

**THE HOUSING AUTHORITY
OF THE CITY OF AUSTIN**



BOARD OF COMMISSIONERS

Chairperson - Carl S. Richie, Jr.

Vice-Chairperson - Charles Bailey

2nd Vice-Chairperson - Mary Apostolou

Commissioner - Dr. Tyra Duncan-Hall

Commissioner - Edwina Carrington

Michael G. Gerber, President & CEO

**BOARD OF COMMISSIONERS
Regular Meeting**

Thursday, April 21, 2022

1:00 PM

**Chalmers East, 1700 E 3rd St, Austin, TX 78702
Austin, TX**

**PUBLIC NOTICE OF A MEETING
TAKE NOTICE OF A BOARD OF COMMISSIONERS
REGULAR BOARD MEETING
OF THE HOUSING AUTHORITY OF THE CITY OF AUSTIN**

**TO BE HELD AT
Chalmers East, 1700 E 3rd St, Austin, TX 78702
Austin, TX
(512.477.4488)**

**Thursday, April 21, 2022
1:00 PM**

CALL TO ORDER, ROLL CALL

CERTIFICATION OF QUORUM

Tour of Property

Presentation of Property and Introduction to Staff

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

Citywide Advisory Board Update

Overview of Austin Affordable Housing Corporation Resident Services

Overview of the Housing Authority of the City of Austin Resident Services

CONSENT AGENDA

Items on the Consent Agenda may be removed at the request of any Commissioner and considered at another appropriate time on this agenda. Placement on the Consent Agenda does not limit the possibility of any presentation, discussion, or action at this meeting. Under no circumstances does the Consent Agenda alter any requirements under Chapter 551 of the Texas Government Code, Texas Open Meetings Act.

CONSENT ITEMS

1. Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on March 24, 2022

ACTION ITEMS

2. Presentation, discussion, and possible action on Resolution No. 02746 by the Board of Commissioners of the Housing Authority of the City of Austin (the "Authority") to take the following actions with regard to The Aspect (the "Development") in Austin, Texas: (i) acquire the site of the Development; (ii) lease the Development site to the owner of the Development; and (iii) such other actions necessary or convenient to carry out this Resolution.

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

- President's Report

- Finance Report

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 este 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 x 2104.

HOUSING AUTHORITY OF THE CITY OF AUSTIN

BOARD ACTION REQUEST

EXECUTIVE

ITEM NO. 1.

MEETING DATE: April 21, 2022

STAFF CONTACT: Michael Gerber, President & CEO

ITEM TITLE: Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on March 24, 2022

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to review and approve the Board Minutes Summary for the Board Meeting held on March 24, 2022.

ATTACHMENTS:

- ▣ **20220324 HACA Minutes Summary**

**THE HOUSING AUTHORITY OF THE CITY OF AUSTIN
BOARD OF COMMISSIONERS
ANNUAL BOARD MEETING**

March 24, 2022

SUMMARY OF MINUTES

THE HOUSING AUTHORITY OF THE CITY OF AUSTIN (HACA) BOARD OF COMMISSIONERS ANNUAL BOARD MEETING NOTICE WAS POSTED FOR 12:00 P.M. ON THURSDAY, MARCH 24, 2022, AND WAS HELD AT THE HACA CENTRAL OFFICE, 1124 S. IH 35, AUSTIN, TX

CALL TO ORDER, ROLL CALL, CERTIFICATION OF QUORUM

Carl S. Richie, Jr., HACA Chairman called the Board of Commissioners Annual Board Meeting of the Housing Authority of the City of Austin, of March 24, 2022, to order at 12:20 p.m. The meeting was held at the HACA Central Office, 1124 S. IH 35, Austin, TX

Roll call certified a quorum was present on the call.

