

AUSTIN AFFORDABLE HOUSING CORPORATION



BOARD OF DIRECTORS Regular Meeting

**Thursday, August 18, 2022
12:00 PM**

HACA Central Office, 1124 S. Interstate Highway 35, Austin, TX
To attend the meeting virtually, dial +1 346 248 7799 US Meeting ID: 839
3652 8505; Passcode: 661974 <https://bit.ly/3S3BE7F>
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, Austin, TX
To attend the meeting virtually, dial +1 346 248 7799 US Meeting ID: 839 3652 8505; Passcode:
661974 <https://bit.ly/3S3BE7F>
Austin, TX
(512.477.4488)**

Thursday, August 18, 2022

12:00 PM

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 July 21, 2022

ACTION ITEMS

2. Presentation, Discussion and Possible Action on Resolution No. 00211 by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the development of Pathways at Rosewood Courts East, which consists of affordable housing units and associated amenities to be constructed upon land ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s wholly owned, subsidiary limited liability company, Pathways at Rosewood Courts East GP, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of Pathways at Rosewood Courts East, LP (the “Partnership”) and other related documents; (iii) cause the Partnership to enter into development financing for the Project; and (iv) cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein
3. Presentation, Discussion and Possible Action on Resolution No. 00212 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 Alister Balcones Apartments (the “Development”), which

consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC's subsidiary limited liability company (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

4. Presentation, Discussion and Possible Action on Resolution No. 00213 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 Rolling Oaks Apartments (the "Development"), which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC's subsidiary limited liability company (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 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,

capitulo 411, codigo de gobierno (Ley de licencia de arma o pistola), no se permiten en esta reunion 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: August 18, 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 July 21, 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 July 21, 2022.

ATTACHMENTS:

- ▣ **20220721 AAHC Minutes Summary**

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

JULY 21, 2022

SUMMARY OF MINUTES

THE AUSTIN AFFORDABLE HOUSING CORPORATION (AAHC) BOARD OF DIRECTORS REGULAR PUBLIC MEETING NOTICE WAS POSTED FOR 12:00 NOON ON THURSDAY, JULY 21, 2022, AND WAS HELD AT THE HACA CENTRAL OFFICE, 1124 S. IH 35, AUSTIN, TX

As state law requires that the presiding officer be physically present at the posted meeting location, HACA Chairman will preside over the Austin Affordable Housing Corporation Meeting.

CALL TO ORDER, ROLL CALL, CERTIFICATION OF QUORUM

The Board of Directors Regular Board Meeting of the Austin Affordable Housing Corporation, of July 21, 2022, was called to order by Carl S. Richie, Jr., HACA Chairperson, at 12:26 p.m. The meeting was held at the HACA Central Office, 1124 S. IH 35, Austin, TX

Roll call certified a quorum was present.

MEMBERS PRESENT:

Edwina Carrington, Chairperson (virtually)
Charles Bailey, Vice-Chairperson (virtually)
Mary Apostolou, 2nd Vice-Chairperson
Carl S. Richie, Jr., Director

MEMBER(S) ABSENT:

Dr. Tyra Duncan-Hall, Director

ALSO IN ATTENDANCE:

Bill Walter – Coats Rose (virtually)

STAFF PRESENT ON THE CALL:

Andrea Galloway, Barbara Chen, Catherine Crago, Gloria Morgan, Kelly Crawford, Leilani Lim-Villegas, Lisa Garcia, Michael Gerber, Nidia Hiroms, Ron Kowal, Suzanne Schwertner, and Sylvia Blanco

PUBLIC COMMUNICATION – PUBLIC COMMUNICATION

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

CONSENT ITEMS

APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS:

ITEM 1: Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on May 19, 2022

Chairperson Carrington moved to Approve the Board Minutes Summary for the Board Meeting held on May 19, 2022. **2nd Vice-Chairperson Apostolou** seconded the motion. The motion Passed (4-Ayes and 0-Nays).

ACTION ITEMS

ITEM 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

Austin Affordable Housing Corporation (AAHC) was presented with 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

July 21, 2022

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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.

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.

