

AUSTIN AFFORDABLE HOUSING CORPORATION



BOARD OF DIRECTORS Regular Meeting

**Thursday, June 17, 2021
12:00 PM**

Via Video Conference Call

Please join my meeting from your computer, tablet or smartphone.
<https://global.gotomeeting.com/join/714344309> You can also dial in using your
phone. United States: +1 (408) 650-3123 Access Code: 714-344-309
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/714344309> You can also dial in using your phone. United
States: +1 (408) 650-3123 Access Code: 714-344-309
Austin, TX
(512.477.4488)

**Thursday, June 17, 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 April 15, 2021

ACTION ITEMS

2. Presentation, Discussion and Possible Action on Resolution No. 00184 by the Board Of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the development of The Belmont Apartments, which consists of affordable housing units and associated amenities to be constructed upon land to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s wholly owned, subsidiary limited liability company, AAHC Belmont GP, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of LDG Belmont, LP (the “Partnership”) and other related documents; (iii) cause the Partnership to enter into development financing for the Project; and (iv) cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein
3. Presentation, Discussion and Possible Action on Resolution No. 00185 by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the development of the Cypress Creek Apartment Homes at Howard Lane, which consists of affordable housing units and associated amenities to be constructed upon land to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s wholly owned, subsidiary limited liability company, AAHC Howard Lane Development, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of Cypress Creek Howard Lane LP (the “Partnership”) and other related documents; (iii) cause the Partnership to enter into development financing for the Project;

and (iv) cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein

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: June 17, 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 April 15, 2021

BUDGETED ITEM: N/A

TOTAL COST: N/A

ATTACHMENTS:

- ▣ **20210415 AAHC Minutes Summary**

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

APRIL 15, 2021

SUMMARY OF MINUTES

THE AUSTIN AFFORDABLE HOUSING CORPORATION (AAHC) BOARD OF DIRECTORS REGULAR PUBLIC MEETING NOTICE WAS POSTED FOR 12:00 NOON ON THURSDAY, APRIL 15, 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 Regular Board Meeting of the Austin Affordable Housing Corporation, of April 15, 2021, was called to order by Edwina Carrington, AAHC Chairperson, at 12:09 p.m. The meeting was held via Conference Call from the HACA Central Office, 1124 S. IH 35, Austin, TX

Roll call certified a quorum was present.

MEMBERS PRESENT:

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

MEMBER(S) ABSENT:

ALSO ON THE CALL:

Wilson Stoker, Cokinos/Young
Bill Walter, Coats Rose
Sarah Scott, Coats Rose
Will Henderson, Carleton
Audrey Martin, Purple Martin

STAFF PRESENT ON THE CALL:

Andrea Galloway, Ann Gass, Barbara Chen, Barbara Jackson, Catherine Crago, Gloria Morgan, Jimi Teasdale, Kelly Crawford, Leilani Lim-Villegas, Lisa Garcia, Michael Gerber, Michael Roth, Nidia Hiroms, Pilar Sanchez, 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.

CONSENT ITEMS

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 March 25, 2021

Director Richie moved to Approve the Board Minutes Summary for the Board Meeting held on March 25, 2021. **2nd 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. 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

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.

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.

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

ITEM 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, which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s subsidiary limited liability company to own the Development; (iii) cause the Owner to enter into acquisition and development financing for the Development; and (iv) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein

Austin Affordable Housing Corporation (AAHC) was presented with 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.

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.

Board approval allows AAHC to execute any and all documents, and to take any other action, that is necessary or desirable to:

April 15, 2021

Page 2 of 3

ITEM NO.1 - Page 3 of 4

(i) facilitate the acquisition of the IMT Southpark.

Director Richie moved to Approve 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 which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s subsidiary limited liability company to own the Development; (iii) cause the Owner to enter into acquisition and development financing for the Development; and (iv) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein. **2nd Vice-Chairperson Apostolou** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ADJOURNMENT

Director Duncan-Hall moved to Adjourn the meeting. **Director Richie** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

The meeting adjourned at 1:42 p.m.

Michael G. Gerber, Secretary

Edwina Carrington, Chairperson

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00184

ITEM NO. 2.

