

AUSTIN AFFORDABLE HOUSING CORPORATION



BOARD OF DIRECTORS Regular Meeting

**Thursday, April 15, 2021
12:00 PM**

Via Video Conference Call

Please join my meeting from your computer, tablet or smartphone.
<https://global.gotomeeting.com/join/752783205> You can also dial in using your
phone. United States: +1 (872) 240-3212 Access Code: 752-783-205
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**

**Please join my meeting from your computer, tablet or smartphone.
<https://global.gotomeeting.com/join/752783205> You can also dial in using your phone. United
States: +1 (872) 240-3212 Access Code: 752-783-205
Austin, TX
(512.477.4488)**

**Thursday, April 15, 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 March 25, 2021

ACTION ITEMS

2. Presentation, discussion and possible action on Resolution No. 00182 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 Pathways at Rosewood Courts East
3. Presentation, discussion and possible action on Resolution No. 00183 by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, and to take any other action, that is necessary or desirable to: (i) facilitate the acquisition of the IMT Southpark (the “Development”), which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s subsidiary limited liability company (the “Owner”) to own the Development; (iii) cause the Owner to enter into acquisition and development financing for the Development; and (iv) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

EXECUTIVE SESSION

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

- a. 551.071, Texas Gov't Code, consultations with Attorney regarding legal advice, pending or contemplated litigation; or a settlement offer;
- b. 551.072, Texas Gov't Code, discussion about the purchase, exchange, lease or value of real property;
- c. 551.074, Texas Gov't Code, discuss the appointment, employment, evaluation, reassignment,

duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee.

d. 551.087, Texas Gov't Code, discuss certain economic development negotiations.

OPEN SESSION

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

REPORTS

The Board accepts the following reports:

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

ADJOURNMENT

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

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

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

BOARD ACTION REQUEST

ITEM NO. 1.

MEETING DATE: April 15, 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 March 25, 2021

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to review and approve the Board Minutes Summary for the Board Meeting held on March 25, 2021.

ATTACHMENTS:

- ▣ **20210325 AAHC Minutes Summary**

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

MARCH 25, 2021

SUMMARY OF MINUTES

THE AUSTIN AFFORDABLE HOUSING CORPORATION (AAHC) BOARD OF DIRECTORS ANNUAL PUBLIC MEETING NOTICE WAS POSTED FOR 12:00 NOON ON THURSDAY, MARCH 25, 2021, 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 Annual Board Meeting of the Austin Affordable Housing Corporation, of March 25, 2021, was called to order by Edwina Carrington, AAHC Chairperson, at 12:12 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
Mary Apostolou, 2nd Vice-Chairperson
Dr. Tyra Duncan-Hall, Director

MEMBER(S) ABSENT:

Charles Bailey, Vice-Chairperson
Carl S. Richie, Jr., Director

ALSO ON THE CALL:

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

STAFF PRESENT ON THE CALL:

Andrea Galloway, Ann Gass, Barbara Jackson, Catherine Crago, Jimi Teasdale, Kelly Crawford, Leilani Lim-Villegas, Lisa Garcia, Michael Gerber, Michael Roth, Nidia Hiroms, Pilar Sanchez, Ron Kowal, Suzanne Schwertner, and Sylvia Blanco

MEMBERS PRESENT:

Edwina Carrington, Chairperson

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 February 18, 2021

2nd Vice-Chairperson Apostolou moved to Approve the Board Minutes Summary for the Board Meeting held on February 18, 2021. Director Duncan-Hall seconded the motion. The motion Passed (3-Ayes and 0-Nays).

ITEM 2: Presentation, Discussion, and Possible Action regarding Resolution No. 00180: Approval to ratify all actions taken by the Board of Directors during FYE 2021, in order to resolve any irregularities which may have occurred regarding a quorum or vote by the Directors as reflected within the approved minutes and resolution

Upon past advisement of legal counsel, Resolution No. 00180 was drafted to ensure all actions taken by the Board during FYE 2021 be ratified, thus ensuring resolution of any irregularities during the voting process taken by the Directors. This is an action that will be presented for board action on an annual basis.

This Resolution resolves any irregularities in the voting process found in the Board meeting minutes and/or resolutions, and all actions taken during the 2020-2021 Fiscal Year by the Board of Directors are fully enforceable.

Staff recommends Board approval of Resolution No. 00180 to ratify all actions taken by the Board of Directors during the 2020-2021 Fiscal Year.

2nd Vice-Chairperson Apostolou moved to Approve Resolution No. 00180: Approval to ratify all actions taken by the Board of Directors during FYE 2021, in order to resolve any irregularities which may have occurred regarding a quorum or vote by the Directors as reflected within the approved minutes and resolution. Director Duncan-Hall seconded the motion. The motion Passed (3-Ayes and 0-Nays).

ACTION ITEMS

ITEM 3: 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

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

Fox Hollow 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 requested 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 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 action, that is necessary or desirable to participate in the housing tax credit application for Fox Hollow.