MEMBERS PRESENT:

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

MEMBER(S) ABSENT:

ALSO IN ATTENDANCE:

Wilson Stoker, Cokinos Law Firm
Bill Walter, Coats Rose Law Firm

STAFF PRESENT ON THE CALL:

Andrea Galloway, Ann Gass, Barbara Chen, Leilani Lim-Villegas, Lisa Garcia, Michael Cummings, Michael Gerber, Nidia Hiroms, Ron Kowal, Suzanne Schwertner, and Sylvia Blanco

PUBLIC COMMUNICATION - (3 minute time limit)

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

CITYWIDE ADVISORY BOARD (CWAB) – Lupe Garcia, CWAB President, reported that the March CWAB Meeting was held virtually on Tuesday, March 8, 2022. • **Michael Roth**, HACA Director of Housing Operations and Policy, stated HACA will no longer accept partial payment for rent. He also announced that COVID-19 cases have decreased. Michael reported that Travis County announced \$9.1 million is available in rental assistance. • **Hank Moreno** is the new HACA Safety Coordinator. He has walked HACA properties and spoken with managers. He plans to attend all resident council meetings and speak with residents. • **Mike Gerber**, HACA President & CEO, shared updates regarding the property community rooms, Chalmers Court construction and the opening of the health clinic at Chalmers East. • **Francisco Gallegos** with United Way for Greater Austin will assist residents with tax preparation. • Claudia Conner with Austin Parks and Recreation announced a focus group will be created for Zilker Metropolitan Park. Parks and Recreation has a summer youth work program. • **Leilani Lim-Villegas**, HACA Sr. Director of Community Development, asked residents to contact **Evelyn Holman**, HACA Community Development Specialist, or **Leilani** if they are interested in participating in the Resident Senior Mayfest Planning Committee. • **Barbara Jackson**, HACA Family Opportunity Program Design Director, mentioned scholarships are available on the HACA website. She provided a list of partners on site. • **Nancy Garcia**, HACA Jobs Plus Career Coach, is overseeing the summer youth work initiative. For more information contact **Nancy** at NancyG@hacanet.org. • **Daniel Ruiz**, HACA Jobs Plus Career Coach, discussed the Rosewood homeownership program. • **Murphy Roland**, HACA Workforce Development Manager, provided Workforce Development, i-DADS and i-MOMS updates. • **Catherine Crago**, HACA Head of Strategic Initiatives, shared information regarding Amplify Austin. • **Anthony Schmucker**, HACA Senior Program Manager, provided updates on the vaccine clinics with Austin Public Health. He also provided Bringing Health Home (BHH) updates.

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 February 17, 2022

2nd Vice-Chairperson Apostolou moved the Approval of the Board Minutes Summary for the Board Meeting held on February

17, 2022. **Commissioner Duncan-Hall** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ITEM 2: Presentation, Discussion, and Possible Action regarding Resolution No. 02741: Approval to ratify all actions taken by the Board of Commissioners during FYE 2022, in order to resolve any irregularities which may have occurred regarding a quorum or vote by the Commissioners as reflected within the approved minutes and resolution

Upon past advisement of legal counsel, Resolution No. 02741 was drafted to ensure all actions taken by the during FYE 2022 be ratified, thus ensuring resolution of any irregularities during the voting process taken by the Commissioners. This is an action that is presented for board action on an annual basis.

This Resolution resolves any irregularities in the voting process found in the Board meeting minutes and/or resolutions, and all actions taken during the FYE 2022 by the Board of Commissioners are fully enforceable.

2nd Vice-Chairperson Apostolou moved the Approval of Resolution No. 02741: Approval to ratify all actions taken by the Board of Commissioners during FYE 2022, in order to resolve any irregularities which may have occurred regarding a quorum or vote by the Commissioners as reflected within the approved minutes and resolution. **Commissioner Duncan-Hall** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ACTION ITEMS

APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS

ITEM 3: Presentation, Discussion, and Possible Action regarding Resolution No. 02742: Amendment to HACA Bylaws regarding Public Communication

On February 17, 2022, the Austin City Council passed a resolution to amend City Code and update the term "citizen communication" to "public communication" on all city documents, including board/commission agendas and bylaws, via Resolution 20220217-033 to be effective February 28, 2022. The resolution also requires members of the public to have the opportunity to speak before a vote is taken on any individual agenda item.

The change from "citizen communication" to "public communication" is intended to ensure all members of the public feel welcome to participate in Board meetings. The term "citizen communication" may lead some individuals to believe that only United States citizens, or citizens of the City, are eligible to participate in this portion of Board meetings, when in fact all members of the public may participate. HACA seeks to be as inclusive as possible and to ensure all members of the public feel welcome to participate in person or by other means in Board meetings.

HACA Resolution No. 02742 proposes to update Article III, Section 6, of the HACA Bylaws to ensure public communication prior to any individual agenda item vote, and to replace the term "citizen communication" with "public communication".

