

AUSTIN AFFORDABLE HOUSING CORPORATION



BOARD OF DIRECTORS Regular Meeting

**Thursday, September 17, 2020
12:00 PM**

Via Conference Call

1 (646) 749-3122; Access Code: 541-121-477

**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 (646) 749-3122; Access Code: 541-121-477
Austin, TX**

Thursday, September 17, 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 July 16, 2020

ACTION ITEMS

2. Presentation, Discussion and Possible Action on Resolution No. 00162 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 participate in the housing tax credit application for Walnut Trace Apartments
3. Presentation, Discussion and Possible Action on Resolution No. 00163 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 participate in the housing tax credit application for Belmont Apartments
4. Presentation, discussion and possible action on Resolution No. 00164 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 participate in the housing tax credit application for the Cypress Creek at Howard Lane Apartment Community
5. Presentation, Discussion and Possible Action on Resolution No. 00165 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 Montecito 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 assume existing development financing for the Development; and (iv) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein

EXECUTIVE SESSION

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

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

OPEN SESSION

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

REPORTS

The Board accepts the following reports:

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

ADJOURNMENT

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

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

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

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

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

The Housing Authority of the City of Austin is committed to compliance with the Americans with Disability Act. Reasonable modifications and equal access to the communications will be provided upon request. Meeting locations are planned with wheelchair access. If requiring Sign Language Interpreters or alternative formats, please give notice at least 2 days (48 hours) before the meeting date. Please call Nidia Hiroms at HACA at 512.477.4488, for additional information; TTY users route through Relay Texas at 711. For more information on HACA, please contact Nidia Hiroms at 512.477.4488 x 2104.

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

ITEM NO. 1.

MEETING DATE: September 17, 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 July 16, 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 July 16, 2020.

ATTACHMENTS:

- ▣ **20200716 AAHC Board Minutes Summary**

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

JULY 16, 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, JULY 16, 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 July 16, 2020, was called to order by Edwina Carrington, AAHC Chairperson, at 1:40 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, 2nd 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, Gloria Morgan, Kelly Crawford, Leilani Lim-Villegas, Lisa Garcia, Martha Ross, Michael Gerber, Michael Roth, Nidia Hiroms, Nora Velasco, Pilar Sanchez, Ron Kowal, Suzanne Schwertner, and Sylvia Blanco

CITIZENS COMMUNICATION – CITIZENS COMMUNICATION

Zenobia Joseph, citizen, asked if staff could add the area median family income, with a possible overlay with those units listed in Travis County to the map of AAHC properties to see where the most poverty is.

Citizen communication was also 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 June 18, 2020

Director Duncan-Hall moved to Approve the Board Minutes Summary for the Board Meeting held on June 18, 2020. **Director Richie** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ACTION ITEMS

ITEM 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

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 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.

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.

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 Franklin Park.

Director Apostolou moved to Approve 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 facilitate the development of Franklin Park in an amount not to exceed \$15,000,000. **Director Duncan-Hall** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ITEM 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

Austin Affordable Housing Corporation (AAHC), was presented with 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.

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.

Board approval allows 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, 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 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.

Director Richie moved to Approve Resolution No. 00161 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 acquisition of the Arbors at Tallwood Apartments. **2nd Vice-Chairperson Apostolou** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

THE BOARD DID NOT RECESS INTO EXECUTIVE SESSION.

ADJOURNMENT

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

The meeting adjourned at 2:07 p.m.

Michael G. Gerber, Secretary

Edwina Carrington, Chairperson

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00162

ITEM NO. 2.

MEETING DATE: September 17, 2020

STAFF CONTACT: Suzanne Schwertner, Director of Development

ITEM TITLE: Presentation, Discussion and Possible Action on Resolution No. 00162 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 participate in the housing tax credit application for Walnut Trace Apartments

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to approve Resolution No. 00162 authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to participate in the housing tax credit application for Walnut Trace.

