

AUSTIN AFFORDABLE HOUSING CORPORATION



BOARD OF DIRECTORS Regular Meeting

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

HACA Central Office, 1124 S. Interstate Highway 35
Dial: 1 346 248 7799 Meeting ID: 899 0664 6617 Passcode: 841907
Austin, TX

AUSTIN AFFORDABLE HOUSING CORPORATION



BOARD OF DIRECTORS Regular Meeting

**Thursday, July 21, 2022
12:00 PM**

HACA Central Office, 1124 S. Interstate Highway 35
Dial: 1 346 248 7799 Meeting ID: 899 0664 6617 Passcode: 841907
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
HACA Central Office, 1124 S. Interstate Highway 35
Dial: 1 346 248 7799 Meeting ID: 899 0664 6617 Passcode: 841907
Austin, TX
(512.477.4488)**

Thursday, July 21, 2022

12:00 PM

Some members may participate via videoconference

CALL TO ORDER, ROLL CALL

CERTIFICATION OF QUORUM

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

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 May 19, 2022

ACTION ITEMS

2. Presentation, Discussion and Possible Action on Resolution No. 00210 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 Bell Steiner 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 an affiliated limited liability company of AAHC (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.

*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.

**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
HACA Central Office, 1124 S. Interstate Highway 35
Dial: 1 346 248 7799 Meeting ID: 899 0664 6617 Passcode: 841907
Austin, TX
(512.477.4488)**

Thursday, July 21, 2022

1:00 PM

Some members may participate via videoconference

CALL TO ORDER, ROLL CALL

CERTIFICATION OF QUORUM

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

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 May 19, 2022

ACTION ITEMS

2. Presentation, Discussion and Possible Action on Resolution No. 00210 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 Bell Steiner 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 an affiliated limited liability company of AAHC (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.

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

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

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

ITEM NO. 1.

MEETING DATE: July 21, 2022

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 May 19, 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 May 19, 2022.

ATTACHMENTS:

- ▣ **20220519 AAHC Minutes Summary**

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

MAY 19, 2022

SUMMARY OF MINUTES

THE AUSTIN AFFORDABLE HOUSING CORPORATION (AAHC) BOARD OF DIRECTORS REGULAR PUBLIC MEETING NOTICE WAS POSTED FOR 12:00 P.M. ON THURSDAY, MAY 19, 2022, AND WAS HELD AT THE HACA CENTRAL OFFICE, 1124 S. INTERSTATE HIGHWAY 35, AUSTIN, TX 78704

CALL TO ORDER, ROLL CALL, CERTIFICATION OF QUORUM

The Board of Directors Regular Board Meeting of the Austin Affordable Housing Corporation, of May 19, 2022, was called to order by Charles Bailey, AAHC Vice-Chairperson, at 12:05 pm. The meeting was held at HACA Central Office, 1124 S. Interstate 35, Austin, TX 78704

Roll call certified a quorum was present.

MEMBERS PRESENT:

Charles Bailey, Vice-Chairperson
Mary Apostolou, 2nd Vice-Chairperson
Dr. Tyra Duncan-Hall, Director

MEMBER(S) ABSENT:

Carl S. Richie, Jr., Director
Edwina Carrington, Chairperson

ALSO IN ATTENDANCE:

Wilson Stoker, Cokinios
Bill Walter, Coats Rose

STAFF PRESENT ON THE CALL:

Andrea Galloway, Ann Gass, Barbara Jackson, Kelly Crawford, Ken Bodden, Leilani Lim-Villegas, Lisa Garcia, Michael Cummings, Michael Gerber, Ron Kowal (virtually), Suzanne Schwertner, and Sylvia Blanco

PUBLIC COMMUNICATION

Public communication was opened at the beginning of the meeting and 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 21, 2022

2nd Vice-Chairperson Apostolou moved to Approve the Board Minutes Summary for the Board Meeting held on April 21, 2022. **Director Duncan-Hall** seconded the motion. The motion Passed (3-Ayes and 0-Nays).

APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS:

ACTION ITEMS

ITEM 2: Presentation, Discussion and Possible Action Regarding Resolution No: 00204: A resolution authorizing the Austin Affordable Housing Corporation to contribute up to \$500,000 towards the construction of the CommUnityCare Clinic at Pathways at Chalmers Courts

HACA has entered into a master lease with CommUnity Care to rehabilitate two preserved buildings along Chicon Street. The buildings will be modified to provide medical and dental services to low-income families. Renderings and floor plans are attached. 10% of the appointments will be reserved for families living at HACA properties.

Rising construction costs have increased the budget significantly since planning began. HACA, CommUnity Care, and Central Health had each initially committed \$300,000 for the clinics. To keep the project viable, HACA has offered to contribute up to \$500,000 towards the cost of the construction. HACA's funding matches up to \$500,000 being provided by Central Health, and another up to \$500,000 being provided by CommUnity Care. CommUnity Care will operate the clinics for a minimum of 10 years, and sees the clinics as a vital part of their work to serve both HACA families and other historically underserved communities in East Austin. This is an exciting partnership for HACA and fulfils the Board's direction to expand delivery of health care services at HACA's properties.

Staff recommended approval of the resolution.

2nd Vice-Chairperson Apostolou moved to Approve Resolution No: 00204: A resolution authorizing the Austin Affordable Housing Corporation to contribute up to \$500,000 towards the construction of the CommUnityCare Clinic at Pathways at

May 19, 2022

Page 1 of 5

Chalmers Courts. **Director Duncan-Hall** seconded the motion. The motion Passed (3-Ayes and 0-Nays).

ITEM 3: Presentation, Discussion and Possible Action on Resolution No. 00205 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 permanent financing of Pathways at Goodrich Place (the “Development”), which consists of multifamily housing units and associated amenities in Austin, Texas on real property that is ground-leased from the Housing Authority of the City of Austin; (ii) cause Pathways at Goodrich Place, LP (the “Owner”) to continue owning the Development; (iii) cause the Owner to enter into permanent 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

In September of 2018, the Housing Authority of the City of Austin completed a RAD conversion for 40 Using 9% tax credits and conventional debt, HACA redeveloped Goodrich into 120 mixed income units, now called Pathways at Goodrich Place.

The property reached stabilization in 2021 and received the 8609s in 2022, after several delays due to the pandemic. The proposed is expected to save approximately \$50,000 per year in debt service.

Staff recommended approval of the resolution.

Director Duncan-Hall moved to Approve Resolution No. 00205 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 permanent financing of Pathways at Goodrich Place (the “Development”), which consists of multifamily housing units and associated amenities in Austin, Texas on real property that is ground-leased from the Housing Authority of the City of Austin; (ii) cause Pathways at Goodrich Place, LP (the “Owner”) to continue owning the Development; (iii) cause the Owner to enter into permanent financing for the Development; and (iv) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein. **2nd Vice-Chairperson Apostolou** seconded the motion. The motion Passed (3-Ayes and 0-Nays).

ITEM 4: Presentation, Discussion and Possible Action on Resolution No. 00206 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 Davenport Place (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, Davenport Place Apartments, 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

Austin Affordable Housing Corporation (AAHC) was presented with an opportunity to partner with Belveron Partners to purchase a 236 unit multi-family rental property called Davenport Place Apartments. The development is located at 13301 Dessau Rd, Austin, Texas 78754 in the heart of Parmer Tech Corridor in Northeast Austin. This would be the ninth asset partnering with Belveron Corporation. AAHC has several assets in the area including Tech and Center Ridge, Bridge at Lucent and Harris Branch Seniors Apartments.

AAHC’s proposed partner, Belveron Corporation prides itself on long term preservation of workforce housing. Located out of San Francisco, Belveron is a privately held investment firm with a current portfolio of more than 25,000 units across the United States. Founded in 2006, Belveron has invested in more than 200 properties in 32 states. AAHC works with the Managing Partner, Paul Odland, and Senior Portfolio Manager, Josh Plattner.

The Davenport Place Apartments were built in 2022 and sits on 13.23 acres. Some of the property amenities include a last river swimming pool with lounge seating, clubhouse with resident lounge, a small enclosed pet park, fitness area and controlled access gating and carports. Belveron is setting aside an additional \$450,000 for upgrades to the pool, gym and dog park. The property feeds into Copperfield Elementary School, Decker Middle School and Manor High School. The property’s location provides fantastic access to major tech employers, retail shops, grocery stores and the SH-45 and Parmer area. Below is a breakdown of the many variations of unit sizes. The property currently range from \$1,410 for a 1 bedroom to \$1,888 for a 3 bedroom.