Chairperson Carrington moved to Approve 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. **2nd Vice-Chairperson Apostolou** seconded the motion. The motion Passed (4-Ayes and 0-Nays).

2nd Vice-Chairperson Apostolou moved to adjourn the meeting. **Chairperson Carrington** seconded the motion. The motion Passed (4-Ayes and 0-Nays).

The meeting adjourned at 1:39 p.m.

Michael G. Gerber, Secretary

Carl S. Richie, Jr., HACA Chairperson

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00211

ITEM NO. 2.

MEETING DATE: August 18, 2022

STAFF CONTACT: Ann Gass, Director of Strategic Housing Initiatives

ITEM TITLE: Presentation, Discussion and Possible Action on Resolution No. 00211 by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the development of Pathways at Rosewood Courts East, which consists of affordable housing units and associated amenities to be constructed upon land ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s wholly owned, subsidiary limited liability company, Pathways at Rosewood Courts East GP, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of Pathways at Rosewood Courts East, LP (the “Partnership”) and other related documents; (iii) cause the Partnership to enter into development financing for the Project; and (iv) cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The board is being asked to approve Resolution No. 00211, authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the development of Pathways at Rosewood Courts East, which consists of affordable housing units and associated amenities to be constructed upon land ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s wholly owned, subsidiary limited liability company, Pathways at Rosewood Courts East GP, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of Pathways at Rosewood Courts East, LP (the “Partnership”) and other related documents; (iii) cause the Partnership to enter into development financing for the Project; and (iv) cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

SUMMARY

Background:

In October 2016, the U.S. Department of HUD awarded a Commitment to Enter into a Housing Assistance Contract (CHAP) for Rosewood Courts under the Rental Assistance Demonstration (RAD) Program. In

December 2018, HACA successfully converted Rosewood Courts to the RAD program. The conversion included a light scope of work that covered immediate capital needs to prolong the existing structures' useful life. Improvements included replacement of identified tubs, reaffixing porch poles, landscaping and improvements in the Goodwill building.

Redevelopment of the site is necessary due to the obsolescence of its antiquated building systems, plumbing, electrical and gas line infrastructure. There is very little accessibility for persons with mobility needs, and there is no central air conditioning.

Now that Rosewood Courts has completed its conversion to RAD, AAHC intends to redevelop the site. AAHC submitted applications to the Texas Bond Review Board and TDHCA and was awarded an allocation of private activity bonds and 4% tax credits. With this funding a new, larger property with a total of 184 new units (164 new construction + 20 renovated) with modern, energy efficient appliances and amenities will be constructed. These 184 units will be built in three multifamily buildings and eight restored preservation buildings.

HACA and AAHC recognize the historic significance of the property and demonstrate our commitment via a robust historic preservation component. This preservation and interior renovation project will restore the exterior of eight existing buildings to harken circa 1939 features while completely renovating and modernizing the interiors with more living space, better accessibility and all new interior amenities.

These improvements will significantly improve the quality of life for the residents of Rosewood Courts and allow AAHC to provide more affordable housing by moderately increasing density.

The Rosewood master plan will also add twelve affordable homeownership units - a condominium complex to be named Prospect Heights. These units will be developed in partnership with Austin Habitat for Humanity and will be available to families making less than 80% of the Area Median Income. Residents of Rosewood Courts and other HACA-owned properties will be given priority to purchase these units.

Residents of Rosewood Courts will have the first right to return to the newly rebuilt Pathways at Rosewood Courts. Rosewood Courts residents have been supported with comprehensive relocation assistance, ensuring each household's needs are accounted for and are offered options that minimize having to leave their east Austin community during construction.

Staff Recommendation:

Staff recommends approval of the resolution.

