

**AUSTIN AFFORDABLE
PFC, INC.**

**BOARD OF DIRECTORS
Regular Meeting**

**Thursday, November 19, 2020
12:00 PM**

Via Video Conference Call
1 (646) 749-3122; Access Code: 449-239-845
Austin, TX

**PUBLIC NOTICE OF A MEETING
TAKE NOTICE OF A BOARD OF DIRECTORS
REGULAR BOARD MEETING
OF THE AUSTIN AFFORDABLE PFC, INC.**

**TO BE HELD AT
Via Video Conference Call
1 (646) 749-3122; Access Code: 449-239-845
Austin, TX
(512.477.4488)**

**Thursday, November 19, 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 September 17, 2020

ACTION ITEMS

2. Presentation, Discussion and Possible Action on Resolution No. 00079: authorizing the issuance, sale and delivery of Multifamily Housing Revenue Bonds and Refunding Note (Bridge at Turtle Creek Apartments); approving the form and substance of and authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily rental residential development project; and containing other provisions relating to the subject

EXECUTIVE SESSION

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

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

OPEN SESSION

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

REPORTS

The Board accepts the following reports:

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

ADJOURNMENT

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

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

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

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

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

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

AUSTIN AFFORDABLE PFC, INC.

BOARD ACTION REQUEST

ITEM NO. 1.

MEETING DATE: November 19, 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 September 17, 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 September 17, 2020.

ATTACHMENTS:

- ▣ **20200917 AAPFC Minutes Summary**

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

September 17, 2020

SUMMARY OF MINUTES

AUSTIN AFFORDABLE PFC, INC. (HACA) BOARD OF DIRECTORS REGULAR BOARD MEETING NOTICE WAS POSTED FOR 12:00 P.M. ON THURSDAY, SEPTEMBER 17, 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

Edwina Carrington, AAPFC Chairperson called the Board of Directors Regular Board Meeting of Austin Affordable PFC, Inc., of September 17, 2020, to order, at 2:53 p.m. The meeting was held via Conference Call from the HACA Central Office, 1124 S. IH 35, Austin, TX

Roll call certified a quorum was present on the call.

MEMBERS PRESENT:

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
Barry Palmer, Coats, Rose
Will Henderson, Carleton Companies

STAFF PRESENT ON THE CALL:

Andrea Galloway, Ann Gass, Michael Gerber, Nidia Hiroms, Ron Kowal, Suzanne Schwertner, and Sylvia Blanco

CITIZENS COMMUNICATION – None.

CONSENT AGENDA

APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS:

ITEM 1: Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on July 16, 2020

Director Duncan-Hall moved the Approval of the Board Minutes Summary for the Board Meeting held on July 16, 2020. **2nd Vice-Chairperson Apostolou** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ACTION ITEMS

APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS

ITEM 2: Presentation, Discussion, and Possible Action on Resolution No. 00076: Resolution declaring intent to issue bonds to provide for a multifamily residential rental development for persons of low and moderate income (Walnut Trace Apartments); prescribing certain terms and conditions of such bonds; authorizing the filing of an application for allocation of private activity bonds with the Texas Bond Review Board; and containing other provisions relating to the subject

Austin Affordable Housing Corporation was presented with an opportunity to partner with LDG Multifamily LLC on a 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.

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.

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

Director Duncan-Hall moved the Approval of Resolution No. 00076: Resolution declaring intent to issue bonds to provide for a multifamily residential rental development for persons of low and moderate income (Walnut Trace Apartments); prescribing certain terms and conditions of such bonds; authorizing the filing of an application for allocation of private activity bonds with the Texas Bond Review Board; and containing other provisions relating to the subject in an amount not to exceed \$15,000,000. **2nd Vice-Chairperson Apostolou** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ITEM 3: Presentation, Discussion, and Possible Action on Resolution No. 00077: Resolution declaring intent to issue bonds to provide for a multifamily residential rental development for persons of low and moderate income (Belmont Apartments); prescribing certain terms and conditions of such bonds; authorizing the filing of an application for allocation of private activity bonds with the Texas Bond Review Board; and containing other provisions relating to the subject

Austin Affordable Housing Corporation was presented with an opportunity to partner with LDG Multifamily LLC on a 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.

