

**AUSTIN AFFORDABLE
PFC, INC.**

**BOARD OF DIRECTORS
Regular Meeting**

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

**HACA Central Office, 1124 S. Interstate Highway 35
Austin, TX**

<https://bit.ly/3oeJc9K>

2nd REVISION

**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
HACA Central Office, 1124 S. Interstate Highway 35, Austin, TX
<https://bit.ly/3oeJc9K>**

(512.477.4488)

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

CALL TO ORDER, ROLL CALL

CERTIFICATION OF QUORUM

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

CONSENT ITEMS

1. Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on September 16, 2021

ACTION ITEMS

2. Presentation, Discussion and Possible Action on Resolution No. 00091: Authorizing the issuance, sale and delivery of Multifamily Housing Revenue Bonds (El Prado at Estancia Apartments), Series 2021A and Taxable Multifamily Housing Revenue Bonds (El Prado at Estancia Apartments) Taxable Series 2021B; 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: November 18, 2021

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

ITEM TITLE: Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on September 16, 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 September 16, 2021.

ATTACHMENTS:

- ▣ **20210916 AAPFC Minutes Summary**

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

SEPTEMBER 16, 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, SEPTEMBER 16, 2021, AND WAS HELD AT 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 July 15, 2021, to order, at 12:16 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
Dr. Tyra Duncan-Hall, Director
Carl S. Richie, Jr., Director

MEMBER(S) ABSENT:

ALSO ON THE CALL:

Wilson Stoker, Cokinis

STAFF PRESENT ON THE CALL:

Andrea Galloway, Barbara Chen, Michael Gerber, Nidia Hiroms, 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 July 15, 2021

Director Richie moved the Approval of the Board Minutes Summary for the Board Meeting held on July 15, 2021. **2nd Vice-Chairperson Aposstolou** 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 on Resolution No. 00090: Consideration of a resolution declaring intent to issue bonds to provide financing for a multifamily residential rental development for persons of low and moderate income (Airport Crossing Apartments); 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

Austin Affordable Housing Corporation was presented with an opportunity to partner with The NRP Group on a 9.43 acre tract of land located within the Austin city limits at the Southeast corner of Ross Road & Foley Drive, Austin, TX 78617. The project (Airport Crossing Apartments) will consist of 335 family apartment units serving tenants between 50% and 70% of median family income using income averaging where the sum of all units will equal an average of 60% area median family income. This property will serve the following schools: Popham Elementary, Del Valle Middle School and Del Valle High School. The nearest property in AAHC's current portfolio is Woodway Village and Franklin Park northwest of the subject property.

The development will use a mixture of 4% tax credits and bonds to finance the development with a total project cost of approximately \$75,500,000. The planned development will consist of 17 one bedroom and one bath units, 134 two bedroom and two bath units, 151 three bedroom and two bath units, and 33 four bedroom and two bath units. All units will be marketed to

September 16, 2021

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HACA's Housing Choice Voucher residents. HACA, through its Public Facility Corporation is requesting the approval of an issuance of tax-exempt bonds in an amount not to exceed \$50,000,000. This approval will begin the initial process to submit applications for tax credits and bond approval. Staff will be presenting future months on the progress and specifically any and all agreements and approvals.

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; P NC 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.

Director Duncan-Hall moved the Approval of Resolution No. 00090: Consideration of a resolution declaring intent to issue bonds to provide financing for a multifamily residential rental development for persons of low and moderate income (Airport Crossing Apartments); 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.

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

The meeting adjourned at 2:47 p.m.

Michael G. Gerber, Secretary

Edwina Carrington, Chairperson

AUSTIN AFFORDABLE PFC, INC.

BOARD ACTION REQUEST

RESOLUTION NO. 00091

ITEM NO. 2.