RESOLUTION NO. 00211

A Resolution by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to:

1. Facilitate the redevelopment of the Pathways at Rosewood Courts East, which consists of affordable housing units and associated amenities built upon land to be ground-leased from the Housing Authority of the City of Austin;
2. Cause AAHC’s wholly owned, subsidiary limited liability company, Pathways at Rosewood Courts East GP, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of Pathways at Rosewood Courts East, LP (the “Partnership”) and other related documents, including any development and purchase option and right of first refusal agreements;
3. Cause the Partnership to enter into development financing for the Project; and
4. Cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

WHEREAS, AAHC is the sole member of the General Partner;

WHEREAS, the General Partner is the sole general partner of the Partnership;

WHEREAS, the Partnership was formed for the purpose of owning, developing, managing, and otherwise dealing with the Pathways at Rosewood Courts East (also known as Pathways at Rosewood Courts), a 184-unit apartment complex (the “Project”) consisting of existing buildings to be rehabilitated and new construction under development on a parcel of land located in Austin, Travis County, Texas (the “Land”), and intended for rental to persons of low and moderate income;

WHEREAS, in connection with the development of the Project, the Partnership desires to obtain site control of the Land from the Housing Authority of the City of Austin (“HACA”), by entering into a ground lease (“Ground Lease”) with HACA for the Project;

WHEREAS, AAHC, the General Partner and Partnership desire to enter into certain equity documents for the purpose of admitting one or more affiliates of Enterprise Housing Credit Investments, LLC, as an investor limited partner, to the Partnership (the “Limited Partner”), including an Amended and Restated Agreement of Limited Partnership for the Partnership, a

development agreement, a right of first refusal agreement, if any, a guaranty and other related documents contemplated thereby (collectively, the “Equity Documents”);

WHEREAS, pursuant to approval of the United States Department of Housing and Urban Development (“HUD”) under the Rental Assistance Demonstration (“RAD”) Program, certain units within the Project have been designated and implemented as RAD units;

WHEREAS, HACA and the Partnership have submitted an application with the United States Department of Housing and Urban Development (“HUD”) for approval to assign the Housing Assistance Payments Contract (“HAP Contract”) benefitting the RAD Units to the Partnership (the “HAP Assignment”), and with the receipt of HUD approval, HACA and the Partnership desire to implement the ownership change and HAP Assignment pursuant to certain documents including an Assignment, Assumption and Amendment of Housing Assistance Payments Contract, an Amended and Restated Rental Assistance Demonstration Use Agreement and any other documents reasonably required by HUD (collectively, the “RAD Documents”);

WHEREAS, in connection with the proceedings relating to the issuance and delivery by the Austin Affordable PFC, Inc. (the “Issuer”) of its Multifamily Housing Revenue Bonds (Pathways at Rosewood Courts East) Series 2022 (the “Bonds”), pursuant to and in accordance with the terms of a Trust Indenture (the “Indenture”) by and between the Issuer and the trustee named therein;

WHEREAS, in connection with the issuance of the Bonds, the proceeds will be loaned to the Partnership pursuant to a Financing Agreement, between the Issuer and Borrower (the “Loan Agreement”);

WHEREAS, in connection with the Loan Agreement, the Bonds and the Indenture, the Partnership desires to enter into a Tax Regulatory Agreement and other related certifications and documents, all upon such terms and conditions as the Partnership deems reasonable (collectively, the “Bond Documents”);

WHEREAS, in connection with the transactions contemplated herein, the Partnership, General Partner and AAHC are required to enter into various documents which will evidence a loan from JPMorgan Chase Bank, N.A. to the Partnership in a principal amount not to exceed \$12,000,000, including, but not limited to a note, deed of trust, and other security agreements, certificates, directions, approvals, waivers, notices, instruments, subordination agreements and other communications as may be required by the parties (the “Chase Loan Documents”);

WHEREAS, in connection with the transactions contemplated herein, the Partnership, General Partner and AAHC are required to enter into various documents which will evidence a loan from AAHC to the Partnership in a principal amount not to exceed \$15,000,000,

including, but not limited to a note, deed of trust, and other security agreements, certificates, directions, approvals, waivers, notices, instruments, subordination agreements and other communications as may be required by the parties (the “AAHC Loan Documents”);

WHEREAS, in connection with the transactions contemplated herein, the Partnership, General Partner and AAHC are required to enter into various documents which will evidence a loan from the City of Austin to AAHC and/or the Partnership in a principal amount not to exceed \$10,000,000, including, but not limited to a note, deed of trust, and other security agreements, certificates, directions, approvals, waivers, notices, instruments, subordination agreements and other communications as may be required by the parties (the “City Loan Documents”);