Director Duncan-Hall moved to Approve 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 in an amount not to exceed \$50,000,000. **2nd Vice-Chairperson Apostolou** seconded the motion. The motion Passed (3-Ayes and 0-Nays).

ITEM 4: 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

Austin Affordable Housing Corporation was presented with an opportunity to partner with LDG Multifamily LLC on a 15.12 acre tract of land located within the Austin Extraterritorial Jurisdiction (ETJ) at 6507 McKinney Falls Parkway, Austin, Texas 78744. The project (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.

Clovis at McKinney Falls 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 requested 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 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 action, that is necessary or desirable to participate in the housing tax credit application for Clovis at McKinney Falls.

2nd Vice-Chairperson Apostolou moved to Approve 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 Clovis at McKinney Falls in an amount not to exceed \$50,000,000. **Director Duncan-Hall** seconded the motion. The motion Passed (3-Ayes and 0-Nays).

ITEM 5: Presentation, Discussion and Possible Action on Resolution No. 00181 by the Board of Directors of Austin Affordable Housing Corporation authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the refinancing of The Pointe at Ben White, which consists of affordable housing units and associated amenities built upon land ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s wholly owned, subsidiary limited liability company, Ben White Development GP, LLC (the “General Partner”) to execute an amendment to the amended and restated agreement of limited partnership of Ben White Development, LP and other related

documents; (iii) cause the Partnership to enter into 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

The Pointe at Ben White is located at 6934 Ben White Boulevard, Austin, Texas 78741. This was the very first new construction AAHC ventured into and the first property on which AAHC partnered with LDG Development, LLC. This is also the first 4% Tax Credit/Bond transaction AAHC ever completed. This family property closed in August 2014 and construction was completed in February 2016. The property has 250 units with a mix of 24 one bedroom/one bath, 130 two bedroom/two bath and 96 three bedroom/two baths. The property is located off Ben White Boulevard/Highway 71 between Montopolis Drive and Riverside Drive. All units are affordable to families with incomes at and below 60% Area Median Family Income (AMFI). This property leased up in 30 days and has held steady in the mid-to-high 90% occupancy rate ever since. This property serves Del Valle ISD (Smith Elementary, John P Ojeda Middle School, and Del Valle High School). Currently there are 23 Housing Choice Voucher holders leasing units.

The Pointe at Ben White will be refinanced with Mason Joseph (Lender) using the HUD 223F program to take advantage of a very attractive low-interest environment. The market value of the property has increased from \$35 million upon construction completion to a \$48 million current market value. The current interest rate is 3.99% and the new interest rate is projected to be 2.40%, which will result in significant savings to the partnership. In addition to lowering the interest rate, some rehabilitation will be completed on the property. This includes exterior building paint, replacing concrete paving and walks, resurfacing swimming pool decks, painting fencing along retaining walls, painting exterior stairs, handrails and balcony railings, power washing exterior concrete stairs at each building, replacing carpets, and replacing various bathroom vanity doors.

The current loan amount is \$20,622,580. AAHC will refinance at a loan amount not to exceed \$29,380,000. The result of the refinance will be to: (1) pay off the current loan; (2) make repairs mentioned in the previous paragraph; (3) set up a reserve account equal to 9-months of debt service (\$986,000); (4) set up an owner reserve for future capital needs (\$1,000,000); (5) pay the investor a fee to refinance (\$573,000); (6) provide cash to AAHC (\$2,120,100); and (7) provide cash to LDG (\$2,037,000). The refinance has been approved by both the Lender (Mason Joseph) and Investor (Enterprise and Bank of America). AAHC will set up a separate account with our portion of the cash proceeds to use on future investments and projects.

Board approval allows AAHC to execute any and all documents, or take any other action, that is necessary or desirable to facilitate the refinancing of The Pointe at Ben White.

Director Duncan-Hall moved to Approve Resolution No. 00181 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 facilitate the refinancing of The Pointe at Ben White in an amount not to exceed \$29,380,000. **2nd Vice-Chairperson Apostolou** seconded the motion. The motion Passed (3-Ayes and 0-Nays).

ADJOURNMENT

Director Duncan-Hall moved to Adjourn the meeting. **2nd Vice-Chairperson Apostolou** seconded the motion. The motion Passed (3-Ayes and 0-Nays).

The meeting adjourned at 3:17 p.m.

Michael G. Gerber, Secretary

Edwina Carrington, Chairperson

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00182

ITEM NO. 2.

MEETING DATE: April 15, 2021

STAFF CONTACT: Suzanne Schwertner, Director of Development

ITEM TITLE: Presentation, discussion and possible action on Resolution No. 00182 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 Pathways at Rosewood Courts East

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to approve Resolution No. 00182 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 Pathways at Rosewood Courts East.

SUMMARY

Background:

In October 2016, the U.S. Department of HUD awarded a Commitment to Enter into a Housing Assistance Contract (CHAP) for Rosewood Courts under the Rental Assistance Demonstration (RAD) Program. In December 2018, HACA successfully converted Rosewood Courts to the RAD program. The conversion included light scope of work that covered immediate capital needs to prolong the existing structures useful life. Improvements included replacement of identified tubs, reaffixing porch poles, landscaping and improvements in the Goodwill building.