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.

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

2nd Vice-Chairperson Apostolou moved the Approval of Resolution No. 00077: Resolution declaring intent to issue bonds to provide for a multifamily residential rental development for persons of low and moderate income (Belmont Apartments); prescribing certain terms and conditions of such bonds; authorizing the filing of an application for allocation of private activity bonds with the Texas Bond Review Board; and containing other provisions relating to the subject. **Director Richie** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ITEM 4: Presentation, Discussion, and Possible Action on Resolution No. 00078: Resolution declaring intent to issue bonds to provide for a multifamily residential rental development for persons of low and moderate income (Cypress Creek at Howard Lane Apartments); prescribing certain terms and conditions of such bonds; authorizing the filing of an application for allocation of private activity bonds with the Texas Bond Review Board; and containing other provisions relating to the subject

Austin Affordable Housing Corporation was presented with an opportunity to partner with Bonner Carrington LLC for the first time on a 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 Apartments) 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.

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.

Board approval allows AAHC to file an application for allocation of private activity bonds with the Texas Bond Review Board.

Staff will bring this matter back to the Board for final approval to proceed.

Director Duncan-Hall moved the Approval of Resolution No. 00078: Resolution declaring intent to issue bonds to provide for a multifamily residential rental development for persons of low and moderate income (Cypress Creek at Howard Lane Apartments); prescribing certain terms and conditions of such bonds; authorizing the filing of an application for allocation of private activity bonds with the Texas Bond Review Board in an amount not to exceed \$50,000,000; and containing other provisions relating to the subject. **2nd Vice-Chairperson Apostolou** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

THE BOARD DID NOT RECESS INTO EXECUTIVE SESSION.

REPORTS

None.

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

The meeting adjourned at 3:00 p.m.

Michael G. Gerber, Secretary

Edwina Carrington, Chairperson

AUSTIN AFFORDABLE PFC, INC.

BOARD ACTION REQUEST

RESOLUTION NO. 00079

ITEM NO. 2.

MEETING DATE: November 19, 2020

STAFF CONTACT: Suzanne Schwertner, Director of Development

ITEM TITLE: Presentation, Discussion and Possible Action on Resolution No. 00079: authorizing the issuance, sale and delivery of Multifamily Housing Revenue Bonds and Refunding Note (Bridge at Turtle Creek Apartments); approving the form and substance of and authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily rental residential development project; and containing other provisions relating to the subject

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to approve Resolution No. 00079 authorizing the issuance, sale and delivery of Multifamily Housing Revenue Bonds and Refunding Note (Bridge at Turtle Creek Apartments); Approving the Form and Substance of and Authorizing the Execution and Delivery of Documents and Instruments Necessary to Carry Out the Financing of Such Multifamily Rental Residential Development Project; and Containing Other Provisions Relating to the Subject.

SUMMARY

Background:

Austin Affordable Housing Corporation has been presented an opportunity to partner with JCI Residential LLC for a second time. This property is set on a certain 3.32 acre tract of land located at 6020 South 1st Street, Austin, TX 78745 located in the Austin city limits. The project (Bridge at Turtle Creek) will consist of 307 family apartment units serving tenants with incomes from 50%-70% Area Median Family Income (AMFI). The board has seen this project twice before: March 2019 for the Tax Credit Application Resolution and the Bond Inducement Resolution and then again September 2020 for the public hearing. The nearest properties in AAHC's current portfolio are: Urban Oaks located at 6725 Circle S Road and Bridge at South Point located at 6808 South IH 35 Frontage Road both to the South.