The purchase price for the Davenport Place Apartments is \$62,250,000. Belveron will be investing approximately \$16,000,000 as a down payment. In addition, \$2,500,000.00 for future capital needs. Berkadia will be providing a bridge loan with a not to exceed loan amount of \$52,200,000 at a rate of approximately 4.60%. AAHC will come back to the board when permanent financing is secured. A current lease audit is underway to determine the initial number of units already qualified under 80% AMI. The property is currently in lease up and is 75% occupied and averaging over 10 leases a week. AAHC and Belveron are committed to providing 10% of the affordable units at 60% AMI and leasing units to all voucher holders. The property will be managed by Apartment Management Professionals. Belveron has agreed to use the name Bridge at Davenport Place for naming the property once closed.

2nd Vice-Chairperson Apostolou moved to Approve Resolution No. 00206 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 Davenport Place, 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, Davenport Place Apartments, LLC 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. **Director Duncan-Hall** seconded the motion. The motion Passed (3-Ayes and 0-Nays).

ITEM 5: Presentation, Discussion and Possible Action on Resolution No. 00207 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 620 Canyon Creek, 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, 620 Canyon Creek Apartments, LLC to own the Development; (iii) cause the Owner to enter into acquisition and development financing for the Development; and (iv) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein

Austin Affordable Housing Corporation (AAHC) was presented with an opportunity to partner with Belveron Partners to purchase a 332 unit multi-family rental property called 620 Canyon Creek Apartments. The development is located at 9009 N FM 620, Austin, Texas 78726 in the very high opportunity area of Northwest Austin. This would be the ten Corporation. AAHC has only one other asset in the area, Bridge at Volente.

AAHC’s proposed partner, Belveron Corporation is located out of San Francisco, Belveron is a privately held investment firm with a current portfolio of more than 25,000 units across the United States. Founded in 2006, Belveron has invested in more than 200 properties in 32 states. AAHC works with the Managing Partner, Paul Odland, and Senior Portfolio Manager, Josh Plattner.

The Canyon Creek Apartments were built in 2002 and sits on 19.65 acres. Some of the property amenities include a resort style swimming pool with lounge seating and fire pit, clubhouse with resident lounge and grand piano, grill stations with outdoor dining deck, an enclosed pet park and pet washing station, large fitness area with children’s play area, a hammock garden and controlled access gating and carports. The property feeds into Canyon Creek Elementary School, Noel Grisham Middle School and Cedar Park High School. The property’s location provides access to major employers like Apple, retail shops, grocery stores and the SH-45 and Parmer area. Below is a breakdown of the many variations of unit sizes. The property is currently 97% occupied and rents currently range from \$1,308 for a 1 bedroom to \$2,206 for a 3 bedroom. The large number of 3 and 4 bedroom units will provide opportunities for larger families to find an affordable place to live.

The purchase price for the 620 Canyon Creek Apartments is \$111,500,000. Belveron will be investing approximately \$25,000,000 as a down payment. In addition, \$2,500,000.00 for future capital needs. Berkadia will be providing a bridge loan with a not to exceed loan amount of \$89,200,000 at a rate of approximately 3.92%. AAHC will come back to the board when permanent financing is secured.

A current lease audit is underway to determine the initial number of units already qualified under 80% AMI. AAHC and Belveron are committed to providing 10% of the affordable units at 60% AMI and leasing units to ill be managed by Apartment Management Professionals. Belveron has agreed to use the name Bridge at Canyon Creek for naming the property once closed.

Director Duncan-Hall moved to Approve Resolution No. 00207 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 620 Canyon Creek, 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, 620 Canyon Creek Apartments, LLC to own the Development; (iii) cause the Owner to enter into acquisition and development financing for the Development; and (iv) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein. **2nd Vice-Chairperson Apostolou** seconded the motion. The motion Passed (3-Ayes and 0-Nays).

