

# AUSTIN AFFORDABLE HOUSING CORPORATION



## **BOARD OF DIRECTORS Regular Meeting**

**Thursday, February 18, 2021  
12:00 PM**

**Via Video Conference Call**  
+1 (646) 749-3122; Access Code: 749-575-197  
Austin, TX

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

**TO BE HELD AT  
Via Video Conference Call  
+1 (646) 749-3122; Access Code: 749-575-197  
Austin, TX**

**Thursday, February 18, 2021  
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 December 17, 2020

**ACTION ITEMS**

2. Presentation, Discussion and Possible Action on Resolution No. 00177 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 Fox Hollow.
3. Presentation, Discussion and Possible Action on Resolution No. 00178 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 Clovis at McKinney Falls.
4. Presentation, Discussion and Possible Action on Resolution No. 00179 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 James on South First Apartments (the “Development”), which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-lease from the Housing Authority of the City of Austin; (ii) cause AAHC’s subsidiary limited liability company (the “Owner”) to own the Development; (iii) cause the Owner to enter into acquisition and development financing for the Development; and (iv) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

**EXECUTIVE SESSION**

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

- a. 551.071, Texas Gov’t Code, consultations with Attorney regarding legal advice, pending or contemplated litigation; or a settlement offer;

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

## **OPEN SESSION**

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

## **REPORTS**

The Board accepts the following reports:

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

## **ADJOURNMENT**

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

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

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

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

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

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

**AUSTIN AFFORDABLE HOUSING CORPORATION**

**BOARD ACTION REQUEST**

**ITEM NO. 1.**

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**MEETING DATE:** February 18, 2021

**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 December 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 December 17, 2020.

**ATTACHMENTS:**

- ▣ **20201217 AAHC Minutes Summary**

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

**DECEMBER 17, 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, DECEMBER 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**

The Board of Directors Regular Board Meeting of the Austin Affordable Housing Corporation, of December 17, 2020, was called to order by Edwina Carrington, AAHC Chairperson, at 12:22 p.m. The meeting was held via Conference Call from the HACA Central Office, 1124 S. IH 35, Austin, TX

Roll call certified a quorum was present.

**MEMBERS PRESENT:**

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

**MEMBER(S) ABSENT:**

**ALSO ON THE CALL:**

Wilson Stoker, Cokinos, Bosien & Young  
Nick Walsh  
Sarah Scott, Coats Rose  
Brie Williams, ECHO  
Sean Cedar, Berman Hopkins

**STAFF PRESENT ON THE CALL:**

Andrea Galloway, Ann Gass, Barbara Jackson, Catherine Crago, Jimi Teasdale, Gloria Morgan, Kelly Crawford, Leilani Lim-Villegas, Lisa Garcia, Michael Cummings, Michael Gerber, Michael Roth, Monica Loera, Nora Velasco, Ron Kowal, Suzanne Schwertner, and Sylvia Blanco

**CITIZENS COMMUNICATION – CITIZENS COMMUNICATION**

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

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

**CONSENT ITEMS**

**ITEM 1: Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on November 19, 2020**

**Director Richie** moved to Approve the Board Minutes Summary for the Board Meeting held on November 19, 2020. **2<sup>nd</sup> Vice-Chairperson Apostolou** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

**ACTION ITEMS**

**ITEM 2: Presentation, Discussion and Possible Action on Resolution No. 00176 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 El Prado at Estancia**

Austin Affordable Housing Corporation was being presented with an opportunity to partner with The NRP Group LLC on a 15.3 acre tract of land located within the Austin limited purpose annexation at the corner of Estancia Parkway and Avenida Mercardo, Austin, TX 78754. The project (El Prado at Estancia) will consist of 318 family apartment units serving tenants at or below 60% of median family income. The proposed development is located in the *Estancia Hill Country* master development which includes multifamily luxury apartments, single-family homes, and a future branch of Texas Children’s Hospital. The community features walking trails, parkland, and close proximity to Onion Creek. This property will serve the following schools in the Hays Consolidated ISD: Tom Green Elementary, McCormick Middle School, and Johnson High School. The nearest property in AAHC’s current portfolio is Bridge at Asher Apartments located just north.

