

# AUSTIN AFFORDABLE HOUSING CORPORATION



## BOARD OF DIRECTORS Regular Meeting

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

### **Via Video Conference Call**

Please join the meeting from your computer, tablet or smartphone.  
<https://global.gotomeeting.com/join/134982621> You can also dial in using your  
phone. United States: +1 (312) 757-3121 Access Code: 134-982-621  
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 the meeting from your computer, tablet or smartphone.**

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**Austin, TX  
(512.477.4488)**

**Thursday, July 15, 2021**

**12:00 PM**

**CALL TO ORDER, ROLL CALL**

**CERTIFICATION OF QUORUM**

**Citizens Communication (Note: There will be a three-minute time limitation)**

**CONSENT ITEMS**

1. Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on June 17, 2021

**ACTION ITEMS**

2. Presentation, discussion and possible action on Resolution No. 00186 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 Henderson on Reinli, 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, LDG The Henderson on Reinli GP, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of LDG The Henderson on Reinli, 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. 00187 by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the acquisition of the Scofield Park Apartments (the “Development”), which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s wholly owned, subsidiary limited liability company, CDT AAHC Scofield Park, LLC (the “Owner”) to own the Development; (iii) cause the Owner to enter into acquisition and development financing for the Development; and (iv) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the

transactions described herein

## **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.

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

The Housing Authority of the City of Austin is committed to compliance with the Americans with Disability Act. Reasonable modifications and equal access to the communications will be provided upon request. Meeting locations are planned with wheelchair access. If requiring Sign Language Interpreters or alternative formats, please give notice at least 2 days (48 hours) before the meeting date. Please call Nidia Hiroms at HACA at 512.477.4488, for additional information; TTY users route through Relay Texas at 711. For more information on HACA, please contact Nidia Hiroms at 512.477.4488 x 2104.

**AUSTIN AFFORDABLE HOUSING CORPORATION**

**BOARD ACTION REQUEST**

**ITEM NO. 1.**

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**MEETING DATE:** July 15, 2021

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

**ITEM TITLE:** Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on June 17, 2021

**BUDGETED ITEM:** N/A

**TOTAL COST:** N/A

**ACTION**

The Board is being asked to review and approve the Board Minutes Summary for the Board Meeting held on June 17, 2021.

**ATTACHMENTS:**

- ▣ **20210617 AAHC Minutes Summary**

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

**JUNE 17, 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, JUNE 17, 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 June 17, 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, 2<sup>nd</sup> Vice-Chairperson  
Carl S. Richie, Jr., Director  
Dr. Tyra Duncan-Hall, Director

**MEMBER(S) ABSENT:**

**ALSO ON THE CALL:**

Wilson Stoker, Cokinos  
Bill Walter, Coats Rose  
Jake Brown, LDG  
Justin Hartz, LDG  
Mary Aleshire, Gaston resident  
Stacy Shackelford, citizen  
Zenobia Joseph, citizen  
Will Linnebur, citizen  
Colleen Quigley, citizen  
Riley Quigley, citizen

**STAFF PRESENT ON THE CALL:**

Andrea Galloway, Barbara Chen, Barbara Jackson, Gloria Morgan, Justin Breaux, Kelly Crawford, Michael Gerber, 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 April 15, 2021**

**Director Duncan-Hall** moved to Approve the Board Minutes Summary for the Board Meeting held on April 15, 2021. **2<sup>nd</sup> Vice-Chairperson Apostolou** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

**ACTION ITEMS**

**ITEM 2: Presentation, Discussion and Possible Action on Resolution No. 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**

Austin Affordable Housing Corporation was presented with an opportunity to partner with LDG Development LLC. This property is set on a 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.

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.

Board approval allows for the issuance of its Multifamily Housing Revenue Bonds (The Belmont Apartments), Series 2021 and to take such other actions necessary or convenient to facilitate the development of The Belmont Apartments.

**Director Duncan-Hall** moved to Approve 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 in an amount not to exceed \$30,000,000. **2<sup>nd</sup> Vice-Chairperson Apostolou** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

**ITEM 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**

This item was withdrawn.

**ADJOURNMENT**

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

The meeting adjourned at 1:21 p.m.