ITEM 6: Presentation, Discussion and Possible Action on Resolution No. 00208 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 Griffis Southpark, which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s subsidiary limited liability company, Griffis Property Owner LLC 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 necessary or desirable to allow the consummation of the transactions described herein

Austin Affordable Housing Corporation (AAHC) was presented with an opportunity to partner with L & M Development partners, to purchase a 330 unit multi-family rental property called Griffis Southpark Apartments. The development is located at 8515 IH-35, Austin, Texas 787414 in the rapidly growing area on the South IH 35 corridor. This would be the 3rd asset partnering with L & M Development Partners. AAHC several assets in the area including The Bridge at Asher, The Bridge at Haywood and The Bridge at Southpark.

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 Griffis Southpark Apartments were built in 2008 and sits on 15396 acres. Some of the property amenities include a clubhouse with resident lounge and business center, an enclosed pet park and pet washing station, 24-hour fitness with fitness-on-demand studio, shaded outdoor grill station and dining area, and a controlled access gating and carpools. The property feeds into Langford Elementary School, Bedichek Middle School and Akins High School. The property's location provides fantastic access to downtown, retail shops, grocery stores and major employers. Below is a breakdown of the many variations of unit sizes. The pro is currently 95% occupied and rents currently range from \$1,320 for a studio to \$2,712 for a 3 bedroom.

The purchase price for the Griffis Southpark Apartments is \$88,500,000. L & M will be investing approximately \$26,000,000 as a down payment. In addition, \$2,100,000.00 for future capital needs. A bridge loan will be used for the initial closing of this transaction using Wells Fargo with a not to exceed amount of \$65,500,000 at a rate of approximately 4.92%. AAHC will come back to the board when we are ready to approve permanent financing at a later date. A current lease audit is underway to determine the initial number of units already qualified under 80% AMI. AAHC and L & M are committed to providing 10% of the affordable units at 60% AMI and leasing units to all voucher holders. The property will be managed by Apartment Management Professionals, L & M has agreed to use the name Bridge at Monarch Bluffs for naming the property once it is closed.

2nd Vice-Chairperson Apostolou moved to Approve Resolution No. 00208 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 Griffis Southpark, which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC's subsidiary limited liability company, Griffis Property Owner LLC 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 necessary or desirable to allow the consummation of the transactions described herein. **Director Duncan-Hall** seconded the motion. The motion Passed (3-Ayes and 0-Nays).

ITEM 7: Presentation, Discussion and Possible Action on Resolution No. 00209 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 refinancing of the Haywood Apartments, which consists of multifamily housing units and associated amenities in Austin, Texas ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC's subsidiary limited liability company, Haywood Apartments, LLC, to enter into permanent financing for the Development; and (iii) 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

In February of 2022, the Board of Commissioners approved Austin Affordable Housing Corporation (AAHC) in partnership with Belveron Corporation, to purchase a 372 unit apartment complex called the Haywood Apartments. The complex is located at 600 E. FM 1626, Austin, Texas 78754, along the IH 35 Corridor in Austin, Texas. AAHC has several assets within this area, including The Bridge at Asher and SOCO II. The complex is just .8 miles from Southpark Meadows and located within 1.5 miles of the new H.E.B.

AAHC's partner, Belveron Corporation, located out of San Francisco, Belveron, is a privately held investment firm with a current portfolio of more than 25,000 units across the United States. Founded in 2006, Belveron have invested in more than 200 properties in 32 states. AAHC is working with Managing partner, Paul Odland, and Senior Portfolio Manager, Josh Plattner. This would be AAHC's sixth acquisition with the Belveron team.

The Bridge at Haywood is a new asset built in 2021 and sits on 13.78 acres. Some of the property amenities include a sparkling resort style swimming pool with lounge seating, a lap lane and a poolside cabana, outdoor kitchenette with smoking and grilling stations, 24-hour athletic center, an elegant clubhouse with modern resident lounge and entertaining kitchenette and game room with shuffleboard and foosball with two conference rooms and We Work communal workspace that serves as an appealing alternative to work-from-home. All units come with full size washer and dryers. The Haywood also provides private pet yards and balconies. The property feeds into Menchaca Elementary School, Paredes Middle School and Akins High School. The

property's location provides fantastic access to many tech job employers, retail shops, grocery stores and medical providers. The property is currently were \$1,513 for a 1 bedroom to \$2,472 for a 2 bedroom.

