

**AUSTIN AFFORDABLE
PFC, INC.**

**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 PFC, INC.**

**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. 00087: authorizing the issuance, sale and delivery of Multifamily Housing Revenue Bonds (The Belmont Apartments), Series 2021; authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily residential rental development; and containing other provisions relating to the subject
3. Presentation, Discussion and Possible Action on Resolution No. 00088: authorizing the issuance, sale and delivery of Multifamily Housing Governmental Note (Cypress Creek Apartment Homes at Howard Lane), Series 2021; authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily residential rental development; and containing other provisions relating to the subject

EXECUTIVE SESSION

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

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

OPEN SESSION

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

REPORTS

The Board accepts the following reports:

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

ADJOURNMENT

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

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

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

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

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

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

AUSTIN AFFORDABLE PFC, INC.

BOARD ACTION REQUEST

ITEM NO. 1.

MEETING DATE: 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 AAPFC Minutes Summary**

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

April 15, 2021

SUMMARY OF MINUTES

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

Edwina Carrington, AAPFC Chairperson called the Board of Directors Regular Board Meeting of Austin Affordable PFC, Inc., of April 15, 2021, to order, 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 on the call.

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

CONSENT AGENDA

APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS:

ITEM 1: Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on March 25, 2021

Director Richie moved the Approval of 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

APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS

ITEM 2: Presentation, Discussion, and Possible Action regarding Resolution No. 00086: Resolution declaring intent to issue bonds to provide for a multifamily residential rental development for persons of low and moderate income (Pathways at Rosewood Courts East); prescribing certain terms and conditions of such bonds; authorizing the filing of an application for allocation of private activity bonds with the Texas Bond Review Board; and containing other provisions relating to the subject

In 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.

Director Richie moved the Approval of Resolution No. 00086: Resolution declaring intent to issue bonds to provide for a multifamily residential rental development for persons of low and moderate income (Pathways at Rosewood Courts East); prescribing certain terms and conditions of such bonds; authorizing the filing of an application for allocation of private activity bonds with the Texas Bond Review Board; and containing other provisions relating to the subject. **2nd Vice-Chairperson Apostolou** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

THE BOARD DID NOT RECESS INTO EXECUTIVE SESSION.

REPORTS

None.

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

The meeting adjourned at 1:48 p.m.

Michael G. Gerber, Secretary

Edwina Carrington, Chairperson

AUSTIN AFFORDABLE PFC, INC.

BOARD ACTION REQUEST

RESOLUTION NO. 00087

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. 00087: authorizing the issuance, sale and delivery of Multifamily Housing Revenue Bonds (The Belmont Apartments), Series 2021; authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily residential rental development; and containing other provisions relating to the subject

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to approve Resolution No. 00087 authorizing the issuance, sale and delivery of Multifamily Housing Revenue Bonds (The Belmont Apartments), Series 2021; authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily residential rental development; and containing other provisions relating to the subject.

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. 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	50% AMI
	ba 4 four br/two ba	60% AMI
	2 four br/two ba	70% AMI

Staff Recommendation:

Board approval will authorize the issuance, sale and delivery of Multifamily Housing Revenue Bonds (The Belmont Apartments), Series 2021; authorize the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily residential rental development; and containing other provisions relating to the subject.

ATTACHMENTS:

- ▣ **Exhibit to AAPFC Inc Resolution**

RESOLUTION NO. 00087

RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS (THE BELMONT APARTMENTS) SERIES 2021; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS AND INSTRUMENTS NECESSARY TO CARRY OUT THE FINANCING OF SUCH MULTIFAMILY RESIDENTIAL RENTAL DEVELOPMENT; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT.

WHEREAS, Austin Affordable PFC, Inc. (the “Issuer”) has been duly created and organized pursuant to and in accordance with the provisions of the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the “Act”), for the purpose of assisting the Housing Authority of the City of Austin (the “Sponsor”) in financing, refinancing or providing public facilities; and

WHEREAS, the Act authorizes the Issuer: (a) to make loans to any person to provide financing for rental residential developments located within the corporate limits of the City of Austin, Texas (the “City”), and intended to be occupied substantially (at least 90 percent) by persons of low and moderate income, as determined by the Issuer; (b) to issue its revenue bonds for the purpose of obtaining moneys to make such loans and provide such financing, to establish necessary reserve funds and to pay administrative costs and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues, receipts or resources of the Issuer, including the revenues and receipts to be received by the Issuer from or in connection with such loans, and to mortgage, pledge or grant security interests in such loans or other property of the Issuer in order to secure the payment of the principal or redemption price of and interest on such bonds; and