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**Michael G. Gerber, Secretary**

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**Edwina Carrington, Chairperson**

# AUSTIN AFFORDABLE HOUSING CORPORATION

## BOARD ACTION REQUEST

### RESOLUTION NO. 00186

#### ITEM NO. 2.

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**MEETING DATE:** July 15, 2021

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

**ITEM TITLE:** Presentation, Discussion and Possible Action on Resolution No. 00186 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 Henderson on Reinli, 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, LDG The Henderson on Reinli GP, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of LDG The Henderson on Reinli, 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. 00186 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 Henderson on Reinli, 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, LDG The Henderson on Reinli GP, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of LDG The Henderson on Reinli, 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 2.74 acre tract of land located at 1101 Reinli Street, Austin, Texas 78723 in the Austin city limits. The project (The Henderson on Reinli) will consist of 306 family apartment units serving tenants with incomes between 50% and 70% Area Median Family Income (AMFI). The board has seen this project twice before: April 2020 for the Tax Credit Application Resolution and the Bond Inducement Resolution and then again June 2021 for the public hearing. The nearest properties in AAHC’s current portfolio Pathways at Coronado and the Estates at Norwood, both north of this property. This property is served by Austin ISD (Blanton Elementary, Lamar Middle School, and Northeast Early College High School (formerly Reagan HS) ).

***Process:***

The development will use a mix of 4% tax credits and bonds to finance the construction with a total project cost of approximately \$80,250,000. The planned development will consist of 155 one bedroom/one bath units and 151 two 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 \$45,000,000. Financing of the project will come from the following sources: Redstone will provide construction and permanent debt; PNC will provide equity and an equity bridge loan. 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, The Henderson meets these targeted affordability goals.

Unit Breakdown:	155 one br/one ba	613 sq. ft.
	151 two br/two ba	817 sq. ft

AMI% Breakdowns:	48 one br/one ba	50% AMI
	59 one br/one ba	60% AMI
	48 one br/one ba	70% AMI
	47 two br/two ba	50% AMI
	57 two br/two ba	60% AMI
	47 two br/two ba	70% AMI

***Staff Recommendation:***

Board approval will authorize AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the development of The Henderson on Reinli, 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, LDG The Henderson on Reinli GP, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of LDG The Henderson on Reinli, 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:**

- ▣ **The Henderson at Reinli Map**



**RESOLUTION NO. 00186**

**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 Henderson on Reinli, 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, LDG The Henderson on Reinli GP, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of LDG The Henderson on Reinli, 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 Henderson on Reinli, a 306-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 related to the transaction with PNC Bank, National Association (“**PNC**”) or its affiliate, including an amended and restated agreement of limited partnership admitting one or more affiliates of PNC to the Partnership as limited partners (collectively, the “**Investor Parties**”), a development agreement, a right of first refusal agreement, if any, a guaranty and other related documents contemplated thereby (collectively, the “**Equity Documents**”);

**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 Henderson on Reinli), Series 2021 in the original principal amount not to exceed \$45,000,000 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 2021 Bond Loan will be subject to the terms of an Indenture of Trust (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, a Fee and Leasehold Deed of Trust by the Partnership and HACA to a deed of trust trustee 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 2021 Bond Loan shall be additionally secured by a Bond Purchase Agreement, an Assignment of Capital Contributions, a Replacement Reserve and Security Agreement, a Limited Guaranty, Pledge of Partnership Interests and Security Agreement, an Environmental Indemnity Agreement, an Assignment of Leases, Rents and Other Income, a Continuing Disclosure Agreement, an Assignment of Management Agreement, an Assignment of Project Documents, an Assignment of Prime Subcontract, 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 2021 Bond Loan (collectively, along with the 2021 Bond Note, the “**Bond Documents**”);

**WHEREAS**, the Partnership desires to obtain a construction bridge loan from PNC (the “**Bridge Lender**”) in an amount not to exceed \$32,000,000 (the “**Bridge Loan**”), and in connection therewith enter into, execute and deliver a note, certain assignments and any other documents evidencing, securing, or necessary or convenient in connection with the Bridge Loan (collectively, the “**Bridge Loan 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, Equity Documents, Bridge Loan Documents, 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 15th day of July, 2021.