Process:

The development will use a mix of 4% tax credits and bonds to finance the construction with a total project cost of approximately \$66,000,000. The planned development will consist of 134 efficiency units, 96 one bedroom/one bath units, 40 two bedroom/one bath units and 37 two bedroom/two bath units. Income averaging will be used to enable more deeply affordable units. Sixty-two units will be affordable to tenants

with incomes at 50% AMFI or below; 183 will be affordable to tenants with incomes at 60% AMFI or below; and 62 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 \$44,000,000. Financing of the project will come from the following sources: KeyBank N.A. will carry the construction phase debt; KeyBank N.A. will provide the permanent debt; Enterprise will provide equity. 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 50% to 70% AMFI and below, Bridge at Turtle Creek meets these targeted affordability goals.

Bridge at Turtle Creek will include an amenity center, enclosed courtyard, private entrance gate into parking garage, resort style pool and state of the art fitness center.

Unit Breakdown: 134 Efficiency 510- 589 sq. ft.
 96 one br/one ba 630- 750 sq. ft.
 40 two br/one ba 900-1010 sq. ft
 37 two br/two ba 969-1214 sq. ft.

AMI% Breakdowns: 62 Efficiency 50% AMI
 72 Efficiency 60% AMI
 96 one br/one ba 60% AMI
 15 two br/one ba 60% AMI
 25 two br/one ba 70% AMI
 37 two br/two ba 70% AMI

Staff Recommendation:

Board approval will authorize the issuance, sale and delivery of Multifamily Housing Revenue Bonds and Refunding Note (Bridge at Turtle Creek Apartments); Approving the Form and Substance of and Authorizing the Execution and Delivery of Documents and Instruments Necessary to Carry Out the Financing of Such Multifamily Rental Residential Development Project; and Containing Other Provisions Relating to the Subject.

ATTACHMENTS:

- ▣ **Resolution Exhibit**

RESOLUTION NO. 00079

RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF AUSTIN AFFORDABLE PFC, INC. MULTIFAMILY HOUSING REVENUE BONDS AND REFUNDING NOTE (BRIDGE AT TURTLE CREEK APARTMENTS); APPROVING THE FORM AND SUBSTANCE OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS AND INSTRUMENTS NECESSARY TO CARRY OUT THE FINANCING OF SUCH MULTIFAMILY RENTAL RESIDENTIAL DEVELOPMENT PROJECT; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Austin Affordable PFC, Inc. (the “Issuer” or the “Corporation”) has been duly created and organized pursuant to and in accordance with the provisions of the Chapter 303, Texas Local Government Code (“Chapter 303”) for the purpose of issuing bonds to finance “public facilities” of the Housing Authority of the City of Austin (“HACA” or the “Sponsor”), including a “housing project” as defined in Chapter 303 or a “residential development” as defined in Chapter 392, Texas Local Government Code (“Chapter 392” and together with Chapter 303, the “Act”); and

WHEREAS, the Act authorizes the Issuer to (a) issue bonds (which are defined in the Act to include notes, interim certificates or other evidences of indebtedness) to finance, refinance or provide public facilities on behalf of the Sponsor; (b) loan the proceeds of the bonds to other entities to accomplish the purposes of the Sponsor; (c) use the proceeds of its bonds to maintain reserve funds determined by the Sponsor and the Corporation to be necessary and appropriate; (d) pay any costs relating to the issuance or incurrence of bonds by the Corporation; and (e) accept a mortgage or pledge of a public facility financed by the Corporation and, as security for the payment of any connected bonds or credit agreements that the Corporation issues or incurs, assign the mortgage or pledge and the revenue and receipts from the mortgage or pledge or grant other security; and

WHEREAS, by resolutions adopted on March 26, 2020, the Board declared its intent to issue its revenue bonds to provide financing for the Project; and