The development will use a mixture of 4% tax credits and bonds to finance the development with a total project cost of approximately \$70,000,000. The planned development will consist of 31 one bedroom and one bath units, 126 two bedroom and two bath units, 129 three bedroom and two bath units, and 32 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 \$48,000,000. This approval will begin the initial process to submit applications for bond approval and tax credits. Staff will be presenting back to the Board in the future months on the progress and specifically any and all agreements and approvals.

Board approval allows AAHC to execute any and all documents, or take any other as necessary or desirable to participate in the housing tax credit application for El Prado at Estancia.

**2<sup>nd</sup> Vice-Chairperson Apostolou** moved to Approve Resolution No. 00176 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 El Prado at Estancia in an amount not to exceed \$48,000,000. **Director Duncan-Hall** 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. **Director Duncan-Hall** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

The meeting adjourned at 1:44 p.m.

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**Michael G. Gerber, Secretary**

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**Edwina Carrington, Chairperson**

# AUSTIN AFFORDABLE HOUSING CORPORATION

## BOARD ACTION REQUEST

### RESOLUTION NO. 00177

#### ITEM NO. 2.

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**MEETING DATE:** February 18, 2021

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

**ITEM TITLE:** Presentation, Discussion and Possible Action on Resolution No. 00177 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 Fox Hollow.

**BUDGETED ITEM:** N/A

**TOTAL COST:** N/A

#### ACTION

The Board is being asked to approve Resolution No. 00177 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 Fox Hollow.

#### SUMMARY

***Background:***

Austin Affordable Housing Corporation is being presented with an opportunity to partner with LDG Multifamily LLC on a certain 26.05 acre tract of land located within the Austin city limits at 2117 Brandt Road, Austin, TX 78744. The project (Fox Hollow) will consist of 241 family apartment units serving tenants at 50% 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: Blazier Elementary, Paredes Middle School and Akins High School. The nearest properties in AAHC’s current portfolio are Goodnight Commons and Moonlight Garden located East on Slaughter Lane.

***Process:***

The development will use a mixture of 4% tax credits and bonds to finance the development with a total project cost of approximately \$56,000,000. The planned development will consist of 54 one bedroom and one bath units, 108 two bedroom and two bath units, 54 three bedroom and two bath units, and 25 four bedroom and two bath units. All units will be marketed to HACA’s Housing Choice Voucher recipients. 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 be presenting back to the Board in the future months on the progress and specifically any and all agreements and approvals.

***Staff Recommendation:***

Board approval will allow 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 Fox Hollow.

**ATTACHMENTS:**

- ▣ **Fox Hollow Map**



**RESOLUTION NO. 00177**

**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 Fox Hollow**

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

**WHEREAS**, the General Partner shall be the sole general partner of LDG Fox Hollow, LP, a Texas limited partnership (the “**Partnership**”);

**WHEREAS**, the Partnership was formed for the purpose of owning, developing, managing, and otherwise dealing with Fox Hollow, a 241-unit multifamily affordable apartment complex (the “**Project**”) to be developed on a parcel of land located approximately 2117 Brandt Road 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 plans to submit or has submitted a 4% housing tax credit application to the Texas Department of Housing and Community Affairs (the “**Application**”);

**WHEREAS**, in connection with the Partnership’s preparation and submission of the Application, AAHC desires to participate as nonprofit sponsor, developer, and as sole member of the General Partner;