MEETING DATE: June 17, 2021

STAFF CONTACT: Suzanne Schwertner, Director of Development

ITEM TITLE: Presentation, Discussion and Possible Action on Resolution No. 00184 by the Board Of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the development of The Belmont Apartments, which consists of affordable housing units and associated amenities to be constructed upon land to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s wholly owned, subsidiary limited liability company, AAHC Belmont GP, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of LDG Belmont, LP (the “Partnership”) and other related documents; (iii) cause the Partnership to enter into development financing for the Project; and (iv) cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to approve Resolution No. 00184 authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the development of The Belmont Apartments, which consists of affordable housing units and associated amenities to be constructed upon land to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s wholly owned, subsidiary limited liability company, AAHC Belmont GP, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of LDG Belmont, LP (the “Partnership”) and other related documents; (iii) cause the Partnership to enter into development financing for the Project; and (iv) cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

SUMMARY

Background:

Austin Affordable Housing Corporation has been presented an opportunity to partner with LDG Development LLC. This property is set on a certain 8.09 acre tract of land located at 9100 Brown Lane, Austin, Texas 78754 in the Austin city limits. The project (Belmont Apartments) will consist of 146 family

apartment units serving tenants with incomes between 50% and 70% Area Median Family Income (AMFI). The board has seen this project twice before: October 2020 for the Tax Credit Application Resolution and the Bond Inducement Resolution and then again May 2021 for the public hearing. 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 (family property) next door.

Process:

The development will use a mix of 4% tax credits and bonds to finance the construction with a total project cost of approximately \$35,500,000. The planned development will consist of 48 one bedroom/one bath units, 53 two bedroom/two bath units, 37 three bedroom/two bath units, and 8 four bedroom/two bath units. As with all AAHC properties, all units will be marketed to HACA’s Housing Choice Voucher families.

HACA, through its Public Facility Corporation, will issue tax-exempt bonds in an amount not to exceed \$30,000,000. Financing of the project will come from the following sources: Redstone will provide construction and permanent debt; LDG 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, Belmont Apartments meets these targeted affordability goals.

Belmont Apartments will include a fitness center, community room, business center, theater room and outside grill areas.

Unit Breakdown:	48 one br/one ba	864-874 sq. ft.
	53 two br/two ba	1083-1088 sq. ft
	37 three br/two ba	1525-1538 sq. ft.
	8 four br/two ba	1914-1919 sq. ft.

AMI% Breakdowns:	16 one br/one ba	50% AMI
	16 one br/one ba	60% AMI
	16 one br/one ba	70% AMI
	17 two br/two ba	50% AMI
	19 two br/two ba	60% AMI
	17 two br/two ba	70% AMI
	12 three br/two ba	50% AMI
	13 three br/two ba	60% AMI
	12 three br/two ba	70% AMI
	2 four br/two ba	50% AMI
	4 four br/two ba	60% AMI
	2 four br/two ba	70% AMI

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 development of The Belmont Apartments, which consists of affordable housing units and associated amenities to be constructed upon land to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s wholly owned, subsidiary limited liability company, AAHC Belmont GP, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of LDG Belmont, LP (the “Partnership”) and other related documents; (iii) cause the Partnership to enter into development financing for the Project; and (iv) cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

ATTACHMENTS:

MAP OF BELMONT APARTMENTS

RESOLUTION NO. 00184

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

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

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

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

WHEREAS, the Partnership was formed for the purpose of owning, developing, managing, and otherwise dealing with the Belmont Apartments, a 146-unit apartment complex (the “**Project**”) under development on a parcel of land located in Austin, Travis County, Texas (the “**Land**”), and intended for rental to persons of low and moderate income;

WHEREAS, in connection with the development of the Project, the Partnership desires to obtain site control of the Land from the Housing Authority of the City of Austin (“**HACA**”), by entering into a ground lease (“**Ground Lease**”) with HACA for the Project;

WHEREAS, AAHC, the General Partner and Partnership desire to enter into certain equity documents for the purpose of admitting one or more affiliates of LDG Investment Fund TX, LLC, a Texas limited liability company (collectively, the “**Investor Parties**”), as limited partners to the Partnership, including an Amended and Restated Agreement of Limited Partnership for the Partnership (the “**Partnership Agreement**”);

WHEREAS, in connection with the proceedings relating to the issuance and delivery by Austin Affordable PFC, Inc. (the “**Governmental Lender**”) of its Multifamily Housing

Revenue Bonds (The Belmont Apartments) Series 2021 in the original principal amount of \$25,000,000 and pursuant to a Promissory Note in the same amount (the “**2021 Bond Note**”) loan the associated bond proceeds to the Partnership (the “**2021 Bond Loan**”);

WHEREAS, the Partnership has agreed to issue its Multifamily Housing Revenue Bonds (The Belmont Apartments) in the aggregate principal amount of up to [\$10,000,000] (the “**Taxable Bonds**”), and pursuant to a Promissory Note in the same amount (the “**Taxable Bond Note**”) loan the associated bond proceeds to the Partnership (the “**Taxable Bond Loan**”, and together with the 2021 Bond Loan, the “**Bond Loans**”);