Commissioner Carrington moved the Approval of Resolution No. 02742: Amendment to HACA Bylaws regarding Public Communication. **2nd Vice-Chairperson Apostolou** seconded the motion. **Vice-Chairperson Bailey** voted against. The motion Passed (4-Ayes and 1-Nays).

ITEM 4: Presentation, Discussion and Possible Action regarding Resolution No. 02743: Operating Budgets for the Fiscal Year April 1, 2022 to March 31, 2023

Staff requested approval of the Operating Budget for the Fiscal Year (FY) ending March 31, 2023.

This comprehensive annual budget includes all programs excluding PBRA properties, Central Office Cost Center, Austin Affordable Housing Corporation (AAHC), Southwest Housing Compliance Corporation (SHCC), Blueprint Consulting and Austin Pathways. As part of the budget process this year, each of our property sites and departments prepared a budget and this information was assembled into the agency-wide Operating Budget. This enabled us to make more accurate projections of our Operating Budget and ensure HACA's compliance with HUD regulations and third party agreements. PBRA properties (RAD properties) operate on a calendar fiscal year, and that the Board already approved their budgets late last year.

HACA's consolidated budget for revenue and expenses is based on an accrual approach that matches revenues and expenses for the 12 months shown, except for one contract shown at nine months of revenue for conservatism.

FY23 budget reflects an average 3% annual performance evaluation merit increase. Employee benefits remained relatively the same as prior year.

Commissioner Duncan-Hall moved to approve Resolution No. 02743, HACA's Operating Budget, and to amend the Budget to allocate \$100,000 out of unrestricted reserves to fund a Pilot Program on parent-child literacy. **Commissioner Carrington** seconded the motion. A parent-child literacy program would work with parents who do not have English as their first language and parents who have never read to their children because they can't. The program could start with the 3 to 5-year-old age group in four of HACA's properties. **Commissioner Duncan-Hall** asked **Ann Gass**, HACA Director of Strategic Initiatives, to work with her to facilitate this program.

2nd Vice-Chairperson Apostolou made a motion to amend **Commissioner Duncan-Hall's** underlying motion and to allocate \$5,000 for the i-MOMS program. This program was formed mirroring the i-DADS program and serves as support for adult HACA residents who band together to support each other and their communities. The i-MOMS group, headed by **Lupe Garcia**, CWAB President, has established community connections and currently has nine sponsors that provide support in the form of food, supplies, backpacks, etc. to our residents. **Commissioner Duncan-Hall** and **2nd Vice-Chairperson Apostolou** discussed ensuring that i-MOMS supported gender equity in HACA programming.

Commissioner Duncan-Hall accepted **2nd Vice-Chairperson Apostolou's** amendment to her underlying motion to approve Resolution No. 02743, HACA's Operating Budget, and her own addition of \$100,000 for the parent-child literacy program, and to include **Commissioner Apostolou's** \$5,000 for i-MOMS. The motion Passed (5-Ayes and 0-Nays).

ITEM 5: Presentation, Discussion, and Possible Action on Resolution No. 02744 by the Board of Commissioners of the Housing Authority of the City of Austin (the "Authority") to take the following actions with regard to the Center Ridge Apartments (the "Development") in Austin, Texas: (i) facilitate the supplemental financing, and (ii) such other actions necessary or convenient to carry out this Resolution

In April of 2015, the Board of Commissioners approved the purchase of the Bridge at Tech Ridge and the Bridge at Center Ridge with Community Development Trust (CDT). The two apartment complexes totaling 642 units are located at the Northeast corner of IH 35 and Parmer Lane. These properties are currently in a high opportunity and high growth area providing residents with access to a large base of employers in the area in what has become one of the fastest growing tech employment corridors in Austin. Since 2015, these properties have provided housing to the "missing middle" resident creating 50% of the units available to residents who are at 80% and below median family income and create additional affordability at rent and income levels significantly below the targeted market for new properties under development. AAHC, along with its partner, CDT, provided the additional equity to close the transaction. The current remaining debt on both properties is approximately \$43,000,000.00.