WHEREAS, the Board of Directors of the Issuer (the “Board”) has determined to authorize the issuance, sale and delivery of two series of debt obligations, consisting of (1) an aggregate principal amount not to exceed \$44,000,000 of the Issuer’s Multifamily Housing Revenue Bonds (Bridge at Turtle Creek Apartments) Series 2020 (the “Bonds”), pursuant to and in accordance with the terms of a Trust Indenture (the “Trust Indenture”) between the Issuer and BOKF, NA, as trustee (the “Trustee”), and (2) an aggregate principal amount not to exceed \$44,000,000 of the Issuer’s Multifamily Housing Revenue Note (Bridge at Turtle Creek Apartments) (the “Refunding Note,” and together with the Bonds, the “Obligations”), pursuant to and in accordance with the terms of a Funding Loan Agreement (the “Funding Loan Agreement”), among the Issuer, KeyBank National Association (or any other wholly-owned subsidiary thereof), as the initial funding lender (the “Initial Funding Lender”), and BOKF, NA, as fiscal agent (the “Fiscal Agent”), the proceeds of which will be used to refund all or a portion of the Bonds on the final Mandatory Tender Date (as defined in the Indenture); and

WHEREAS, the proceeds of the Bonds will be used for the purpose of lending the funds to Bridge at Turtle Creek, LP, a Texas limited partnership (the “Borrower”), pursuant to the terms of a Loan Agreement between the Issuer and the Borrower (the “Loan Agreement”), to provide financing for the acquisition, construction, renovation, repair, and equipping of the multifamily rental housing development identified on Exhibit A attached hereto located in Austin, Texas known as the Bridge at Turtle Creek Apartments (the “Project”) and paying a

portion of certain costs of issuance of the Bonds, all in accordance with the Constitution and laws of the State of Texas; and

WHEREAS, the proceeds from the loan evidenced by the Refunding Note will be used for the purpose of lending the funds to the Borrower, pursuant to the terms of a Project Loan Agreement among the Issuer, the Fiscal Agent, and the Borrower (the “Project Loan Agreement”) to refund all or a portion of the Bonds, all in accordance with the Constitution and laws of the State of Texas; and

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

WHEREAS, in order to assist in carrying out the refunding of the Bonds, it is anticipated that the Issuer shall enter into a Project Loan Agreement among the Issuer, the Borrower and the Fiscal Agent, pursuant to which (i) the Issuer will agree to make a mortgage loan funded with the proceeds of the Refunding Note to the Borrower to enable the Borrower to finance the refunding of all or a portion of the Bonds, and (ii) the Borrower will execute and deliver to the Issuer a multifamily note (the “Borrower Project Note”) in an original principal amount equal to the original aggregate principal amount of the Refunding Note, and providing for payment of interest on such principal amount equal to the interest on the Refunding Note and to pay other costs described in the Project Loan Agreement; and

WHEREAS, it is anticipated that the Borrower Project Note will be secured by a Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (the “Security Instrument”) from the Borrower for the benefit of the Issuer and assigned to the Fiscal Agent; and

WHEREAS, the Issuer’s rights (except for certain unassigned rights) under the Project Loan Agreement, the Project Note and the Security Instrument will be assigned to the Fiscal Agent pursuant to an Assignment of Security Instrument (the “Assignment”) from the Issuer to the Fiscal Agent; and

WHEREAS, in order to assure compliance with Section 142(d) of the Internal Revenue Code of 1986, as amended (the “Code”), and applicable State law, the Issuer will require the Borrower to enter into a Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”) with respect to the Project; and

WHEREAS, in order to assure compliance with Section 103 and 141 through 150 of the Code, the Board has determined that the Issuer shall enter into a Tax Regulatory Agreement and No-Arbitrage Certificate (the “Tax Exemption Agreement”) among the Issuer, the Borrower and the Trustee, pursuant to which the Issuer will make certifications, representations and covenants relating to the treatment of the interest on the Bonds as tax exempt from gross income for federal income tax purposes; and

WHEREAS, the Bonds will be sold and initially delivered to the KeyBanc Capital Markets Inc., as the underwriter of the Bonds (the “Underwriter”), pursuant to the terms of a Bond Purchase Agreement (the “Purchase Agreement”) among the Underwriter, the Issuer and the Borrower; and