WHEREAS, the 2021 Bond Loan and the Taxable Bond Loan will be subject to the terms of a Trust Indenture (the “**Indenture**”) by and between the Governmental Lender and the trustee named therein, a Loan Agreement (the “**Loan Agreement**”) by and between the Partnership and Governmental Lender, fee and leasehold deed of trust by the Partnership and HACA in favor of the trustee named therein (“**Deed of Trust**”), a Land Use Restriction Agreement by and among the Governmental Lender, the Partnership, and the trustee named therein (“**Regulatory Agreement**”), and the Bond Loans shall be additionally secured by 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 Partnership 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 Bond Loans (collectively, along with the 2021 Bond Note and the Taxable Bond Note, the “**Bond Documents**”);

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

NOW, BE IT RESOLVED, that all of the documents, instruments, or other writing executed by AAHC (both individually and in a representative capacity as identified in these resolutions), in consummation of the transactions herein described (both individually and in a representative capacity as identified in these resolutions), including, but not limited to, (i) the Financing Documents and (ii) any and all such additional documents executed to consummate the transactions contemplated herein (collectively, the “**Transaction Documents**”) shall be in form and substance approved by the Executing Officer (as such term is hereinafter defined), both individually and in a representative capacity as identified in these resolutions, his/her approval of each such instrument to be conclusively evidenced by his 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, General Partner and/or Partnership to enter into the Transaction Documents and that execution and delivery in the name and on behalf of AAHC and/or General Partner and/or the Partnership, by any of the officers of AAHC of the Transaction Documents, in the form as so executed and delivered is hereby approved, ratified and confirmed; and it is further

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

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

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

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

PASSED, APPROVED AND ADOPTED this 17th day of June, 2021.

Edwina Carrington, Chairperson

ATTEST:

Secretary



Belmont Apartments— 9100 Brown Lane, Austin, TX 78754



AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00185

ITEM NO. 3.

MEETING DATE: June 17, 2021

STAFF CONTACT: Suzanne Schwertner, Director of Development

ITEM TITLE: Presentation, Discussion and Possible Action on Resolution No. 00185 by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the development of the Cypress Creek Apartment Homes at Howard Lane, which consists of affordable housing units and associated amenities to be constructed upon land to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s wholly owned, subsidiary limited liability company, AAHC Howard Lane Development, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of Cypress Creek Howard Lane LP (the “Partnership”) and other related documents; (iii) cause the Partnership to enter into development financing for the Project; and (iv) cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to approve Resolution No. 00185 authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the development of the Cypress Creek Apartment Homes at Howard Lane, which consists of affordable housing units and associated amenities to be constructed upon land to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s wholly owned, subsidiary limited liability company, AAHC Howard Lane Development, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of Cypress Creek Howard Lane LP (the “Partnership”) and other related documents; (iii) cause the Partnership to enter into development financing for the Project; and (iv) cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

SUMMARY

Background:

Austin Affordable Housing Corporation has been presented an opportunity to partner with Bonner Carrington

for the first time. This property is set on a certain 23.7 acre tract of land located at 1401 West Howard Lane, Austin, Texas 78753 located in the Austin city limits. The project (Cypress Creek Apartment Homes at Howard Lane) will consist of 362 family apartment units serving tenants with incomes 60% Area Median Family Income (AMFI) with 73 of those units at self-imposed market rate. The board has seen this project twice before: October 2020 for the Tax Credit Application Resolution and the Bond Inducement Resolution and then again May 2021 for the public hearing. 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 (senior property under construction) to the north on IH 35.

Process:

The development will use a mix of 4% tax credits and bonds to finance the construction with a total project cost of approximately \$85,500,000. The planned development will consist of 118 one bedroom/one bath units, 188 two bedroom/two bath units, 40 three bedroom/two bath units, and 16 four bedroom/two bath units. The majority of the units (289) units will be rented to tenants earning at or below 60% area median family income and 73 units at market rate. 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 \$50,000,000. Financing of the project will come from the following sources: Citibank will provide construction and permanent debt; RBC 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 60% AMFI and below, Cypress Creek Apartment Homes at Howard Lane meets these targeted affordability goals.

Cypress Creek Apartment Homes at Howard Lane will include a resort style pool, redwood playscape, fitness center, business center, activity room, sport court and clubroom.

Unit Breakdown:	118 one br/one ba	600-782 sq. ft.
	188 two br/two ba	998-1151 sq. ft
	40 three br/two ba	1252 sq. ft.
	16 four br/two ba	1429 sq. ft.