**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 18th day of February, 2021.

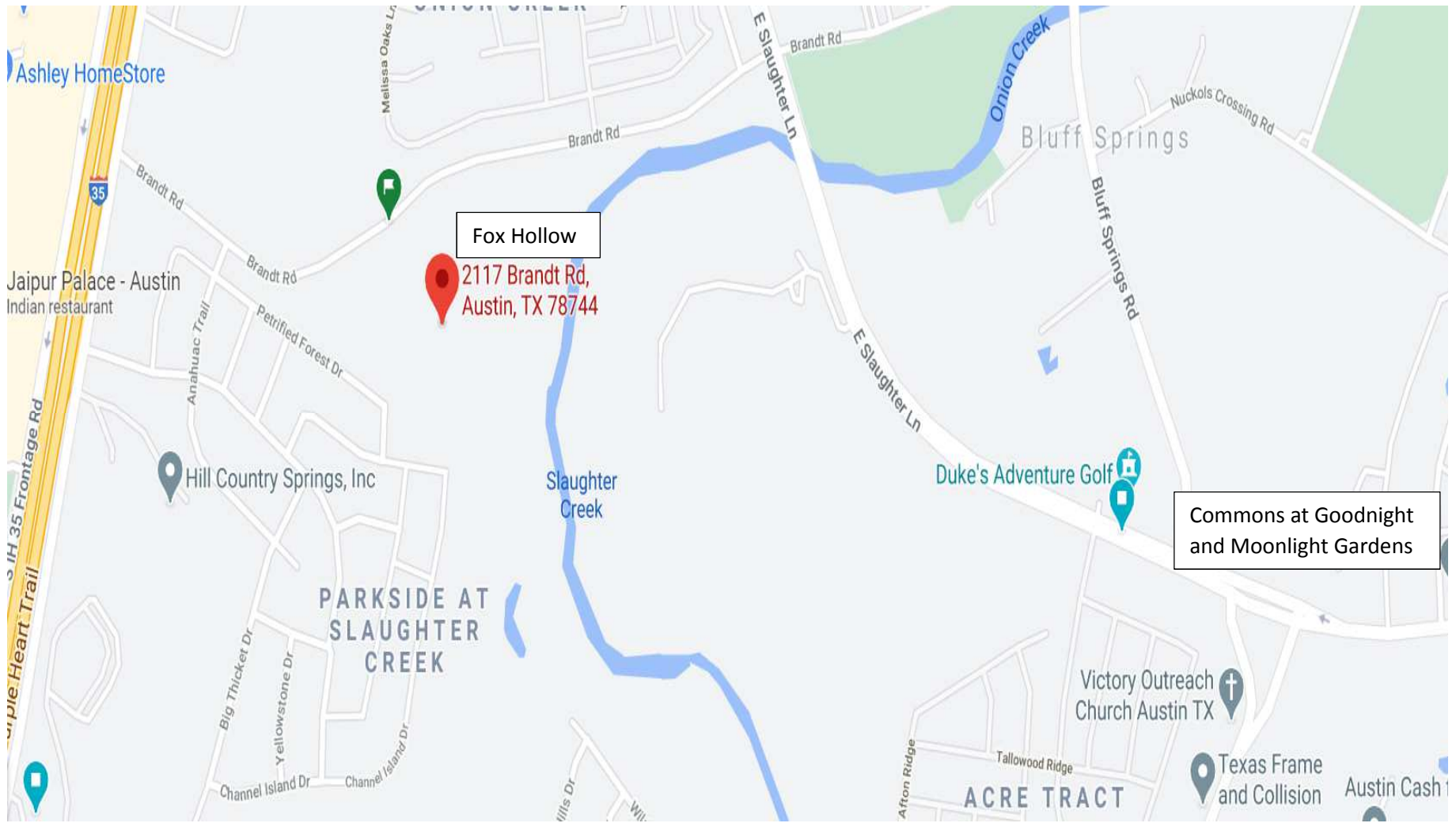
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Chairman

ATTEST:

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Secretary



# AUSTIN AFFORDABLE HOUSING CORPORATION

## BOARD ACTION REQUEST

### RESOLUTION NO. 00178

#### ITEM NO. 3.

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**MEETING DATE:** February 18, 2021

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

**ITEM TITLE:** Presentation, Discussion and Possible Action on Resolution No. 00178 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 Clovis at McKinney Falls.

**BUDGETED ITEM:** N/A

**TOTAL COST:** N/A

#### ACTION

The Board is being asked to approve Resolution No. 00178 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 Clovis at McKinney Falls.