AAHC and its partner CDT are asking the Board of Commissioners to approve a supplemental loan on Tech Ridge and Center Ridge in an amount not to exceed \$25,000,000. These funds will be used to replace the equity provided by CDT to close on the Bridge at Ribelin Ranch that AAHC and CDT purchases together in November of 2021. AAHC will have a 20% interest in the Ribelin Development with this investment and this will increase our cash flows by participating in the equity. It will also free up the existing equity used to close Ribelin Ranch for the purchase of another asset in the future.

The supplemental loan will be provided by Freddie Mac for a term for 3.5 years at a rate of approximately 4.5% using a 30 year amortization. The loan term will be on the same timeline with the existing first mortgage.

2nd Vice-Chairperson Apostolou moved the Approval of Resolution No. 02744 by the Board of Commissioners of the Housing Authority of the City of Austin (the "Authority") to take the following actions with regard to the Center Ridge Apartments (the "Development") in Austin, Texas: (i) facilitate the supplemental financing, and (ii) such other actions necessary or convenient to carry out this Resolution. **Commissioner Carrington** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ITEM 6: Presentation, discussion, and possible action on Resolution No. 02745 by the Board of Commissioners of the Housing Authority of the City of Austin (the "Authority") to take the following actions with regard to the Tech Ridge Apartments (the "Development") in Austin, Texas: (i) facilitate the supplemental financing, and (ii) such other actions necessary or convenient to carry out this Resolution

In April of 2015, the Board of Commissioners approved the purchase of the Bridge at Tech Ridge and the Bridge at Center Ridge with Community Development Trust (CDT). The two apartment complexes totaling 642 units are located at the Northeast corner of IH 35 and Parmer Lane. These properties are currently in a high opportunity and high growth area providing residents with access to a large base of employers in the area in what has become one of the fastest growing tech employment corridors in Austin. Since 2015, these properties have provided housing to the "missing middle" resident creating 50% of the units available to residents who are at 80% and below median family income and create additional affordability at rent and income levels significantly below the targeted market for new properties under development. AAHC, along with its partner, CDT, provided the additional equity to close the transaction. The current remaining debt on both properties is approximately \$43,000,000.00.

AAHC and its partner CDT are asking the Board of Commissioners to approve a supplemental loan on Tech Ridge and Center Ridge in an amount not to exceed \$25,000,000. These funds will be used to replace The equity provided by CDT to close on the Bridge at Ribelin Ranch that AAHC and CDT purchases together in November of 2021. AAHC will have a 20% interest in the Ribelin Development with this investment and this will increase our cash flows by participating in the equity. It will also free up the existing equity used to close Ribelin Ranch for the purchase of another asset in the future.

The supplemental loan will be provided by Freddie Mac for a term for 3.5 years at a rate of approximately 4.5% using a 30 year amortization. The loan term will be on the same timeline with the existing first mortgage.

Commissioner Carrington moved the Approval of Resolution No. 02745 by the Board of Commissioners of the Housing Authority of the City of Austin (the "Authority") to take the following actions with regard to the Tech Ridge Apartments (the "Development") in Austin, Texas: (i) facilitate the supplemental financing, and (ii) such other actions necessary or convenient to carry out this Resolution. **Commissioner Duncan-Hall** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

EXECUTIVE SESSION

The Board did not recess into Executive Session.

REPORTS

The Board accepts the following reports from the President:

Mike Gerber, HACA President & CEO reported:

- The Ground Breaking for the Chalmers East HealthCare clinic is scheduled for April 4th at 9:30 a.m.
- Plan on doing a Board Strategic Planning meeting in June or July.
- The next Board Meeting will be at Chalmers East beginning at 1:00 p.m.

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

The meeting adjourned at 2:56 p.m.

Michael G. Gerber, Secretary

Carl S. Richie, Jr., Chairperson

HOUSING AUTHORITY OF THE CITY OF AUSTIN

BOARD ACTION REQUEST

RESOLUTION NO. 02746

AUSTIN AFFORDABLE HOUSING CORPORATION

ITEM NO. 2.

MEETING DATE: April 21, 2022

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

ITEM TITLE: Presentation, discussion, and possible action on Resolution No. 02746 by the Board of Commissioners of the Housing Authority of the City of Austin (the “Authority”) to take the following actions with regard to The Aspect (the “Development”) in Austin, Texas: (i) acquire the site of the Development; (ii) lease the Development site to the owner of the Development; and (iii) such other actions necessary or convenient to carry out this Resolution.