WHEREAS, in connection with the transactions contemplated herein, the Partnership, General Partner and AAHC are required to enter into various documents which will evidence a seller loan from the HACA to the Partnership in a principal amount not to exceed \$8,000,000, including, but not limited to a note, deed of trust, and other security agreements, certificates, directions, approvals, waivers, notices, instruments, subordination agreements and other communications as may be required by the parties (the “Seller Loan Documents” and together with the Equity Documents, the Ground Lease, the RAD Documents, the Bond Documents, the Chase Loan Documents, the AAHC Loan Documents and the City Loan Documents, the “Financing Documents”);

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

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

RESOLVED that the authorization of AAHC, Partnership and/or General Partner to enter into the Transaction Documents and that execution and delivery in the name and on behalf of AAHC and/or General Partner and/or the Partnership, by any of the officers of AAHC of the Transaction Documents, in the form as so executed and delivered is hereby approved, ratified

and confirmed; and it is further

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

RESOLVED, that action by any of the officers of AAHC, and any person or persons designated and authorized so to act by any such officer, to do and perform, or cause to be done and performed, in the name and on behalf of AAHC and/or General Partner and/or the Partnership, or the execution and delivery, or causing to be executed and delivered, such other security agreements, financing statements, notices, requests, demands, directions, consents, approvals, waivers, acceptances, appointments, applications, certificates, agreements, supplements, amendments, further assurances or other instruments or communications, in the name and on behalf of AAHC or otherwise, as they, or any of them, may deem to be necessary or advisable in order to carry into effect the intent of the foregoing resolutions or to comply with the requirements of the instruments approved or authorized by the foregoing resolutions is hereby approved, ratified and confirmed; and it is further

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

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

PASSED this 18th day of August, 2022.

Michael G. Gerber, Secretary

Chairperson

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00212

ITEM NO. 3.

MEETING DATE: August 18, 2022

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

ITEM TITLE: Presentation, Discussion and Possible Action on Resolution No. 00212 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 Alister Balcones Apartments (the “Development”), which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s subsidiary limited liability company (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. 00212 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 Alister Balcones Apartments (the “Development”), which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s subsidiary limited liability company (the “Owner”) to own the Development; (iii) cause the Owner to enter into acquisition and development financing for the Development; and (iv) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

SUMMARY

Background:

Austin Affordable Housing Corporation (AAHC) has been presented an opportunity to partner with Community Development Trust (CDT), to purchase a 342 unit apartment complex called the Alister Balcones Apartments. The complex is located at 12215 Hunters Chase, Austin, Texas 78729, in an extremely high area of opportunity in Northwest Austin. This would be the first asset in this corridor offering another opportunity to provide affordable units in an area that only provides market rent units.

AAHC’s proposed partner, CDT, prides itself on long term preservation of workforce housing. Located out

of New York, CDT, is a real estate investment trust with a current portfolio of more than 49,000 units across the United States. Founded in 1999, CDT has invested in more than \$2.0 billion dollars in 44 states. AAHC is working with CEO, Joe Reilley, and Senior Vice President and head of acquisitions, Michael Lear. This would be AAHC's sixth acquisition with the CDT team.

The Alister Balcones was built in 2007 and sits on 17.60 acres. Some of the property amenities include two resort style swimming pools with lounge seating, a business center with a printing lounge, a very popular indoor half-court basketball court, media lounge with plush seating and TVs, an outdoor gourmet grill with a 70-inch TV, 24-hour athletic center, and an outdoor pavilion and pet park. All units come with full size washer and dryers. The property features 82 one-car and 40 two-car direct access garages, plus 44 breezeway garages. The property feeds into Live Oak Elementary School, Deerpark Middle School and McNeil 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 \$1,394 for a 1 bedroom to \$2,024 for a 3 bedroom.