WHEREAS, in relation to the sale of the Bonds, the Board has considered and desires to approve, confirm and authorize the use and distribution in the public offering of the Bonds of a Preliminary Official Statement (the “Preliminary Official Statement”) and to authorize an officer of the Issuer to deem the Preliminary Official Statement “final” for purposes of Rule 15c2-12 of the United States Securities and Exchange Commission and to approve the making of such changes to the Preliminary Official Statement as may be required to provide a final Official Statement (the “Official Statement”) for use in the public offering and sale of the Bonds; and

WHEREAS, the Refunding Note will be sold and initially delivered to the Initial Funding Lender as provided in the Funding Loan Agreement for subsequent transfer to the Federal Home Loan Mortgage Corporation (“Freddie Mac”); and

WHEREAS, the Board has further determined that the Initial Funding Lender will purchase the Refunding Note from the Issuer; and

WHEREAS, the Board has examined proposed forms of (a) the Trust Indenture, the Loan Agreement, the Funding Loan Agreement, the Project Loan Agreement, the Regulatory Agreement, the Assignment, and the Tax Exemption Agreement (collectively, the “Issuer Documents”), and (b) the Security Instrument, the Borrower Note, and the Borrower Project Note; has found the form and substance of such documents to be satisfactory and proper and the recitals contained therein to be true, correct and complete; and has determined, subject to the conditions set forth herein, to authorize the issuance of the Bonds and the Refunding Note, the execution and delivery of the Issuer Documents, the acceptance of the Security Instrument, the Borrower Note, and the Borrower Project Note, and the taking of such other actions as may be necessary or convenient in connection therewith;

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

WHEREAS, the Issuer desires to authorize the Trustee to invest and reinvest the proceeds of the Bonds and all other funds received and held under the Trust Indenture, and to authorize the Fiscal Agent to invest and reinvest all funds received and held under the Funding Loan Agreement; and

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

WHEREAS, the AER is the City Council of the City of Austin, Texas (the “City”) or the Mayor of the City; and

WHEREAS, notice of a public hearing with respect to the Bonds and the Project held by the Issuer on September 17, 2020 was published no less than seven days before such date in a newspaper of general circulation available to residents within the City; and

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

WHEREAS, the Board and its advisors have examined proposed forms of the Trust Indenture, the Loan Agreement, the Bonds, the Funding Loan Agreement, Note, the Project Loan Agreement, the Regulatory Agreement, the Tax Exemption Agreement, the Borrower Project Note, the Security Instrument, and the Assignment, and have found the form and substance of such documents to be satisfactory and proper; and the

Board has determined to provide financing for the Project in accordance with such documents by authorizing the issuance of the Bonds and the Refunding Note, the execution and delivery or acceptance, as appropriate, of such documents and the taking of such other actions as may be necessary or convenient; and

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

1. Public Hearing. The Board hereby finds, determines, recites and declares that a public hearing with respect to the Bonds and the Project was held on September 17, 2020; that notice of such public hearing was published no less than seven days before such date in a newspaper of general circulation available to residents within the City; that such notice included the date, time and place of the public hearing, the location, general nature and the initial owner of the Project and the maximum aggregate principal amount of the Bonds; and that all comments from interested persons were taken at such public hearing and were provided to the AER.

2. Proceedings Related to the Obligations.

(a) Interest Rate, Principal Amount, Maturity and Price of the Obligations. The officers of the Issuer are hereby authorized to fix and determine the interest rate, principal amount, maturity and price of the Obligations, all of which determinations shall be conclusively evidenced by the execution and delivery by such officers of the Indenture, the Funding Loan Agreement and the Obligations; provided, however, that: (a) no Obligation shall bear interest at an interest rate exceeding 12.00% per annum, subject to adjustment as provided in the Indenture or the Funding Loan Agreement, as applicable; provided that in no event shall the interest rate on any Obligation (including any default interest rate) exceed 12.00% per annum; (b) the aggregate principal amount of a series of Obligations shall not exceed \$44,000,000; (c) the final maturity of any Obligation shall occur not later than November 1, 2060; and (d) the price at which an Obligation initially is sold shall not exceed the principal amount thereof.