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EDWINA CARRINGTON, CHAIRPERSON

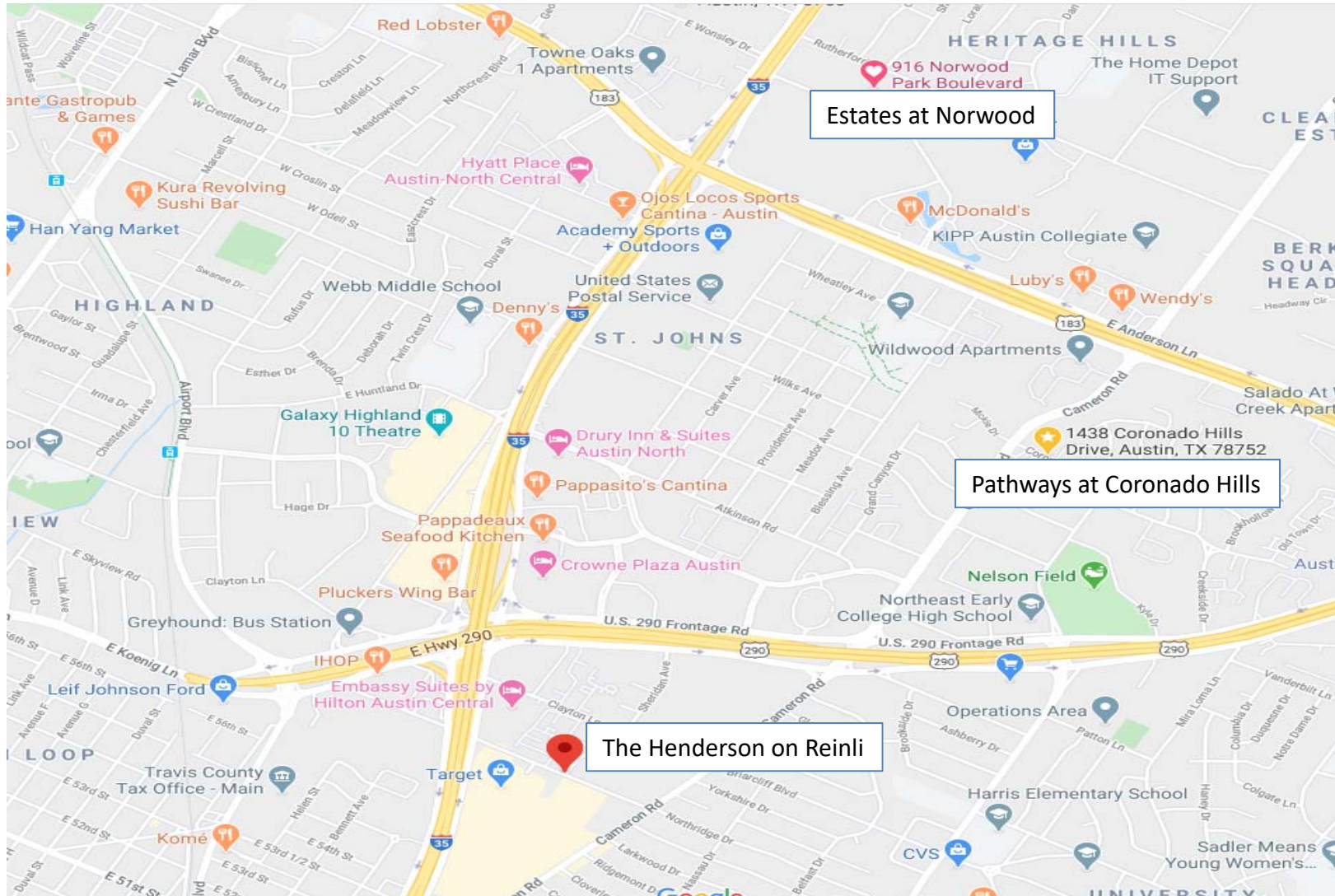
ATTEST:

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MICHAEL GERBER, SECRETARY



# The Henderson on Reinli— 1101 Reinli Street, Austin, TX 78723



# AUSTIN AFFORDABLE HOUSING CORPORATION

## BOARD ACTION REQUEST

### RESOLUTION NO. 00187

#### ITEM NO. 3.

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**MEETING DATE:** July 15, 2021