#### SUMMARY

***Background:***

Austin Affordable Housing Corporation is being presented with an opportunity to partner with LDG Multifamily LLC on a certain 15.12 acre tract of land located within the Austin Extraterritorial Jurisdiction (ETJ) at 6507 McKinney Falls Parkway, Austin, Texas 78744. The project (The Clovis at McKinney Falls) will consist of 264 family apartment units serving tenants at or below 60% of median family income. This property will serve the following schools: Collins Elementary, Ojeda Middle School and Del Valle High School. The nearest properties in AAHC’s current portfolio are Franklin Park, Woodway Village and the Ben White properties 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 \$60,000,000. The planned development will consist of 36 one bedroom and one bath units, 108 two bedroom and two bath units, 108 three bedroom and two bath units, and 12 four bedroom and two bath units. All units will be marketed to HACA’s Housing Choice Voucher residents. HACA, through its Public Facility Corporation is requesting the approval of an issuance of tax-exempt bonds in an amount not to exceed \$50,000,000. This approval will begin the initial process to submit applications for tax credits and bond approval. Staff will be presenting back to the Board in the future months on the progress and specifically any and all agreements and approvals.

***Staff Recommendation:***

Board approval will allow 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 Clovis at McKinney Falls.

**ATTACHMENTS:**

- ▣ **The Clovis at McKinney Falls Map**

**RESOLUTION NO. 00178**

**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 The Clovis at McKinney Falls**

**WHEREAS**, AAHC is the sole member of AAHC The Clovis at McKinney Falls GP, LLC, a Texas limited liability company (the “**General Partner**”);

**WHEREAS**, the General Partner shall be the sole general partner of LDG The Clovis at McKinney Falls, LP, a Texas limited partnership (the “**Partnership**”);

**WHEREAS**, the Partnership was formed for the purpose of owning, developing, managing, and otherwise dealing with The Clovis at McKinney Falls, a 264-unit multifamily affordable apartment complex (the “**Project**”) to be developed on a parcel of land located approximately 6507 McKinney Falls Parkway 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 plans to submit or has submitted a 4% housing tax credit application to the Texas Department of Housing and Community Affairs (the “**Application**”);

**WHEREAS**, in connection with the Partnership’s preparation and submission of the Application, AAHC desires to participate as nonprofit sponsor, developer, and as sole member of the General Partner;

**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 18th day of February, 2021.

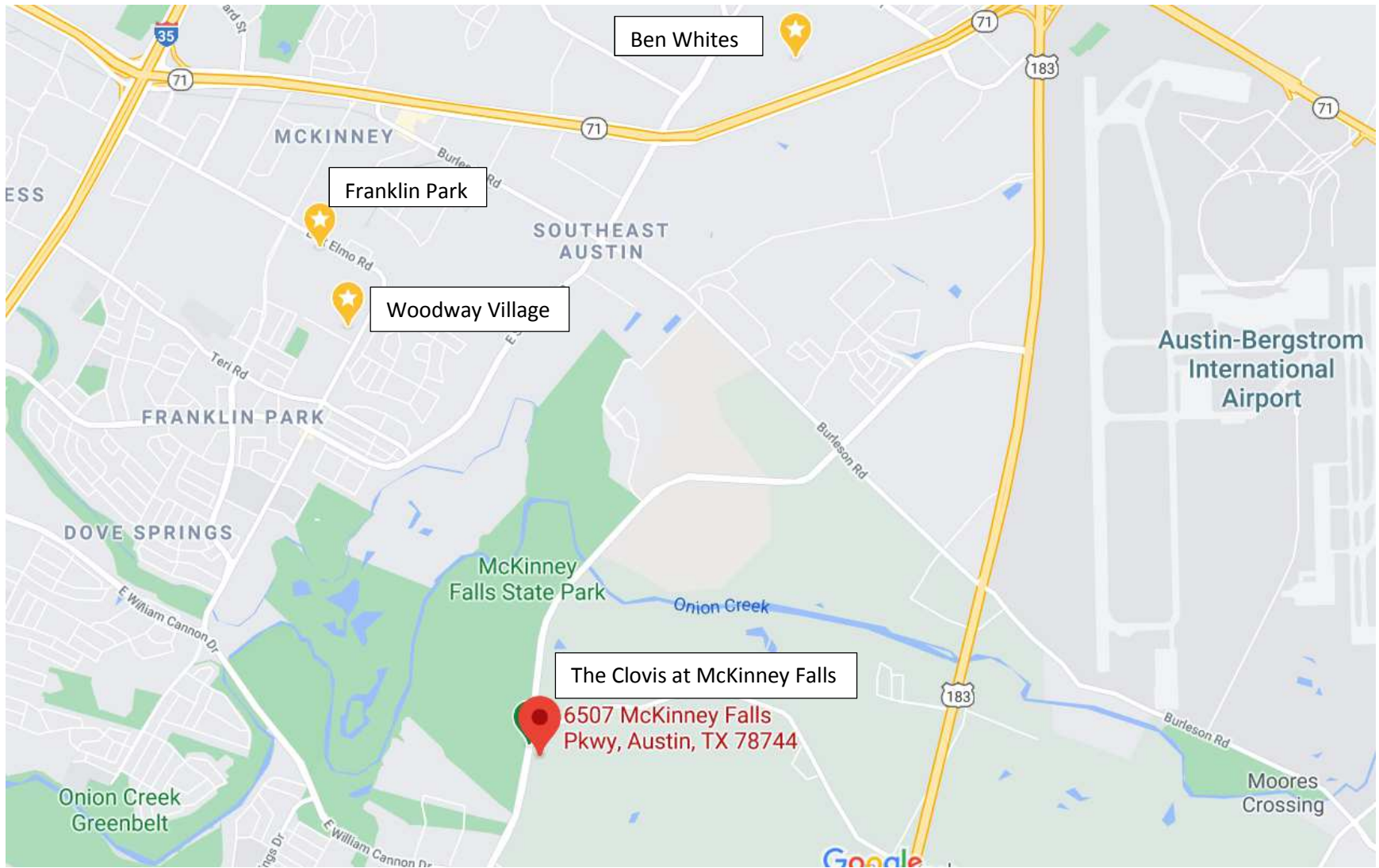
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Chairman