WHEREAS, the Board of Directors of the Issuer (the “Board”) has determined to authorize the issuance, sale and delivery of its Multifamily Housing Revenue Bonds (The Belmont Apartments) Series 2021 (the “Bonds”), pursuant to and in accordance with the terms of an Indenture of Trust, dated on or about July 1, 2021 (the “Indenture”), between the Issuer and BOKF, NA, as trustee (the “Trustee”), for the purpose of lending the proceeds thereof to LDG Belmont, LP, a Texas limited partnership (the “Borrower”), to provide financing for the acquisition and construction of a multifamily housing residential rental development known as the Belmont Apartments, located within the City of Austin at approximately 9100 Brown Lane, Austin, Texas 78754 and described more fully on Exhibit A attached hereto (the “Project”), all in accordance with the Constitution and laws of the State of Texas; and

WHEREAS, the Board, by resolution adopted on September 17, 2020, declared its intent to issue its revenue bonds to provide financing for the Project; and

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

WHEREAS, in order to assure compliance with Section 142(d) of the Internal Revenue Code of 1986, as amended (the “Code”), the Issuer will require the Borrower to enter into a Land Use Restriction Agreement,

dated on or about July 1, 2021 (the “Regulatory Agreement”) with respect to the Project; and

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

WHEREAS, the Issuer desires to authorize the Trustee to invest and reinvest the proceeds of the Bonds and all other funds received and held under the Agreement; and

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

WHEREAS, with respect to bonds issued by the Issuer, the AER is the Mayor of the City; and

WHEREAS, notice of a public hearing with respect to the Bonds and the Project held by the Issuer on February 3, 2021, was published no less than 7 days before such date in a newspaper of general circulation available to residents within the City; and

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

WHEREAS, the Board has determined to provide financing for the Project in accordance with the Agreement, the Bonds, the Regulatory Agreement (all documents in such form as approved by the officers of the Issuer and its advisors), by authorizing the issuance of the Bonds, the execution and delivery or acceptance, as appropriate, of such documents and the taking of such other actions as may be necessary or convenient;

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

Section 1.--Public Hearing. The Board hereby finds, determines, recites and declares that a public hearing with respect to the Bonds and the Project was held on February 3, 2021; that notice of such public hearing was published no less than 7 days before such date in a newspaper of general circulation available to residents within the City; that such notice included the date, time and place of the public hearing, the location, general nature and the initial owner of the Project and the maximum aggregate principal amount of the Bonds; and that all comments from interested persons were taken at such public hearing and were provided to the AER.

Section 2.--Issuance, Execution, Sale and Delivery of the Bonds. The issuance of the Bonds is hereby authorized, according to the conditions set forth herein and in the Agreement, and upon execution and delivery of the Agreement, the President or Vice President and the Secretary of the Issuer are each hereby authorized to execute, attest and affix the Issuer’s seal (if any) to the Bonds and to deliver the Bonds to the Attorney General of the State of Texas for approval, the Comptroller of Public Accounts of the State of Texas for registration and the Trustee for authentication (to the extent required in the Indenture), and thereafter to sell the Bonds to the purchaser thereof as provided in the Indenture and deliver the Bonds as provided in the Indenture.

Section 3.--Interest Rate, Principal Amount, Maturity and Price. The officers of the Issuer are hereby authorized to fix and determine the interest rate, principal amount, maturity and price of the Bonds, all of which determinations shall be conclusively evidenced by the execution and delivery by such officers of the Indenture and the Bonds; provided, however, that: (i) the interest on the Bonds shall initially not exceed 7%; (ii) the aggregate principal amount of the Multifamily Housing Revenue Bonds (The Belmont Apartments) Series 2021 shall not exceed \$30,000,000; (iii) the final maturity of the Bonds shall occur not later than July 1, 2061; and (iv) the price at which the Bonds are sold shall not exceed the principal amount thereof.

Section 4.--Approval, Execution and Delivery of the Indenture and the Agreement. The officers of the Issuer are each hereby authorized to execute the Indenture and the Agreement in form and substance approved by such officers, with such changes or additions thereto as may be approved by any officer of the Issuer (upon advice of bond counsel to the Issuer), as evidenced by the execution and delivery of the Indenture and the Agreement.