Redevelopment of the site is necessary due to the obsolescence of its antiquated building systems, plumbing, electrical and gas line infrastructure. There is very little accessibility for persons with mobility needs, and there is no central air conditioning.

Now that Rosewood Courts has completed its conversion to RAD, AAHC intends to submit an application to the Texas Bond Review Board for an allocation of private activity bonds to go along with the 4% tax credits requested from TDHCA. This will serve as another avenue to proceed with the redevelopment and historic rehab project in the event that the 9% tax credit application that was submitted in March is not successful. If AAHC is successful with this application, a new, larger property with approximately 164 new construction units with modern, energy efficient appliances and amenities will be replace 17 of the existing 25 buildings on the site. This will significantly improve the quality of life for the residents of Rosewood Courts

East and allow AAHC to provide more affordable housing by moderately increasing density.

HACA and AAHC also recognize the historic significance of the property and are committed to a robust historic preservation component consisting of the restoration of 8 existing buildings. This preservation and interior renovation project will restore the exterior of the buildings to harken circa 1939 features while completely renovating and modernizing the interiors with more living space, better accessibility and all new interior amenities.

Residents of Rosewood Courts will have the first right to return to the newly rebuilt Pathways at Rosewood Courts East. During construction, Rosewood Courts residents will be supported with comprehensive relocation assistance, ensuring each household's needs are accounted for and are offered options that minimize having to leave their immediate neighborhood during construction.

Process:

In August 2016, the HACA Board of Commissioners approved the selection of Carleton Residential to serve as the developer partner for the redevelopment of Chalmers Courts with the option to continue with Rosewood. Carleton served as HACA's partner in all 3 phases of the Chalmers redevelopment - Chalmers South, Chalmers East, and Chalmers West. Staff members will be working with Carleton to prepare the 4% non-competitive application for Rosewood Courts East.

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 4% non-competitive housing tax credit application for Pathways at Rosewood Courts East.

RESOLUTION NO. 00182

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 Pathways at Rosewood Courts East

WHEREAS, AAHC is the sole member of Pathways at Rosewood Courts East GP, LLC, a Texas limited liability company (the “**General Partner**”);

WHEREAS, the General Partner shall be the sole general partner of Pathways at Rosewood Courts East, LP, a Texas limited partnership (the “**Partnership**”);

WHEREAS, the Partnership was formed for the purpose of owning, developing, managing, and otherwise dealing with Pathways at Rosewood Courts East, a 184-unit multifamily affordable apartment complex (the “**Project**”) to be developed on a parcel of land located at approximately 2001 Rosewood Avenue 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 15th day of April, 2021.

Edwina Carrington, Chairperson

ATTEST:

Secretary

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00183

ITEM NO. 3.

MEETING DATE: April 15, 2021

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

ITEM TITLE: Presentation, discussion and possible action on Resolution No. 00183 by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, and to take any other action, that is necessary or desirable to: (i) facilitate the acquisition of the IMT Southpark (the “Development”), which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s subsidiary limited liability company (the “Owner”) to own the Development; (iii) cause the Owner to enter into acquisition and development financing for the Development; and (iv) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to approve Resolution No. 00183 authorizing AAHC to execute any and all documents, and to take any other action, that is necessary or desirable to: (i) facilitate the acquisition of the IMT Southpark (the “Development”), which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s subsidiary limited liability company (the “Owner”) to own the Development; (iii) cause the Owner to enter into acquisition and development financing for the Development; and (iv) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

SUMMARY

Background:

Austin Affordable Housing Corporation (AAHC) has been presented an opportunity to partner with Belveron Corporation, to purchase a 570 unit apartment complex called the IMT Southpark North. The complex is located at 715 W. Slaughter Lane, Austin, Texas 78748, just south 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 have 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 fifth acquisition with the Belveron team.

The IMT Southpark was built in 2014 and sits on 16.25 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 large game room 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 \$1,046 for a 1 bedroom to \$1,934 for a 3 bedroom.

360 1-bedroom/1-bath	582 square feet to 921 square feet
184 2-bedroom/2-bath	963 square feet to 1202 square feet
26 3-bedroom/2 bath	1,321 square feet to 1388 square feet

Process:

The purchase price for the IMT Southpark \$116,500,000. Belveron will be investing approximately \$27MM 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 \$94 MM at a rate of 3.35%. 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. 86% of the property currently serves residents below 80% AMI and AAHC and Belveron has committed to not raising rents for the next 12 months and is committed to leasing to all voucher holders. The property will be managed by Apartment Management Professionals.

Staff Recommendation:

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

ATTACHMENTS:

- **Map of IMT Southpark**

RESOLUTION NO. 00183

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 IMT Southpark 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, Southpark 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 Southpark, 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 \$94,000,000 (“**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 15th day of April, 2021.

Edwina Carrington, Chairperson

ATTEST:

Secretary

