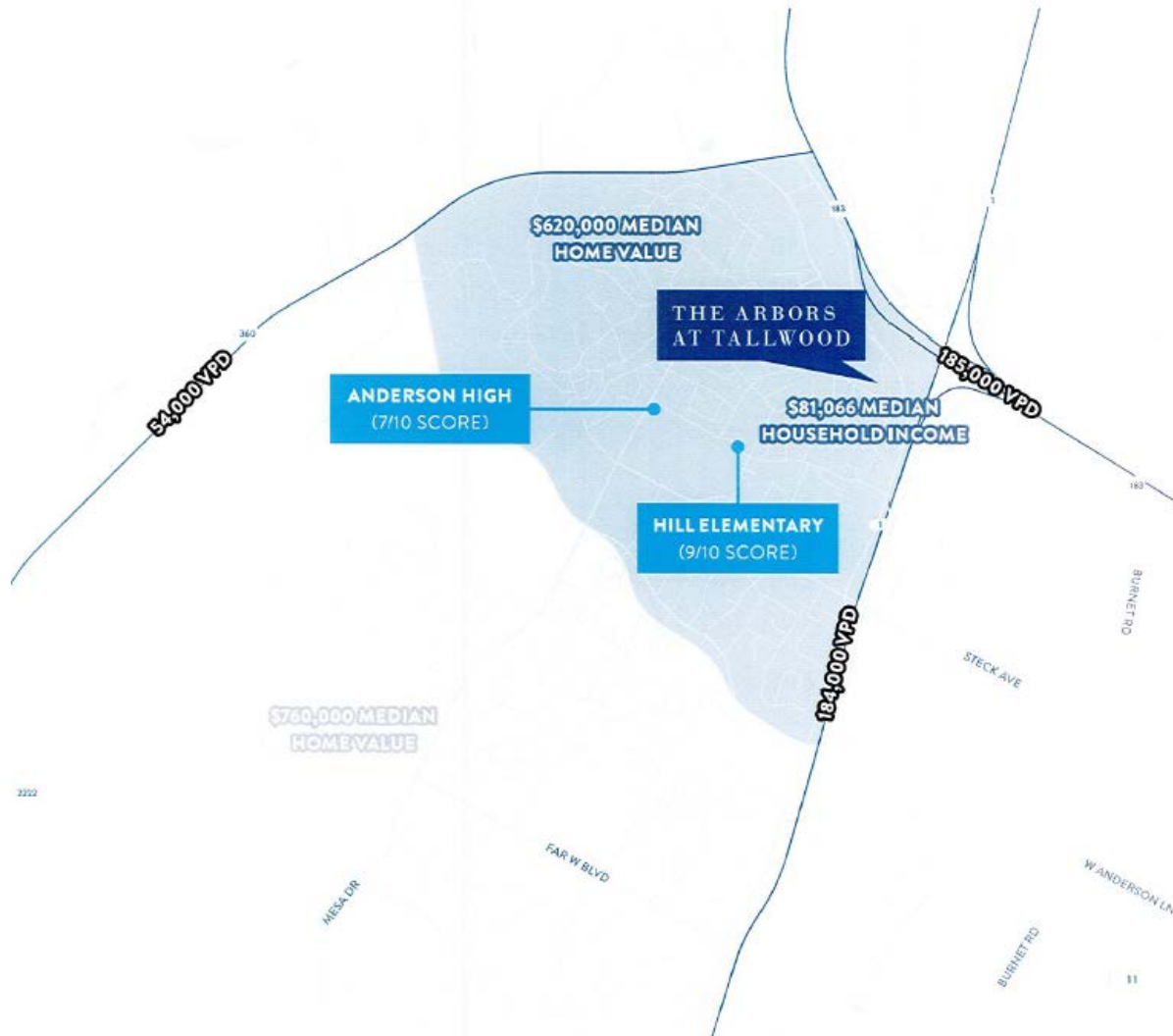


# Arbors at Tallwood— 8810 Tallwood Drive, Austin, TX 78759



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