Section 5.--Approval, Execution and Delivery of the Regulatory Agreement. The officers of the Issuer are each hereby authorized to execute the Regulatory Agreement in form and substance approved by such officers, with such changes or additions thereto as may be approved by any officer of the Issuer (upon advice of bond counsel to the Issuer), as evidenced by their execution and delivery and to deliver the Regulatory Agreement.

Section 6.--Determination of Moderate Income. The Board has heretofore determined and hereby confirms, in accordance with the Act, for purposes of the Project, until revised by the Board, that the maximum amount constituting moderate income shall be 80% of area median income, as established by the Issuer.

Section 7.--Execution and Delivery of Other Documents. The officers of the Issuer are each hereby authorized to execute, attest and affix the Issuer's seal (if any) to and deliver such other agreements, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 8.--Power to Revise Form of Documents. Notwithstanding any other provision of this Resolution, the officers of the Issuer are each hereby authorized to make or approve such revisions in the form of the documents hereby approved, in the opinion of bond counsel, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution; and approval of such changes by the Issuer shall be indicated by such officers' execution of the documents.

Section 9.--Incorporation of Preamble. The recitals in the preamble of this Resolution are true, correct and complete and each and all of such recitals and the findings therein are hereby incorporated by reference to the same extent as if set forth herein in full.

Section 10.--Submission to the Attorney General of Texas. The Board hereby authorizes the submission by bond counsel to the Attorney General of Texas, for approval as required under Chapter 1202, Texas Government Code, of a transcript of legal proceedings relating to the issuance, sale and delivery of the Bonds.

Section 11.--Purposes of Resolution. The Board has expressly determined and hereby confirms that the issuance of the Bonds to assist in the financing of the Project will promote the public purposes set forth in Chapter 392 and Section 394.002 of the Texas Local Government Code and will accomplish a valid public purpose of the Issuer by assisting persons of low and moderate income in the City to obtain decent, safe and sanitary housing at affordable prices, thereby helping to relieve unemployment, to preserve and increase the tax base of the City, and to reduce public expenditures for crime prevention and control, public health, welfare and safety and for other valid public purposes.

Section 12.--Limited Obligations. The Bonds and the interest thereon shall be limited obligations of the Issuer payable solely from the revenues, funds and assets pledged under the Indenture and the Agreement to secure payment of the Bonds and under no circumstances shall the Bonds be payable from any other revenues, funds, assets or income of the Issuer. The Bonds shall not constitute an indebtedness, liability, general, special or moral obligation or a pledge or loan of the faith or credit or taxing power, within the meaning of any constitutional or statutory provision whatsoever, of the United States of America or any agency or instrumentality thereof, the State of Texas, the City, the Sponsor or any other political subdivision or governmental unit.

Section 13.--Ratification of Certain Prior Actions. All other prior actions taken for or on behalf of the Issuer in connection with the Bonds are hereby ratified, confirmed and approved.

Section 14.--Approval Conditions. The actions and obligations authorized in this Resolution shall be subject to and conditioned upon receipt by the Issuer on the date of delivery of the Bonds of the appropriate opinions of tax counsel with respect to the Bonds.

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

Section 16.--Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

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

[End of Resolution.]

Edwina Carrington, Chairperson

ATTEST:

Secretary

Exhibit A

PROJECT AND BORROWER

Borrower: LDG Belmont, LP, a Texas limited partnership

Project: 146-unit multifamily residential rental development to be known as the Belmont Apartments

The Project will be located at approximately 9100 Brown Lane, Austin, Texas 78754. It will consist of 2 four-story residential apartment buildings with approximately 171,021 net rentable square feet and an average unit size of approximately 1,171 square feet. The unit mix will consist of:

<u>48</u>	one-bedroom/one-bath units
<u>53</u>	two-bedroom/two-bath units
<u>37</u>	three-bedroom/two-bath units
<u>8</u>	four-bedroom/two-and-one-half-bath units
146	Total Units

Unit sizes will range from approximately 864 square feet to approximately 1,919 square feet.

Common areas will include a community house, fitness center, business center, service coordinator office, playground, and pool. All units will have central heating and air conditioning, carpeting, ceramic tile and vinyl plank, ceiling fans, mini-blinds, a dishwasher, a range and oven and balcony/patio.