148 1-bedroom/1-bath	717 square feet to 925 square feet
154 2-bedroom/2-bath	1,066 square feet to 1,377 square feet
40 3-bedroom/2 bath	1,333 square feet to 1,481 square feet

Process:

The purchase price for the Alister Balcones is \$92,750,000. CDT will be investing approximately \$20,000,000 as a down payment. In addition, CDT and AAHC will look at a supplemental second loan not to exceed \$6,000,000 at a rate of 6% for a period of 24 months. CDT will place an additional \$2,100,000.00 for future capital needs. CPC Mortgage Company will provide a Freddie Mac affordable loan with a not to exceed \$80,000,000 at a rate of approximately 4.50% using a 10-year term. AAHC will have the opportunity to invest at closing or later an amount not to exceed \$3,000,000. AAHC will not have any liability and will not be responsible for any guarantees required by the lender.

A current lease audit is underway to determine the initial number of units already qualified under 80% AMI. AAHC and CDT are committed to leasing units to all eligible voucher holders and 10% of the affordable units will be leased to stakeholders at or below 60% AMI, equally distributed amongst the portfolio. The property will be managed by Apartment Management Professionals. CDT has agreed to use the name "Bridge at" for naming the property once closed.

Staff Recommendation:

Staff recommends Board approval of Resolution 00212.

ATTACHMENTS:

- ▣ **Alister Balcones Map and Pictures**

RESOLUTION NO. 00212

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 Alister Balcones Apartments (the “Development”), which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s subsidiary limited liability company (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-CDT Balcones, LLC (the “**Owner**”) and AAHC Balcones MM, LLC to serve as managing member of the Owner (the “**Managing Member**”), and AAHC shall serve as the sole member of the Managing Member;

WHEREAS, as sole member of the Managing Member, AAHC may capitalize the Managing Member’s ownership interest in the Owner in an amount not to exceed \$3,000,000, and will cause the Managing Member to enter into an operating agreement of the Owner (the “**Operating Agreement**”);

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

WHEREAS, the Owner desires to enter into a bridge loan and/or permanent loan with CPC Mortgage Company LLC (or an affiliate thereof), whereby the Owner will borrow a sum not to exceed \$80,000,000 as a first lien and an amount not to exceed \$6,000,000 as a second lien (collectively, the “**Loans**”), in order to finance the acquisition of the Development;

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

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

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

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

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

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

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

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

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

[End of Resolution]

PASSED, APPROVED AND ADOPTED this 18th day of August, 2022.

EDWINA CARRINGTON, CHAIRPERSON

ATTEST:

SECRETARY





AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00213

ITEM NO. 4.

MEETING DATE: August 18, 2022

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

ITEM TITLE: Presentation, Discussion and Possible Action on Resolution No. 00213 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 Rolling Oaks Apartments (the “Development”), which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s subsidiary limited liability company (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. 00213 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 Rolling Oaks Apartments (the “Development”), which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s subsidiary limited liability company (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 Belveron Partners to purchase a 494 unit multi-family rental property called Preserve at Rolling Oaks Apartments. The development is located at 15450 FM 1325, Austin, Texas 78728. This would be the eleventh asset AAHC and Belveron Corporation have purchased together. This asset is located in the extremely high opportunity area of Silicon Hills off Mopac and Highway 45.

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 Preserve at Rolling Oaks Apartments were built in 2001 and sits on 38.33 acres. Some of the property amenities include two resort-style swimming pools with lounge seating and cabanas, elegant clubhouse with gathering spaces, full kitchen, pool table and coffee bar, and business center. Residents also enjoy the newly renovated fitness center, two pet parks, attached garages and additional covered parking. The property feeds into Williams Elementary School, Deer Park Middle School and McNeil High School. The property's location provides fantastic access to major tech employers, retail shops, grocery stores and the SH-45 and Mopac area. The Howard MetroRail station is only minutes away.

Below is a breakdown of the many variations of unit sizes. The property is currently 98% occupied and rents currently range from \$1,544 for a one bedroom to \$2,257 for a three bedroom.