The purchase price for the Bridge at Haywood was \$106,750,000. In order to facilitate the closing while the property received its Temporary Certificates of Occupancy, Berkadia provided a short term bridge loan in an amount not to exceed \$85,000,000 at a rate of approximately 4.15%. The partnership has now received its final Certificates of Occupancy and is ready to close on the long term permanent financing piece. AAHC and Belveron will close on a permanent loan from Fannie/Freddie not to exceed \$86,500,000 with an interest rate of approximately 4.75%. AAHC is asking the board for approvals of the permanent loan when ready for closing. The Expected closing date for this loan will be late June. Belveron has also committed to fund an additional \$1,200,000 for future capital needs. AAHC will not have any liability and will not be responsible for any guarantees required by the lender holders. The property is managed by Apartment Management Professionals and is currently 98% occupied.

Board approval allows AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the refinancing of the Haywood Apartments, which consists of multifamily housing units and associated amenities in Austin, Texas ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC's subsidiary limited liability company, Haywood Apartments, LLC, to enter into permanent financing for the Development; and (iii) cause r to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

Director Duncan-Hall moved to Approve Resolution No. 00209 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 refinancing of the Haywood Apartments, which consists of multifamily housing units and associated amenities in Austin, Texas ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC's subsidiary limited liability company, Haywood Apartments, LLC, to enter into permanent financing for the Development; and (iii) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein. **2nd Vice-Chairperson Apostolou** seconded the motion. The motion Passed (4-Ayes and 0-Nays).

Director Duncan-Hall moved to adjourn the meeting. **2nd Vice-Chairperson Apostolou** seconded the motion. The motion Passed (3-Ayes and 0-Nays).

The meeting adjourned at 1:58 p.m.

Michael G. Gerber, Secretary

Charles Bailey, ViceChairperson

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00210

ITEM NO. 2.

MEETING DATE: July 21, 2022

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

ITEM TITLE: Presentation, Discussion and Possible Action on Resolution No. 00210 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 Bell Steiner 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 an affiliated limited liability company of AAHC (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. 00210 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 Bell Steiner 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 an affiliated limited liability company of AAHC (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 L & M Development partners, to purchase a 302 unit multi-family rental property called Bell Steiner Apartments. The development is located at 4800 Steiner Ranch Boulevard, Austin, Texas 78732, an extremely high opportunity area of 620 and the Steiner Ranch residential development. This would be the fourth asset partnering with L & M Development Partners. AAHC currently owns several developments in the area, including recently acquired Bridge at Canyon Creek and Bridge at Volente.

If approved this will allow the creation of at least 50% of the units to be leased to residents below 80% AMI with 10% of the units at 60% AMI over the next 12 months. These rent reductions average over \$350 per month below current market rents, with the 3 bedroom units seeing a reduction of \$565 per month.

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 Bell Steiner Apartments were built in 2016 and sits on 51.9 acres. Some of the property amenities include a resort style swimming pool with lounge seating, splash pad and waterfall-fed lap pool, modern game room and media room, a digital café with a Starbucks coffee bar, a large conference room and business center, state of the art fitness center and a fenced dog park. There are 127 attached garages, 32 detached garages and 75 carports. The property feeds into the highly desirable award winning Leander School District with Steiner Ranch Elementary, Canyon Ridge Middle School and Vandegrift 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 99% occupied and rents currently range from \$1,640 for a 1 bedroom to \$2,858 for a 3 bedroom.

		Market Rent	80% AMI Rent	60% AMI Rent
36 Studio Units	670 Square Foot	\$1,640	\$1,546	\$1,159
106 1bd/1bath	801 Square Foot	\$1,999	\$1,656	\$1,242
104 2bd/2.2bath	1,221 Square Foot	\$2,384	\$1,986	\$1,489
56 3bd/2.2bath	1,614 Square Foot	\$2,858	\$2,294	\$1,721

Process:

The purchase price for the Bell Steiner Apartments is \$99,500,000. L & M will be investing approximately \$30,000,000 as a down payment and capital needs reserves. CBRE Capital Markets will provide a Freddie Mac affordable loan with a not to exceed \$38,000,000 at a rate of approximately 4.75%. AAHC will not have any liability and will not be responsible for any guarantees required by the lender other than standard carve outs.