SUMMARY

Background:

Austin Affordable Housing Corporation is being presented with an opportunity to partner with LDG Multifamily LLC on a certain 9.88 acre tract of land located within the Austin ETJ at Highway 183 & FM 969, Austin, TX 78725. The project (Walnut Trace Apartments) will consist of 236 family apartment units serving tenants at 50%, 60% and 70% of median family income using income averaging where the sum of all units will equal an average of 60% area median family income. This property will serve the following schools: Norman Elementary, Martin Middle School, and LBJ High School. The project is located in a Qualified Census Tract (QCT) which makes it eligible for a 30% boost in the calculation of tax credits. The nearest property in AAHC’s current portfolio is Reserve at Springdale to the Northwest.

Process:

The development will use a mixture of 4% tax credits and bonds to finance the development with a total project cost of approximately \$76,000,000. The planned development will consist of 91 one bedroom and one bath units, 80 two bedroom and two bath units, 63 three bedroom and two bath units, and 2 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 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 for any and all agreements and approvals.

Staff Recommendation:

Board approval will allow AAHC to submit a non-competitive 4% tax credit application. Board resolution is a new requirement for non-profit General Partners under the 2019 TDHCA Qualified Allocation Plan (QAP). Staff will bring this matter back to the Board for final approval to proceed.

ATTACHMENTS:

- ▣ **Walnut Trace Apartments Map**

RESOLUTION NO. 00162

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 participate in the housing tax credit application for Walnut Trace Apartments

WHEREAS, AAHC is the sole member of AAHC Walnut Trace GP, LLC, a Texas limited liability company (the “**General Partner**”);

WHEREAS, the General Partner is the sole general partner of LDG Walnut Trace, LP, a Texas limited partnership (the “**Partnership**”);

WHEREAS, the Partnership was formed for the purpose of owning, developing, managing, and otherwise dealing with Walnut Trace, a multifamily affordable apartment complex (the “**Project**”) to be developed on a parcel of land located in Austin, Travis County, Texas (the “**Land**”), and intended for rental to persons of low and moderate income;

WHEREAS, in connection with the development of the Project, the Partnership intends to submit a 4% housing tax credit application to the Texas Department of Housing and Community Affairs (the “**Application**”);

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 Application and (ii) any and all such additional documents executed to consummate the transactions contemplated herein (collectively, the “**Application 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 the authorization of AAHC, Partnership and/or General Partner to enter into the Application 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 Application Documents, in the form as so executed and delivered is hereby approved, ratified and confirmed; and it is further

RESOLVED, that Ron Kowal, Vice President of AAHC, and any other 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 Application 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 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.

[End of Resolution]

PASSED, APPROVED, and ADOPTED this 17th day of September, 2020.

CHAIRPERSON

ATTEST:

SECRETARY



AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00163

ITEM NO. 3.

MEETING DATE: September 17, 2020

STAFF CONTACT: Suzanne Schwertner, Director of Development

ITEM TITLE: Presentation, Discussion and Possible Action on Resolution No. 00163_ 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 participate in the housing tax credit application for Belmont Apartments

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to approve Resolution No. 00163 authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to participate in the housing tax credit application for Belmont Apartments.

SUMMARY

Background:

Austin Affordable Housing Corporation is being presented with an opportunity to partner with LDG Multifamily LLC on a certain 8.08 acre tract of land located within the Austin city limits at 9100 Brown Lane, Austin, TX 78754. This will be a phase II of the Bridge at Cameron. The project (Belmont Apartments) will consist of 144 family apartment units serving tenants at 50%, 60% and 70% of median family income using income averaging where the sum of all units will equal an average of 60% area median family income. This property will serve the following schools: Pioneer Crossing Elementary, Decker Middle School, and Manor High School. The nearest property in AAHC’s current portfolio is Bridge at Cameron located next door to the West.

Process:

The development will use a mixture of 4% tax credits and bonds to finance the development with a total project cost of approximately \$34,000,000. The planned development will consist of 48 one bedroom and one bath units, 52 two bedroom and two bath units, 36 three bedroom and two bath units, and 8 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 \$30,000,000. 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 the progress and

specifically for any and all agreements and approvals.