ATTEST:

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Secretary





# AUSTIN AFFORDABLE HOUSING CORPORATION

## BOARD ACTION REQUEST

### RESOLUTION NO. 00179

#### ITEM NO. 4.

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**MEETING DATE:** February 18, 2021

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

**ITEM TITLE:** Presentation, Discussion and Possible Action on Resolution No. 00179 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 James on South First Apartments (the “Development”), which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-lease from the Housing Authority of the City of Austin; (ii) cause AAHC’s subsidiary limited liability company (the “Owner”) to own the Development; (iii) cause the Owner to enter into acquisition and development financing for the Development; and (iv) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

**BUDGETED ITEM:** N/A

**TOTAL COST:** N/A

#### ACTION

The Board is being asked to approve Resolution No. 00179 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 James on South First Apartments (the “Development”), which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-lease from the Housing Authority of the City of Austin; (ii) cause AAHC’s subsidiary limited liability company (the “Owner”) to own the Development; (iii) cause the Owner to enter into acquisition and development financing for the Development; and (iv) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

#### SUMMARY

***Background:***

Austin Affordable Housing Corporation (AAHC), has been presented an opportunity to partner with Belveron Corporation, to purchase a 250 unit apartment complex called the James on South First. The complex is located at 8800 South 1<sup>st</sup> Street, Austin, Texas 78748, just north of Slaughter Lane.

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 has invested in more than 200 properties in 32 states. AAHC is working with Managing partner, Paul Odland, and Senior Portfolio Manager, Josh Plattner. This would be AAHC’s fourth acquisition with the Belveron team.

The James was built in 2016 and sits on 13.25 acres. Some of the property amenities include a sparkling swimming pool with lounge seating and a poolside cabana, outdoor kitchen with 2 gas grills, 24-hour athletic center, an elegant clubhouse with entertainment spaces and a big screen TV and a large dog park with agility equipment, package lockers and a spacious private business center. All units come with full size washer and dryers. Other amenities include a number of attached garages and private pet yards. The property feeds into Casey Elementary School, Bedichek Middle School and Akins High School. The property’s location 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 property is currently 97% occupied and rents currently range from \$1,190 for a 1 bedroom to \$1,798 for a 3 bedroom.