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to approve Resolution No. 02746 to authorize HACA to take all actions necessary and desirable with regard to the acquisition of The Aspect.

SUMMARY

Background:

Austin Affordable Housing Corporation (AAHC) has been presented an opportunity to partner with L & M Development partners, to purchase a 308 unit multi-family rental property called The Aspect Apartments. The development is located at 4900 East Oltorf, Austin, Texas 78741, in the rapidly gentrifying Riverside and Oltorf corridor. This would be the second asset partnering with L & M Development Partners. AAHC has several assets in the area including Lexington Hills and Montecito Apartments.

Founded in 1984, L & M is a full service real estate development firm which develops, invests, constructs, and manages properties in many parts of the country. Currently ranked #17 on the Affordable Housing Finance’s Top 50 Developers list nationwide, L & M is responsible for approximately \$10 billion in development and investment, and has acquired, built, or preserved nearly 35,000 units. AAHC is working with Eben Ellertson, Head of Fund Management and Amanda Ryzowy.

The Aspect Apartments were built in 2001 and sits on 15.96 acres. Some of the property amenities include a resort style swimming pool with lounge seating and an outdoor kitchen, an enclosed pet park and pet washing

station, large fitness area, controlled access gating and carports. The property feeds into Linder Elementary School, Martin Middle School and Travis High School. The property’s location provides fantastic access to downtown, retail shops, grocery stores and public transportation. Below is a breakdown of the many variations of unit sizes. The property is currently 99% occupied and rents currently range from \$1,308 for a 1 bedroom to \$2,206 for a 3 bedroom. The large number of 3 bedroom units will provide opportunities for families to find an affordable place to live.

72 1-bedroom/1-bath	679 square feet
192 2-bedroom/2-bath	977 square feet
44 3-bedroom/2- bath	1,386 square feet

Process:

The purchase price for the Aspect Apartments is \$87,000,000. L & M will be investing approximately \$25,000,000 as a down payment. In addition, \$2,100,000.00 for future capital needs. Bellwether Enterprise Mortgage Company will provide a Freddie Mac affordable loan with a not to exceed \$65,000,000 at a rate of approximately 3.92%. A current lease audit is underway to determine the initial number of units already qualified at or below 80% AMI. AAHC and L & M are committed to providing 10% of the affordable units at 60% AMI and leasing units to qualified voucher holders. The property will be managed by Apartment Management Professionals. L & M has agreed to use the name “Bridge at” for naming the property once closed.

Staff Recommendation:

Staff recommends Board approval of Resolution 2746.

RESOLUTION NO. 02746

Resolution authorizing the Housing Authority of the City of Austin to take the following actions with regard to The Aspect (the “Development”) in Austin, Texas: (i) acquire the site of the Development; (ii) lease the Development site to the owner of the Development; and (iii) such other actions necessary or convenient to carry out this Resolution.

WHEREAS, Austin Affordable Housing Corporation (“AAHC”) has agreed to participate in the acquisition and rehabilitation of the Development;

WHEREAS, in connection therewith, the Housing Authority of the City of Austin (“HACA”) has agreed to acquire certain real property in Austin, Texas (the “Land”), which constitutes the site for the Development, and to simultaneously lease the Land to Aspect Property Owner LLC, a Delaware limited liability company the managing member of which is an affiliate of AAHC (the “Owner”), under a long-term ground lease (the “Ground Lease”);

NOW, THEREFORE, the Board of Commissioners of HACA hereby approves and adopts the following resolutions, and hereby authorizes its Chief Executive Officer (or the Chief Executive Officer’s designee) to do the following:

1. Acquire the Land and enter into the Ground Lease with the Owner.
2. Review, execute and approve the Ground Lease and all such other documents necessary to effectuate the acquisition of the Land, execution of the Ground Lease and Owner’s acquisition of the Development, including but not limited to such security instruments and estoppel certificates as any lender involved with the Development may require, all on such terms and containing such provisions as the Chief Executive Officer (or his designee) shall deem appropriate, and the approval of the terms of each such instrument shall be conclusively evidenced by his execution and delivery thereof.

This resolution shall be in full force and effect from and upon its adoption.

[End of Resolution]

PASSED, APPROVED AND ADOPTED this 21st day of April, 2022.

CHAIRMAN

ATTEST:

SECRETARY