Staff Recommendation:

Board approval will allow AAHC to submit a non-competitive 4% tax credit application. Board resolution is a new requirement for non-profit General Partners under the 2019 TDHCA Qualified Allocation Plan (QAP). Staff will be presenting to the Board in future months on the progress and specifically any and all agreements and approvals. Staff will bring this matter back to the Board for final approval to proceed.

ATTACHMENTS:

- ▣ **Belmont Apartments Map**

RESOLUTION NO. 00163

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 participate in the housing tax credit application for Belmont Apartments

WHEREAS, AAHC is the sole member of AAHC Belmont GP, LLC, a Texas limited liability company (the “**General Partner**”);

WHEREAS, the General Partner is the sole general partner of LDG Belmont, LP, a Texas limited partnership (the “**Partnership**”);

WHEREAS, the Partnership was formed for the purpose of owning, developing, managing, and otherwise dealing with Belmont, a multifamily affordable apartment complex (the “**Project**”) to be developed on a parcel of land located in Austin, Travis County, Texas (the “**Land**”), and intended for rental to persons of low and moderate income;

WHEREAS, in connection with the development of the Project, the Partnership intends to submit a 4% housing tax credit application to the Texas Department of Housing and Community Affairs (the “**Application**”);

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 Application and (ii) any and all such additional documents executed to consummate the transactions contemplated herein (collectively, the “**Application 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 the authorization of AAHC, Partnership and/or General Partner to enter into the Application 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 Application Documents, in the form as so executed and delivered is hereby approved, ratified and confirmed; and it is further

RESOLVED, that Ron Kowal, Vice President of AAHC, and any other 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 Application 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 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.

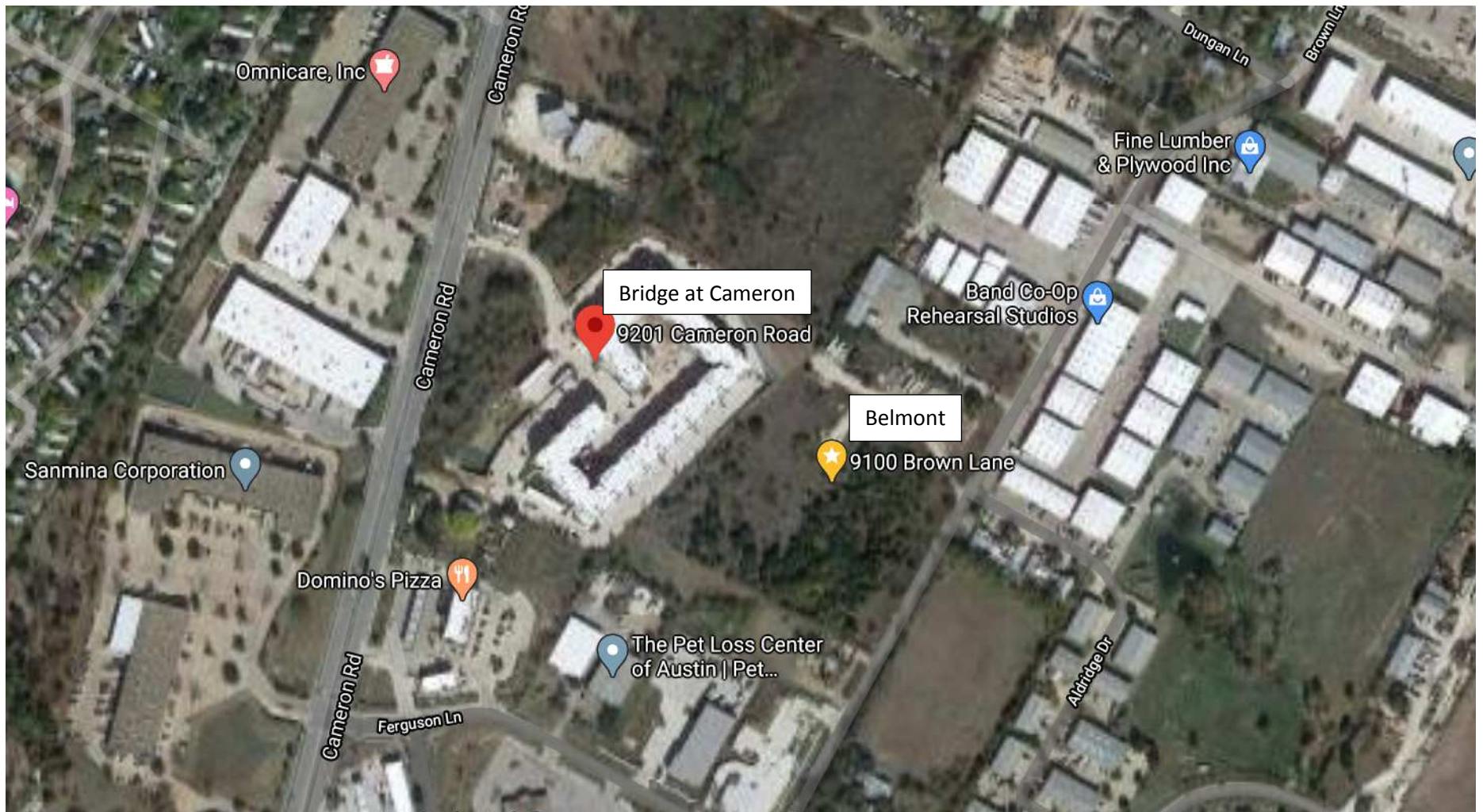
[End of Resolution]