54 1-bedroom/1-bath	629 square feet
24 1-bedroom/1-bath	695 square feet
40 1-bedroom/1-bath	759 square feet
48 2-bedroom/1-bath	954 square feet
24 2 bedroom/2 bath	1,081 square feet
30 2-bedroom/ 2 bath	1,151 square feet
30 3-bedroom/2 bath	1,301 square feet

***Process:***

The purchase price for the James on South First is \$50,000,000. Belveron will be investing approximately \$10MM as a down payment. In addition, Belveron will place an additional \$1,200,000.00 for future capital needs. Fannie Mae will carry the debt of approximately \$40 MM at a rate of 2.97%. Belveron has also committed to place in escrow an additional reserve amount equal to 1 full year of mortgage payments to ease any potential 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. 86% of the property currently serves residents earning below 80% Area Median Income (AMI). AAHC and Belveron have committed to not raising rents for the next 12 months and to leasing to HCV voucher holders. AAHC and Belveron have agreed to restrict 10% of all units reserved for affordability to 60% of AMI. This will result in 25 units receiving significant rent reductions. The property will be managed by Apartment Management Professionals.

***Staff Recommendation:***

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

**ATTACHMENTS:**

- ▣ **2020 Income and Rent Limits**
- ▣ **James on South First Map**

RESOLUTION NO. 00179

**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 James on South First 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, James on South First Apartments LLC (the “Owner”), to own the Development; (iii) cause the Owner to enter into acquisition and development financing for the Development; and (iv) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.**

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

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

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

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

**WHEREAS**, the Owner desires to enter into a bridge loan and/or permanent loan with Bellwether Enterprise Mortgage Investments, LLC (or an affiliate thereof), whereby the Owner will borrow a sum not to exceed \$42,000,000 (“**Loan**”), in order to finance the acquisition and renovation of the Development;

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

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

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

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

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

**RESOLVED**, that action by any of the officers of AAHC, and any person or persons designated and authorized so to act by any such officer, to do and perform, or cause to be

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

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

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

*[End of Resolution]*

**PASSED, APPROVED AND ADOPTED** this 18th day of February, 2021.

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Chairman

ATTEST:

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Secretary

**INCOME LIMITS**

2020 Area Median Income:

**\$97,600**

AMFI %	Number of Household Members							
	1	2	3	4	5	6	7	8
20	\$ 13,680	\$ 15,620	\$ 17,580	\$ 19,520	\$ 21,100	\$ 22,660	\$ 24,220	\$ 25,780
30	\$ 20,520	\$ 23,430	\$ 26,370	\$ 29,280	\$ 31,650	\$ 33,990	\$ 36,330	\$ 38,670
40	\$ 27,360	\$ 31,240	\$ 35,160	\$ 39,040	\$ 42,200	\$ 45,320	\$ 48,440	\$ 51,560
50	\$ 34,200	\$ 39,050	\$ 43,950	\$ 48,800	\$ 52,750	\$ 56,650	\$ 60,550	\$ 64,450
60	\$ 41,040	\$ 46,860	\$ 52,740	\$ 58,560	\$ 63,300	\$ 67,980	\$ 72,660	\$ 77,340
70	\$ 47,880	\$ 54,670	\$ 61,530	\$ 68,320	\$ 73,850	\$ 79,310	\$ 84,770	\$ 90,230
80	\$ 54,720	\$ 62,480	\$ 70,320	\$ 78,080	\$ 84,400	\$ 90,640	\$ 96,880	\$ 103,120
120	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**RENT LIMITS**

AMFI %	Number of Bedrooms						
	0	1	2	3	4	5	
20	\$342	\$366	\$439	\$507	\$527	\$625	
30	\$513	\$549	\$659	\$761	\$849	\$937	
40	\$684	\$732	\$879	\$1,015	\$1,133	\$1,250	
50	\$855	\$915	\$1,098	\$1,269	\$1,416	\$1,562	
60	\$1,026	\$1,098	\$1,318	\$1,523	\$1,699	\$1,875	
65							
70	\$1,197	\$1,281	\$1,538	\$1,777	\$1,982	\$2,187	
80	\$1,368	\$1,465	\$1,758	\$2,031	\$2,266	\$2,500	