A current lease audit is underway to determine the initial number of units already qualified under 80% AMI. AAHC and L&M are committed to leasing units to all eligible 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 to allow AAHC to execute any and all documents, or take any other action, that is necessary or desirable to facilitate the acquisition of the Bell Steiner Apartments.

ATTACHMENTS:

- ▢ **Steiner Ranch Photos**

RESOLUTION NO. 00210

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 Bell Steiner 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 an affiliated limited liability company of AAHC (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 AAHC SR MM, LLC, a Texas limited liability company (the “**Managing Member**”), to serve as managing member of SR Property Owner LLC (or such other similarly named limited liability company as approved by AAHC) and AAHC shall serve as the sole member of the Managing Member;

WHEREAS, as sole member of the Managing Member, AAHC 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 ownership of the improvements comprising the Development pursuant to a bill of sale and 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 Land;

WHEREAS, the Owner desires to enter into a bridge loan with CBRE Capital Markets, Inc. (or an affiliate thereof), whereby the Owner will borrow a sum not to exceed \$75,000,000 (the “**Loan**”), in order to finance the acquisition and renovation of the Development;

WHEREAS, the Loan will each be made pursuant to a loan agreement and evidenced by a promissory note to be secured, *inter alia*, by a lien against the Development and the Owner’s interest therein pursuant to 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 (collectively, the “**Loan Documents**”);

NOW, BE IT RESOLVED, that all of the documents, instruments, or other writing to be 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 and agreements executed to consummate the transactions contemplated herein (collectively, the "**Transaction Documents**") shall be in form and substance reviewed and 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 Transaction Document to be conclusively evidenced by his execution thereof on behalf of AAHC, in its own capacity, and in its capacity as the sole member of Managing Member and on behalf of Managing Member as managing member of Owner; and it is further,

RESOLVED, that AAHC, on its behalf and as the sole member of Managing Member and on behalf of Managing Member as the managing member of Owner, review, approve and execute 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, in its own capacity and on behalf of Managing Member and/or Owner to enter into the Transaction Documents and that execution and delivery in the name and on behalf of AAHC, in its own capacity and on behalf of Managing Member and/or the Owner, by any of the officers of AAHC (each an "**Executing Officer**") 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 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, in its own capacity and on behalf of Managing Member and/or Owner, to execute and deliver all other documents and other writings of every nature whatsoever in connection with the acquisition and renovation 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 AAHC, in its own capacity 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, in its own capacity and on behalf of Managing Member and/or Owner, effective as of the date such

action was taken; and it is further

RESOLVED, that action by any Executing Officer, and any person or persons designated and authorized so to act by any such Executing Officer, to do and perform, or cause to be done and performed, in the name and on behalf of AAHC, in its own capacity and on behalf of 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 and Managing Member 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 and Managing Member are authorized to act in pursuance of these resolutions.

[End of Resolution]

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

EDWINA CARRINGTON, CHAIRPERSON

ATTEST:

SECRETARY



Bell
Steiner Ranch



Proximity to Scenic Lake Travis

Bell Steiner Ranch's location provides unparalleled access to Lake Travis and all of the recreational opportunities the lake has to offer. Bell Steiner Ranch is only 5 minutes from The Oasis at Lake Travis restaurant, the largest outdoor restaurant in the state and widely renowned Sunset Capital of Texas. Located on a cliff 450 feet above the lake, the 30,000 square foot restaurant and special event center houses eight event rooms and multiple dining decks overlooking the Lake.



Abundant Outdoor Recreation Options

River Place Nature Trail lies just south of the asset and is a popular 5.5 mile outdoor retreat for hiking, trail running, and walking where residents can immerse themselves in the outdoors.

Just 5 minutes south of the Bell Steiner Ranch is the exclusive University of Texas Golf Club. It's picturesque championship course overlooks Lake Austin and borders the Balcones Natural Wildlife Preserve. Members here enjoy access to the golf courses, indoor and outdoor tennis facilities, fitness training facility, 16,000 square foot clubhouse with sophisticated dining options, and resort-caliber pools with splash pads.