PASSED, APPROVED, and ADOPTED this 17th day of September, 2020.

CHAIRPERSON

ATTEST:

SECRETARY



AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00164

ITEM NO. 4.

MEETING DATE: September 17, 2020

STAFF CONTACT: Suzanne Schwertner, Director of Development

ITEM TITLE: Presentation, discussion and possible action on Resolution No. 00164 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 participate in the housing tax credit application for the Cypress Creek at Howard Lane Apartment Community

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The board is being asked to approve Resolution No. 00164 authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to participate in the housing tax credit application for Cypress Creek at Howard Lane Apartment Community.

SUMMARY

Background:

Austin Affordable Housing Corporation is being presented with an opportunity to partner with Bonner Carrington LLC for the first time on a certain 23.76 acre tract of land located within the Austin city limits at approximately 1401 W Howard Lane, Austin, TX 78753. The project (Cypress Creek at Howard Lane Apartment Community) will consist of 362 family apartment units serving tenants at 60% of median family income. This property will be served by Pflugerville ISD in the following schools: John B Connally High School, Westview Middle School and Parmer Lane Elementary School. The nearest property in AAHC’s current portfolio is Heritage Estates at Owen Tech located to the North.

Process:

The development will use a mixture of 4% tax credits and bonds to finance the development with a total project cost of approximately \$71,000,000. The planned development will consist of 118 one bedroom and one bath units, 188 two bedroom and two bath units, 40 three bedroom and two bath units, and 16 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 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 the progress and specifically for any and all agreements and approvals.

Staff Recommendation:

Board approval will allow AAHC to submit a non-competitive 4% tax credit application. Board resolution is a new requirement for non-profit General Partners under the 2019 TDHCA Qualified Allocation Plan (QAP). Staff will be presenting to the Board in future months on the progress and specifically any and all agreements and approvals. Staff will bring this matter back to the Board for final approval to proceed.