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

**ITEM TITLE:** Presentation, Discussion and Possible Action on Resolution No. 00187 by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the acquisition of the Scofield Park Apartments (the “Development”), which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s wholly owned, subsidiary limited liability company, CDT AAHC Scofield Park, LLC (the “Owner”) to own the Development; (iii) cause the Owner to enter into acquisition and development financing for the Development; and (iv) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein

**BUDGETED ITEM:** N/A

**TOTAL COST:** N/A

#### ACTION

The Board is being asked to approve Resolution No. 00187 authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the acquisition of the Scofield Park Apartments (the “Development”), which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s wholly owned, subsidiary limited liability company, CDT AAHC Scofield Park, LLC (the “Owner”) to own the Development; (iii) cause the Owner to enter into acquisition and development financing for the Development; and (iv) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein

#### SUMMARY

***Background:***

Austin Affordable Housing Corporation (AAHC) has been presented an opportunity to partner with Community Development Trust, (CDT), to purchase a 486 unit apartment complex called the Scofield Park Apartments. The complex is located at 2601 Scofield Ridge Parkway, Austin, Texas 78727. The property is a 2000 construction asset and is located near the key Austin arterial of North Mopac.

AAHC’s proposed partner, CDT, prides itself on long-term preservation of workforce housing. Together, AAHC and CDT have purchased five other assets totaling 1,716 units. AAHC is working with Joe Riley, President and CEO and Michael Lear, Head of Acquisitions.

The Scofield Park Apartments sits on 26.37 acres. Some of the property amenities include two sparkling swimming pools with lounge seating and a poolside cabana, outdoor kitchen with two gas grills, 24-hour athletic center, an elegant clubhouse with entertainment spaces and a big screen TV and two large dog parks 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 Parmer Lane and Northwest Elementary Schools, Westview Middle School and John B. Connally 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 \$1,023 for a one bedroom to \$1,647 for a three bedroom.

265 1-bedroom/1-bath	650 square feet to 783 square feet
57 2-bedroom 1-bath	938 square feet to 985 square feet
146 2-bedroom/2-bath	1,093 square feet to 1242 square feet
18 3-bedroom/2 bath	1,344 square feet

***Process:***

The purchase price for the Scofield Park Apartments will not exceed \$105,000,000. CDT will be investing approximately \$33MM as a down payment. In addition, CDT will place an additional \$2,400,000.00 for future capital needs. Fannie Mae or Freddie Mac will carry the debt in an amount not to exceed \$85 MM at an approximate rate of 3.755%. AAHC will have the option to participate in the equity requirement in an amount not to exceed \$2,000,000. The property will provide 50% of the units to residents earning less than 80% of the area median income with 10% of the units serving 60% of the area median income and open to HACA’s Housing Choice Voucher Program. Apartment Management Professionals will manage the property.

***Staff Recommendation:***

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

**ATTACHMENTS:**

- ▣ **Scofield Park Apartments Map**

**RESOLUTION NO. 00187**

**A Resolution by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the acquisition of the Scofield Park Apartments (the “Development”), which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s subsidiary limited liability company, CDT AAHC Scofield Park, LLC (the “Owner”), to own the Development; (iii) cause the Owner to enter into acquisition and development financing for the Development; and (iv) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.**

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

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

**WHEREAS**, as sole member of the Managing Member, AAHC will capitalize the Managing Member’s ownership interest in the Owner in an amount not to exceed \$2,000,0000, and will cause the Managing Member to enter into an operating agreement of the Owner (the “**Operating Agreement**”);

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

**WHEREAS**, the Owner desires to enter into a bridge loan and/or permanent loan with Bellwether Enterprise Real Estate Capital, LLC (or an affiliate thereof), whereby the Owner will borrow a sum not to exceed \$85,000,000 (“**Loan**”), in order to finance the acquisition of the Development;

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



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

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

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

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

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

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

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

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

*[End of Resolution]*

**PASSED, APPROVED and ADOPTED** this 15th day of July, 2021.

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Edwina Carrington, CHAIRPERSON

ATTEST:

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Michael Gerber, Secretary