MEETING DATE: November 18, 2021

STAFF CONTACT: Suzanne Schwertner, Director of Development

ITEM TITLE: Presentation, Discussion and Possible Action on Resolution No. 00091: Authorizing the issuance, sale and delivery of Multifamily Housing Revenue Bonds (El Prado at Estancia Apartments), Series 2021A and Taxable Multifamily Housing Revenue Bonds (El Prado at Estancia Apartments) Taxable Series 2021B; 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. 00091: Resolution authorizing the issuance, sale and delivery of Multifamily Housing Revenue Bonds (El Prado at Estancia Apartments), Series 2021A and Taxable Multifamily Housing Revenue Bonds (El Prado at Estancia Apartments) Taxable Series 2021B; 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 is being presented with an opportunity to partner with The NRP Group LLC on a certain 15.3 acre tract of land located within the Austin limited purpose annexation at the corner of Estancia Parkway and Avenida Mercado, Austin, TX 78652. The project (El Prado at Estancia) will consist of 318 family apartment units serving tenants at or below 60% of median family income. The proposed development is located in the *Estancia Hill Country* master development which includes multifamily luxury apartments, single-family homes, and a future branch of Texas Children's Hospital. The community features walking trails, parkland, and close proximity to Onion Creek. This property will serve the following schools: Menchaca Elementary, Paredes Middle School, and Akin High School. The nearest property in AAHC's current portfolio is Bridge at Asher Apartments located just north.

Process:

The development will use a mixture of 4% tax credits and bonds to finance the development with a total project cost of approximately \$62,000,000. The planned development will consist of 30 one bedroom and

one bath units, 127 two bedroom and two bath units, 129 three bedroom and two bath units, and 32 four bedroom and two bath units. All units will be marketed to HACA's Housing Choice Voucher residents. HACA, through its Public Facility Corporation is requesting the approval of an issuance of tax-exempt bonds in an amount not to exceed \$48,000,000. The Board saw this property for the first time in January 2021. If approved, this will be the last time the Board will see the property before it closes.

Unit Breakdown:

30	one bedroom/one bath	650 sq ft
127	two bedroom/two bath	924-931 sq ft
129	three bedroom/two bath	1064-1186 sq ft
32	four bedroom/two bath	1256 sq ft

Staff Recommendation:

Board approval will authorize the issuance, sale and delivery of Multifamily Housing Revenue Bonds (El Prado at Estancia Apartments), Series 2021A and Taxable Multifamily Housing Revenue Bonds (El Prado at Estancia Apartments) Taxable Series 2021B; 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.

ATTACHMENTS:

- ▣ **Resolution Exhibit**

RESOLUTION NO. 00091

Resolution authorizing the issuance, sale and delivery of Multifamily Housing Revenue Bonds (El Prado at Estancia Apartments), Series 2021A and Multifamily Housing Revenue Bonds (El Prado at Estancia Apartments), Taxable Series 2021B; 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 Sponsor’s jurisdiction, 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 (El Prado at Estancia Apartments), Series 2021A and its Multifamily Housing Revenue Bonds (El Prado at Estancia Apartments), Taxable Series 2021B (collectively, the “**Bonds**”), pursuant to and in accordance with the terms of an Indenture of Trust, dated on or about of December 1, 2021 (the “**Indenture**”), between the Issuer and BOKF, NA, as trustee (the “**Trustee**”), for the purpose of lending the proceeds thereof to El Prado at Estancia Ltd., a Texas limited partnership (the “**Borrower**”), to provide financing for the acquisition and construction of a multifamily housing residential rental development known as El Prado at Estancia Apartments, located at approximately 1100 Avenida Mercado Street, Austin, Texas 78652 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 December 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 promissory notes (the “**Notes**”) 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 Regulatory Agreement and Declaration of Restrictive Covenants, dated on or about December 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 for issuer approval is the Mayor of the City of Austin (“**City**”); and

WHEREAS, notice of a public hearing with respect to the Bonds and the Project held on behalf of the Issuer on September 8, 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 September 8, 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 or 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 (El Prado at Estancia Apartments) Series 2021A shall not exceed \$48,000,000 and the aggregate principal amount of the Multifamily Housing Revenue Bonds (El Prado at Estancia Apartments) Taxable Series 2021B shall not exceed \$13,000,000; (iii) the final maturity of the Bonds shall occur not later than December 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 to obtain decent, safe and sanitary housing at affordable prices.

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 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 18th day of November, 2021.

EDWINA CARRINGTON, CHAIRPERSON

ATTEST:

SECRETARY

Exhibit A

PROJECT AND BORROWER

Borrower: El Prado at Estancia Ltd., a Texas limited partnership

Project: 318-unit multifamily residential rental development to be known as El Prado at Estancia Apartments

The Project will be located at approximately 1100 Avenida Mercado Street, Austin, Texas 78652. It will consist of 4 multi-story residential apartment buildings with approximately 318,437 net rentable square feet and an average unit size of approximately 1,001 square feet. The unit mix will consist of:

<u>30</u>	one-bedroom/one-bath units
<u>127</u>	two-bedroom/two-bath units
<u>129</u>	three-bedroom/two-bath units
<u>32</u>	four-bedroom/two-bath units
318	Total Units