AMI% Breakdowns:	94 one br/one ba	60% AMI
	24 one br/one ba	market rate
	150 two br/two ba	60% AMI
	38 two br/two ba	market rate
	32 three br/two ba	60% AMI
	8 three br/two ba	market rate
	13 four br/two ba	60% AMI
	3 four br/two ba	market rate

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 development of the Cypress Creek Apartment Homes at Howard Lane, which consists of affordable housing units and associated amenities to be constructed upon land to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s wholly owned, subsidiary limited liability company, AAHC Howard Lane Development, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of Cypress Creek Howard Lane LP (the “Partnership”) and other related documents; (iii) cause the Partnership to enter into development financing for the Project; and (iv) cause AAHC and/or the General Partner and/or the Partnership to execute any such further

documentation as necessary or desirable to allow the consummation of the transactions described herein.

ATTACHMENTS:

- ▣ **Map of Cypress Creek at Howard Lane**

RESOLUTION NO. 00185

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

- 1. Facilitate the development of the Cypress Creek Apartment Homes at Howard Lane, which consists of affordable housing units and associated amenities to be developed upon property to be ground-leased from the Housing Authority of the City of Austin;**
- 2. Cause AAHC’s wholly owned, subsidiary limited liability company, AAHC Howard Lane Development, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of Cypress Creek Howard Lane LP (the “Partnership”) and other related documents;**
- 3. Cause the Partnership to enter into development financing for the Project; and**
- 4. Cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.**

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

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

WHEREAS, SSFP Cypress Creek Howard Lane LLC, a Texas limited liability company, is a special limited partner of the Partnership;

WHEREAS, the Partnership was formed for the purpose of owning, developing, managing, and otherwise dealing with the Cypress Creek Apartment Homes at Howard Lane, a 362-unit apartment complex (the “**Project**”) under development on a parcel of land located at approximately 1401 West Howard Lane, Austin, Texas (the “**Land**”), and intended for rental to persons of low and moderate income;

WHEREAS, in connection with the development of the Project, the Partnership desires to obtain site control of the Land from the Housing Authority of the City of Austin (“**HACA**”), by entering into a ground lease (“**Ground Lease**”) with HACA for the Project;

WHEREAS, AAHC, the General Partner and Partnership desire to enter into certain equity documents for the purpose of admitting RBC Tax Credit Equity, LLC or its affiliate (collectively, the “**RBC Parties**”), as limited partners to the Partnership, including an Amended and Restated Agreement of Limited Partnership for the Partnership (the

“Partnership Agreement”);

WHEREAS, the Partnership will enter into a Development Agreement (the **“Development Agreement”**) with SSFD Cypress Creek Howard Lane LLC, a Texas limited liability company, for the development of the Project;

WHEREAS, in connection with the proceedings relating to the issuance and delivery by the Austin Affordable PFC, Inc. (the **“Governmental Lender”**) of its Multifamily Housing Governmental Note (Cypress Creek Apartment Homes at Howard Lane) Series 2021 (the **“Governmental Note”**) in a principal amount not to exceed \$50,000,000, pursuant to and in accordance with the terms of a Funding Loan Agreement (the **“Funding Loan Agreement”**) by and between the Governmental Lender, BOKF, NA, as fiscal agent (the **“Fiscal Agent”**), and Citibank, N.A. (**“Citibank”**);

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

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

WHEREAS, in connection with the development of the Project, the Partnership desires to obtain an additional loan from Citibank, which shall be used for the development of the Project and shall not exceed \$15,000,000.00 (the **“Citi Loan”**) and in connection therewith, Citi will require the Partnership to execute a promissory note, loan agreement, deed of trust, assignments, and certain other documents evidencing and/or securing the Citi Loan (the **“Citi Documents”**);

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

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

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

RESOLVED, that AAHC (both individually and in a representative capacity as identified in these resolutions), 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, Partnership and/or General Partner to enter into the Transaction Documents and that execution and delivery in the name and on behalf of AAHC and/or General Partner and/or the Partnership, by any of the officers of AAHC of the Transaction Documents, in the form as so executed and delivered is hereby approved, ratified and confirmed; and it is further

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

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

necessary or advisable in order to carry into effect the intent of the foregoing resolutions or to comply with the requirements of the instruments approved or authorized by the foregoing resolutions is hereby approved, ratified and confirmed; and it is further

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

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

[Remainder of page intentionally left blank for signature]

PASSED, APPROVED AND ADOPTED this 17th day of June, 2021.

EDWINA CARRINGTON,
CHAIRPERSON

ATTEST:

Secretary



Cypress Creek at Howard Lane—

1401 W Howard Lane, Austin, TX 78753