AUSTIN AFFORDABLE PFC, INC.

BOARD ACTION REQUEST

RESOLUTION NO. 00088

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. 00088: authorizing the issuance, sale and delivery of Multifamily Housing Governmental Note (Cypress Creek Apartment Homes at Howard Lane), Series 2021; authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily residential rental development; and containing other provisions relating to the subject

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to approve Resolution No. 00088 authorizing the issuance, sale and delivery of Multifamily Housing Governmental Note (Cypress Creek Apartment Homes at Howard Lane), Series 2021; authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily residential rental development; and containing other provisions relating to the subject.

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. 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 authorize the issuance, sale and delivery of Multifamily Housing Governmental Note (Cypress Creek Apartment Homes at Howard Lane), Series 2021; authorize the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily residential rental development; and containing other provisions relating to the subject.

ATTACHMENTS:

- ▣ **Exhibit to AAPFC Inc Resolution**

RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING GOVERNMENTAL NOTE (CYPRESS CREEK APARTMENT HOMES AT HOWARD LANE) SERIES 2021; APPROVING THE FORM AND SUBSTANCE OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS AND INSTRUMENTS NECESSARY TO CARRY OUT THE FINANCING OF SUCH MULTIFAMILY RESIDENTIAL RENTAL DEVELOPMENT; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, Austin Affordable PFC, Inc. (the “Governmental Lender”) has been duly created and organized pursuant to and in accordance with the provisions of the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the “Act”), for the purpose of assisting the Housing Authority of the City of Austin (the “Sponsor”) in financing, refinancing or providing public facilities; and

WHEREAS, the Act authorizes the Governmental Lender: (a) to make loans to any person to provide financing for rental residential developments located within the corporate limits of the City of Austin, Texas (the “City”), and intended to be occupied substantially (at least 90 percent) by persons of low and moderate income, as determined by the Governmental Lender; (b) to borrow funds for the purpose of obtaining moneys to make such loans and provide such financing, to establish necessary reserve funds and to pay administrative costs and other costs incurred in connection with any such borrowing by the Governmental Lender; and (c) to pledge all or any part of the revenues, receipts or resources of the Governmental Lender, including the revenues and receipts to be received by the Governmental Lender from or in connection with such loans, and to mortgage, pledge or grant security interests in such loans or other property of the Governmental Lender in order to secure the repayment of any such borrowing by the Governmental Lender; and

WHEREAS, the Board of Directors of the Governmental Lender (the “Board”) has determined to authorize the issuance, sale and delivery of its Multifamily Housing Governmental Note (Cypress Creek Apartment Homes at Howard Lane) Series 2021 (the “Governmental Note”) pursuant to and in accordance with the terms of a Funding Loan Agreement dated as of July 1, 2021 (the “Funding Loan Agreement”), between the Governmental Lender, BOKF, NA, as fiscal agent (the “Fiscal Agent”), and Citibank, N.A., as initial funding lender (the “Funding Lender”), for the purpose of lending the proceeds thereof to Cypress Creek Howard Lane LP, a Texas limited partnership (the “Borrower”), to provide financing for the acquisition, construction and equipping of a multifamily rental residential development to be known as the Cypress Creek Apartment Homes at Howard Lane to be located within the City at approximately 1401 West Howard Lane, Austin, Texas, as described more fully on Exhibit A attached hereto (the “Project”), all in accordance with the Constitution and laws of the State of Texas; and

WHEREAS, the Board, by resolution adopted on September 17, 2020, declared its intent to provide financing for the Project; and

WHEREAS, in order to assist in carrying out such acquisition, construction and equipping of the Project, the Board has determined that the Governmental Lender shall enter into a Borrower Loan Agreement dated as of July 1, 2021 (the “Borrower Loan Agreement”), between the Governmental Lender and the Borrower, pursuant to which (i) the Governmental Lender will agree to make a mortgage loan funded with the proceeds of the Governmental Note (the “Mortgage Loan”) to the Borrower to enable the Borrower to finance the cost of acquisition, construction and equipping of the Project and related costs, and (ii) the Borrower will execute and deliver to the Governmental Lender a promissory note (the “Multifamily Note”) in an original principal amount equal to the original principal amount of the Governmental Note, and providing for payment of interest on such principal amount equal to the interest on the Governmental Note and to pay other costs described in the Borrower Loan Agreement; and