264 1 -bedroom/1-bath	692 square feet to 939 square feet
200 2-bedroom/2-bath	956 square feet to 1,278 square feet
30 3-bedroom/2- bath	1,355 square feet to 1,436 square feet

Process:

The purchase price for the Preserve at Rolling Oaks Apartments is \$136,500,000. Belveron will be investing approximately \$30,000,000 as a down payment plus an additional \$2,500,000.00 for future capital needs. Walker Dunlop will be providing a Freddie Mac loan with a not to exceed loan amount of \$110,000,000 at a rate of approximately 4.60%.

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 98% occupied. AAHC and Belveron are committed to providing 10% of the affordable units at 60% AMI and leasing units to all eligible voucher holders. The property will be managed by Apartment Management Professionals. Belveron has agreed to use the name Bridge at Rolling Oaks for naming the property once closed.

Staff Recommendation:

Staff recommends Board approval of Resolution No. 00213.

ATTACHMENTS:

- **Rolling Oaks Map and Pictures**

RESOLUTION NO. 00213

Presentation, Discussion and Possible Action on Resolution No. 00213 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 Rolling Oaks Apartments (the “Development”), which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s affiliate (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, Preserve at Rolling Oaks Borrower, LP, a Texas limited partnership (the “Owner”) will act as the owner of the Development;

WHEREAS, AAHC desires to form AAHC Preserve MM, LLC, a Texas limited liability company, which entity will serve as managing member of Preserve at Rolling Oaks Apartments, LLC (the “**Borrower Principal**”), and the Borrower Principal will own the general partner of the Owner (the “**General Partner**”);

WHEREAS, as sole member of the Managing Member, AAHC will cause the Managing Member to enter into an operating agreement of the Borrower Principal (the “**Operating Agreement**”);

WHEREAS, AAHC will cause the General Partner to enter into an agreement of limited partnership of the Owner (the “**Partnership 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 and/or permanent loan with Walker Dunlop (or an affiliate thereof) as lender, whereby the Owner will borrow a sum not to exceed \$110,000,000 (“**Loan**”), in order to finance the acquisition and renovation of the Development;

WHEREAS, the Loan will each be made pursuant to a promissory note to be secured, *inter*

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

NOW, BE IT RESOLVED, that all of the documents, instruments, or other writing executed by AAHC, the Borrower Principal, the General Partner and/or the Owner (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, (iii) the Partnership Agreement, and (iv) any and all such additional documents executed to consummate the transactions contemplated herein (collectively, the "**Transaction Documents**") shall be in form and substance approved by the Executing Officer (as such term is hereinafter defined), both individually and in a representative capacity as identified in these resolutions, his/her approval of each such instrument to be conclusively evidenced by his execution thereof; and it is further,

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

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

RESOLVED, that any officer of AAHC (each an "**Executing Officer**"), acting alone without the joinder of any other officer, is hereby authorized and directed for and on behalf, and as the act and deed of AAHC, the Borrower Principal, the General Partner and/or the Owner, to execute and deliver all other documents and other writings of every nature whatsoever in connection with the development of the Development, including but not limited to, the Transaction Documents, as the Executing Officer deems necessary in order to carry into effect the intent and purposes of these resolutions, and any other instruments approved by the Executing Officer (acting in a representative capacity as identified in these resolutions), 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, the Borrower Principal, the General Partner and/or the Owner, effective as of the date such action was taken; and it is further

RESOLVED, that action by any of the officers of AAHC, and any person or persons designated and authorized so to act by any such officer, to do and perform, or cause to be done and performed, in the name and on behalf of AAHC, the Borrower Principal, the General Partner and/or the Owner, or the execution and delivery, or causing to be executed and delivered, such other security agreements, financing statements, notices, requests, demands, directions, consents, approvals, waivers, acceptances, appointments, applications, certificates, agreements, supplements, amendments, further assurances or other instruments or communications, in the name and on behalf of AAHC or otherwise, as they, or any of them, may deem to be necessary or advisable in order to carry into effect the intent of the foregoing resolutions or to comply with the requirements of the instruments approved or authorized by the foregoing resolutions is hereby approved, ratified and confirmed; and it is further

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

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

[End of Resolution]

PASSED, APPROVED AND ADOPTED this 18th day of August, 2022.

EDWINA CARRINGTON, CHAIRPERSON

ATTEST:

SECRETARY