(b) Issuance, Execution, Sale and Delivery of the Bonds. The issuance of the Bonds are hereby authorized, according to the conditions set forth herein and in the Indenture, and upon execution and delivery of the Indenture, the President, Vice President and the Secretary of the Issuer are each hereby authorized to execute and attest to the Bonds and to deliver the Bonds to the Attorney General of the State of Texas for approval, the Comptroller of Public Accounts of the State of Texas for registration and the Trustee for authentication (to the extent required in the Indenture), and thereafter to deliver the Bonds to or as directed by the Underwriter.

(c) Approval, Execution and Delivery of the Indenture. The form and substance of the Indenture are hereby approved and the President, Vice President and the Secretary of the Issuer are each hereby authorized to execute the Indenture and to deliver the Indenture to the Trustee. The Trustee is authorized to invest the moneys held under the Indenture as provided therein.

(d) Approval, Execution and Delivery of the Loan Agreement. The form and substance of the Loan Agreement are hereby approved and the officers of the Issuer are each hereby authorized to execute the Loan Agreement and to deliver the Loan Agreement to the Borrower.

(e) Approval, Use and Distribution of Preliminary Official Statement and Official Statement. The form and substance of the Preliminary Official Statement are hereby approved; the use and distribution of the Preliminary Official Statement by the Underwriter in connection with the public offering of the Bonds are hereby approved and authorized, subject to such changes thereto as may be approved by the any officer of the Issuer upon the advice of bond counsel ("Bond Counsel") or counsel to the Issuer; and such officers of the Issuer are hereby approved to deem the Preliminary Official Statement "final" and to approve such changes in the Preliminary Official Statement as may be required to provide the Official Statement.

(f) Approval, Execution and Delivery of the Purchase Agreement. The form and substance of the Purchase Agreement are hereby approved and the officers of the Issuer are each hereby authorized to execute the Purchase Agreement and to deliver the Purchase Agreement to the Borrower and the Underwriter.

(g) Issuance, Execution, Sale and Delivery of the Refunding Note. The issuance of the Refunding Note is hereby authorized, according to the conditions set forth herein and in the Funding Loan Agreement, and upon execution and delivery of the Funding Loan Agreement, the President, Vice President and the Secretary of the Issuer are each hereby authorized to execute, attest and affix the Issuer's seal to the Refunding Note and to deliver the Refunding Note to the Attorney General of the State of Texas for approval, the Comptroller of Public Accounts of the State of Texas for registration and the Fiscal Agent for authentication (to the extent required in the Funding Loan Agreement), and thereafter to deliver the Refunding Note to the Initial Funding Lender upon making of the loan evidenced thereby as provided in the Funding Loan Agreement.

(h) Approval, Execution and Delivery of the Funding Loan Agreement. The form and substance of the Funding Loan Agreement are hereby approved and the President, Vice President of the Issuer are each hereby authorized to execute the Funding Loan Agreement and to deliver the Funding Loan Agreement to the Funding Lender and Fiscal Agent. The Fiscal Agent is authorized to invest the moneys held under the Funding Loan Agreement as provided therein.

(i) Approval, Execution and Delivery of the Project Loan Agreement. The form and substance of the Project Loan Agreement are hereby approved and the officers of the Issuer are each hereby authorized to execute the Project Loan Agreement and to deliver the Project Loan Agreement to the Borrower and the Fiscal Agent.

(j) Approval, Execution and Delivery of the Tax Exemption Agreement. The form and substance of the Tax Exemption Agreement are hereby approved and the officers of the Issuer are each hereby authorized to execute the Tax Exemption Agreement and to deliver the Tax Exemption Agreement to the Borrower and the Trustee.

(k) Approval, Execution and Delivery of the Regulatory Agreement. The form and substance of the Regulatory Agreement are hereby approved and the officers of the Issuer are each hereby authorized to execute the Regulatory Agreement and to deliver the Regulatory Agreement to the Borrower and the Fiscal Agent, and to cause the Regulatory Agreement to be filed of record in the real property records of Travis County, Texas.