WHEREAS, in order to assure compliance with Section 142(d) of the Internal Revenue Code of 1986, as amended (the “Code”), the Governmental Lender will require the Borrower to enter into a Regulatory Agreement and Declaration of Restrictive Covenants dated as of July 1, 2021 (the “Regulatory Agreement”) with respect to the Project; and

WHEREAS, it is anticipated that the Multifamily Note will be secured by a Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (the “Mortgage”) from the Borrower for the benefit of the Governmental Lender; and

WHEREAS, the Governmental Lender’s rights (except for certain reserved rights) under the Mortgage Loan, including the Multifamily Note and the Mortgage, will be assigned to the Fiscal Agent, as its interests may appear, pursuant to an Assignment of Deed of Trust and Loan Documents (the “Assignment”) between the Governmental Lender and the Fiscal Agent and acknowledged, accepted and agreed to by the Borrower; and

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

WHEREAS, the Governmental Lender desires to authorize the Fiscal Agent to invest and reinvest the proceeds of the Governmental Note and all other funds received and held under the Funding Loan Agreement; and

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

WHEREAS, with respect to notes issued by the Governmental Lender, the AER is the Mayor of the City; and

WHEREAS, notice of a public hearing with respect to the Governmental Note and the Project held by the Governmental Lender on February 3, 2021, was published no less than 7 days before such date in a newspaper of general circulation available to residents within the City; and

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

WHEREAS, the Board and its advisors have examined proposed forms of the Funding Loan Agreement, the Borrower Loan Agreement, the Regulatory Agreement, the Multifamily Note, the Mortgage, and the Assignment, and have found the form and substance of such documents to be satisfactory and proper; and have determined to provide financing for the Project in accordance with such documents by authorizing the issuance of the Governmental Note, the execution and delivery of such documents and the taking of such other actions as may be necessary or convenient;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GOVERNMENTAL LENDER THAT:

Section 1.--Public Hearing. The Board hereby finds, determines, recites and declares that a public hearing with respect to the Governmental Note and the Project was held on February 3, 2021; that notice of such public hearing was published no less than 7 days before such date in a newspaper of general circulation available to residents within the City; that such notice included the date, time and place of the public hearing, the location, general nature and the initial owner of the Project and the maximum principal amount of the Governmental Note; and that all comments from interested persons were taken at such public hearing and were provided to the AER.

Section 2.--Issuance, Execution, Sale and Delivery of the Governmental Note. The issuance of the Governmental Note is hereby authorized, according to the conditions set forth herein and in the Funding Loan Agreement, and that, upon execution and delivery of the Funding Loan Agreement, the President or any Vice President or Secretary of the Governmental Lender each are authorized hereby to execute, attest and affix the Governmental Lender's seal to the Governmental Note (if any) and to deliver the Governmental Note to the Attorney General of the State of Texas for approval, the Comptroller of Public Accounts of the State of Texas for registration and to the Fiscal Agent for authentication (to the extent required in the Funding Loan Agreement), and thereafter to sell the Governmental Note to the initial funding thereof and deliver the Governmental Note as provided in the Funding Loan Agreement.

Section 3.--Interest Rate, Principal Amount, Maturity and Price. The officers of the Governmental Lender are hereby authorized to fix and determine the interest rate, principal amount, maturity and price of the Governmental Note, all of which determinations shall be conclusively evidenced by the execution and delivery by such officers of the Funding Loan Agreement; provided, however, that: (a) the interest rate on the Governmental Note shall not exceed 7% per annum, subject to adjustment as provided in the Funding Loan Agreement; provided that, in no event shall the interest rate on the Governmental Note (including any default interest rate) exceed the maximum interest rate permitted by applicable law; (b) the principal amount of the Governmental Note shall not exceed \$50,000,000; and (iii) the final maturity of the Governmental Note shall occur not later than July 1, 2060.

Section 4.--Approval, Execution and Delivery of the Funding Loan Agreement. The form and substance of the Funding Loan Agreement are hereby approved; and that the President or any Vice President or the Secretary of the Governmental Lender are each hereby authorized to execute and attest to the Funding Loan Agreement and to deliver the Funding Loan Agreement to the Fiscal Agent. The Fiscal Agent is authorized to invest the moneys held under the Funding Loan Agreement as provided therein.