ATTACHMENTS:

- ▣ **Howard Lane Map**

RESOLUTION NO. 00164

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 participate in the housing tax credit application for Cypress Creek at Howard Lane Apartment Community

WHEREAS, AAHC is the sole member of AAHC Howard Lane Development, LLC, a Texas limited liability company (the “**General Partner**”);

WHEREAS, the General Partner is the sole general partner of Cypress Creek Howard Lane, LP, a Texas limited partnership (the “**Partnership**”);

WHEREAS, the Partnership was formed for the purpose of owning, developing, managing, and otherwise dealing with Cypress Creek at Howard Lane, a multifamily affordable apartment complex (the “**Project**”) to be developed on a parcel of land located in Austin, Travis County, Texas (the “**Land**”), and intended for rental to persons of low and moderate income;

WHEREAS, in connection with the development of the Project, the Partnership intends to submit a 4% housing tax credit application to the Texas Department of Housing and Community Affairs (the “**Application**”);

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 Application and (ii) any and all such additional documents executed to consummate the transactions contemplated herein (collectively, the "**Application 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 the authorization of AAHC, Partnership and/or General Partner to enter into the Application 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 Application Documents, in the form as so executed and delivered is hereby approved, ratified and confirmed; and it is further

RESOLVED, that Ron Kowal, Vice President of AAHC, and any other 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 Application 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 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.

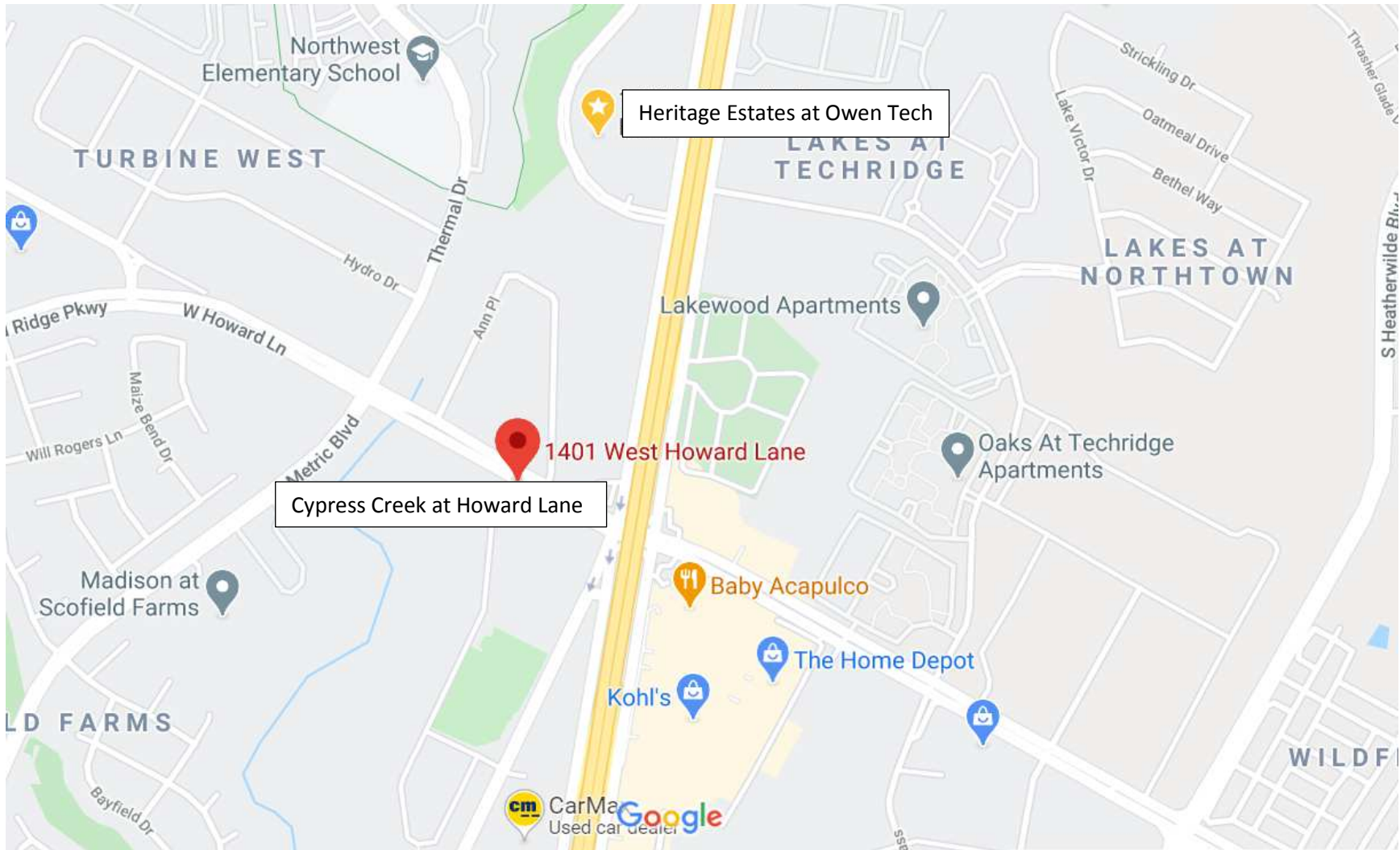
[End of Resolution]