(l) Acceptance of the Borrower Note, the Borrower Project Note and the Security Instrument. That the form and substance of the Borrower Note, the Borrower Project Note and the Security Instrument are hereby accepted by the Issuer and that the Authorized Representatives each are hereby authorized to endorse and deliver the Borrower Note to the order of the Trustee and the Borrower Project Note to the order of the Fiscal Agent without recourse.

(m) Approval, Execution and Delivery of the Assignment. That the form and substance of the Assignment are hereby approved, and that the Authorized Representatives each are hereby authorized to execute the Assignment, and to deliver the Assignment to the Fiscal Agent.

3. Determination of Moderate Income. The Board has heretofore determined and hereby confirms, in accordance with the Act, for purposes of the Project, until revised by the Board, that the maximum amount constituting moderate income shall be \$59,455.

4. Execution and Delivery of Other Documents. The officers of the Issuer are each hereby authorized to execute, attest and affix the Issuer's seal to and deliver such other agreements, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, written requests and other papers, whether or not mentioned herein, as may

be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

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

6. Reserved.

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

8. Approval of Submission to the Attorney General of Texas. The Board hereby approves the submission by Bond Counsel to the Attorney General of the State of Texas, for approval as required under Chapter 1202, Texas Government Code, of a transcript of legal proceedings relating to the issuance, sale and delivery of each of the Bonds and the Refunding Note.

9. Purposes of Resolution. The Board has expressly determined and hereby confirms that the issuance of the Obligations to assist in the financing of the Project will promote the public purposes set forth in the Act and will accomplish a valid public purpose of the Issuer by providing decent, safe, and sanitary urban or rural housing at rentals that persons of low income can afford and at least 40% of the apartment units in the Project will be occupied at all times by individuals and families whose incomes are not more than 60 percent of the area median family income and for other valid public purposes.

10. Limited Obligations. The Obligations and the interest thereon shall be special limited obligations of the Issuer payable solely from the revenues, funds and assets pledged under the Indenture and the Funding Loan Agreement to secure payment of the Obligations and under no circumstances shall the Obligations be payable from any other revenues, funds, assets or income of the Issuer.

11. Ratification of Certain Prior Actions. All prior actions taken for or on behalf of the Issuer in connection with the Obligations are hereby ratified, continued and approved.

12. Obligations of Issuer Only. The Obligations shall not constitute an indebtedness, liability, general, special or moral obligation or a pledge or loan of the faith or credit or taxing power, within the meaning of any constitutional or statutory provision whatsoever, of the United States of America or any agency or instrumentality thereof, the State of Texas, Travis County, the City of Austin, the Housing Authority of the City of Austin, or any other political subdivision or governmental unit.

13. Approval Conditions. The actions and obligations authorized in this Resolution shall be subject to and conditioned upon receipt by the Issuer on the date of delivery of a series of Obligations of the appropriate opinions of Bond Counsel with respect to such Obligations, and with respect to the Refunding Note, such actions and obligations shall become effective concurrent with the proposed issuance of the Refunding Note.

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

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

PASSED, APPROVED AND ADOPTED this 19th day of November, 2020.

[End of Resolution.]

Edwina Carrington, Chairperson

ATTEST:

Michael G. Gerber, Secretary

EXHIBIT "A"

Description of the Owner and the Project

Borrower: Bridge at Turtle Creek, LP, a Texas limited partnership

Project: 307-unit multifamily residential rental development to be known as the Bridge at Turtle Creek Apartments

The Project will be located at approximately 735 Turtle Creek Boulevard, Austin, Texas 78745. It will consist of 1 five-story residential apartment building with approximately 211,893 net rentable square feet and an average unit size of approximately 690 square feet. The unit mix will consist of:

<u>134</u>	efficiency units
<u>96</u>	one-bedroom units
<u>77</u>	two-bedroom units
307	Total Units