Section 5.--Approval, Execution and Delivery of the Borrower Loan Agreement. The form and substance of the Borrower Loan Agreement are hereby approved; and that the officers of the Governmental Lender are each hereby authorized to execute, attest and affix the Governmental Lender's seal (if any) to the Borrower Loan Agreement and to deliver the Borrower Loan Agreement to the Borrower.

Section 6.--Approval, Execution and Delivery of the Regulatory Agreement. The form and substance of the Regulatory Agreement are hereby approved; and that the officers of the Governmental Lender are each hereby authorized to execute, attest and affix the Governmental Lender's seal (if any) to the Regulatory Agreement and to deliver the Regulatory Agreement to the Borrower and the Fiscal Agent.

Section 7.--Determination of Moderate Income. The Board has heretofore determined and hereby confirms, in accordance with the Act, for purposes of the Project, until revised by the Board, that the maximum amount constituting moderate income shall be 80% of area median income, as established by the Governmental Lender.

Section 8.--Acceptance of the Mortgage and the Multifamily Note. That the Mortgage and the Multifamily Note are hereby accepted by the Governmental Lender; and that the officers of the Governmental Lender are each hereby authorized to endorse the Multifamily Note to the order of the Fiscal Agent, without recourse.

Section 9.--Execution and Delivery of Other Documents. The officers of the Governmental Lender are each hereby authorized to execute, attest and affix the Governmental Lender's seal (if any) to and deliver such other agreements, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, written requests and other papers, including the Assignment, whether or not mentioned

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

Section 10.--Power to Revise Form of Documents. Notwithstanding any other provision of this Resolution, the officers of the Governmental Lender are each hereby authorized to make or approve such revisions to this Resolution and in the form of the documents hereby approved, in the opinion of Bond Counsel, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution; and approval of such changes by the Governmental Lender shall be indicated by such officers' execution of the documents.

Section 11.--Incorporation of Preamble. The recitals in the preamble of this Resolution are true, correct and complete and each and all of such recitals and the findings therein are hereby incorporated by reference to the same extent as if set forth herein in full.

Section 12.--Submission to the Attorney General of Texas. The Board hereby authorizes the submission by bond counsel to the Attorney General of Texas, for approval as required under Chapter 1202, Texas Government Code, of a transcript of legal proceedings relating to the issuance, sale and delivery of the Governmental Not.

Section 13.--Purposes of Resolution. The Board has expressly determined and hereby confirms that the issuance of the Governmental Note to assist in the financing of the Project will promote the public purposes set forth in Chapter 392 and Section 394.002 of the Local Government Code and will accomplish a valid public purpose of the Governmental Lender by assisting persons of low and moderate income in the City to obtain decent, safe and sanitary housing at affordable prices.

Section 14.--Limited Obligations. The Governmental Note and the interest thereon shall be limited obligations of the Governmental Lender payable solely from the revenues, funds and assets pledged under the Agreement to secure payment of the Governmental Note and under no circumstances shall the Governmental Note be payable from any other revenues, funds, assets or income of the Governmental Lender.

Section 15.--Ratification of Certain Prior Actions. All other prior actions taken for or on behalf of the Governmental Lender in connection with the Governmental Note are hereby ratified, confirmed and approved.

Section 16.--Approval Conditions. The actions and obligations authorized in this Resolution shall be subject to and conditioned upon receipt by the Governmental Lender on the date of delivery of the Governmental Note of the appropriate opinions of bond counsel with respect to the Governmental Notes.

Section 17.--Information Return for Tax Exempt Private Activity Bonds. The Board further directs that an officer of the Governmental Lender submit or cause to be submitted to the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Governmental Note is issued, a statement containing the information required by Section 149(e) of the Code.

Section 18.--Reserved.

Section 19.--Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

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

[End of Resolution.]

Edwina Carrington, Chairperson

ATTEST:

Secretary

**EXHIBIT A
PROJECT AND BORROWER**

Borrower: Cypress Creek Howard Lane LP, a Texas limited partnership

Project: 362-unit multifamily residential rental development to be known as the Cypress Creek Apartment Homes at Howard Lane

The Project will be located at approximately 1401 West Howard Lane, Austin, Texas. It will consist of 8 residential apartment buildings with approximately 353,328 net rentable square feet. The unit mix will consist of:

118	one-bedroom/one-bath units
188	two-bedroom/two-bath units
40	three-bedroom/two-bath units
<u>16</u>	four-bedroom/two-bath units
362	Total Units