PASSED, APPROVED, and ADOPTED this 17th day of September, 2020.

CHAIRPERSON

ATTEST:

SECRETARY



AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00165

ITEM NO. 5.

MEETING DATE: September 17, 2020

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

ITEM TITLE: Presentation, Discussion and Possible Action on Resolution No. 00165 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 Montecito 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 assume existing 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. 00165 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 Montecito 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 assume existing 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 268 unit apartment complex called the Montecito Apartments. The complex is located at 3111 Parker Lane, Austin, Texas 78741, in the ever changing Riverside Drive market.

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 Montecito was built in 1984 and sits on 10.37 acres. About 50% of the units have gone through renovation and improvement and the current ownership has spent more than \$3,000,000 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 backs up to the Mabel Davis District Park featuring an Olympic size swimming pool, fishing piers, trails and a skate park. The property's location is minutes away from the Riverside corridor, where many affordable units are now being displaced by newer market rate developments. The location provides great access to retail shops, grocery stores and medical providers. Below is a breakdown of the many variations of unit sizes.

32 1-bedroom/1-bath	474 square feet
16 1-bedroom/1-bath	510 square feet
48 1-bedroom/1-bath	564 square feet
60 1-bedroom 1 bath	648 square feet
32 1-bedroom/1 bath	728 square feet
20 2-bedroom/2 bath	832 square feet
48 2-bedroom/2-bath	948 square feet
12 2-bedroom/2-bath	1,080 square feet

Process:

The purchase price for the Montecito Apartments is \$34,740,000. Belveron will be investing 30% cash to the purchase (approximately \$10.4 MM) as a down payment. In addition, Belveron will place an additional \$2,500,000.00 for future capital needs. Belveron has also committed to place in escrow approximately 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% MFI and below. AAHC and Belveron have committed to not raising rents for the next 12 months and are committed to leasing to HCV voucher holders. The property will be managed by Apartment Management Professionals. The property is currently 96% occupied and shows that 100% of its current residents are under 80% of the area median family income.

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 Montecito 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 assume existing 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:

- ▢ **Montecito Map**

RESOLUTION NO. 00165

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 Montecito 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, Montecito Apartments, LLC (the “Owner”), to own the Development; (iii) cause the Owner to assume existing 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 Montecito, 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 certain loan documents in order to (i) assume an existing permanent loan with PNC Bank (or an affiliate thereof), with an outstanding principal balance of approximately \$18,900,000 (“**Existing Loan**”), and (ii) borrow a supplemental loan from PNC Bank (or an affiliate thereof) in the approximate principal amount of \$8,300,000 (“**Supplemental Loan**”, and together with the Existing Loan, the “**Loans**”);

WHEREAS, the assumption of the Existing Loan and the borrowing of the Supplemental Loan will be pursuant to certain documents, including without limitation, 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 Loans (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 17th day of September, 2020.

CHAIRMAN

ATTEST:

SECRETARY

