

**SOUTH CONGRESS  
PFC**

**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 SOUTH CONGRESS PFC**

**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 March 24, 2022

**ACTION ITEMS**

2. Presentation, Discussion and Possible Action on Resolution No. 00012: Resolution of the Board of Directors of South Congress Public Facility Corporation ("PFC") authorizing PFC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) acquire a leasehold interest in certain real property located in Austin, Texas (the "Land") on which a residential multifamily apartment development consisting of affordable housing units and market rate units and associated amenities is to be constructed and known as Vega II (the "Project"); (ii) Sublease the Land to Vega Avenue Phase II Owner LP, a Delaware limited partnership (the "Partnership"), to facilitate the construction and operation of the Project by the Partnership, including the placement of affordable housing units and market rate units at the Project; and (iii) Execute any such further documentation as necessary or desirable, including any financing documentation, to facilitate the development of the Project

**EXECUTIVE SESSION**

The Board may go into Executive Session (close its meeting to the public) Pursuant to:

- a. 551.071, Texas Gov't Code, consultations with Attorney regarding legal advice, pending or contemplated litigation; or a settlement offer;
- b. 551.072, Texas Gov't Code, discussion about the purchase, exchange, lease or value of real

property;

- c. 551.074, Texas Gov't Code, discuss the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee.
- d. 551.087, Texas Gov't Code, discuss certain economic development negotiations.

## **OPEN SESSION**

If there is an Executive Session, the Board will return to Open Session for discussion, consideration and possible action of matters discussed in Executive Session.

## **REPORTS**

The Board accepts the following reports:

- President's Report
- Other Staff Reports
- Commissioners' Reports/Questions to the Department Staff

## **ADJOURNMENT**

"Pursuant to 30.06, Penal Code, (trespass by holder of license with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not attend this meeting with a concealed handgun."

"Pursuant to 30.07, Penal Code (trespass by holder of license with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not attend this meeting with a handgun that is carried openly."

"En virtud del 30.06, Código Penal, (traspaso titular de licencia con una pistola), una persona bajo el subcapítulo H, capítulo 411, código de gobierno (Ley de licencia de arma o pistola), no se permiten en esta reunión con una arma o pistola.

"En virtud de 30.07, Código Penal (prevaricación por titular de la licencia con un arma o pistola abiertamente llevado), una persona bajo el subcapítulo H, capítulo 411, código de gobierno (Ley de licencia de arma o pistola), no se permiten en esta reunión con un arma o pistola que lleva abiertamente.

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

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

**SOUTH CONGRESS PFC**  
**BOARD ACTION REQUEST**  
**ITEM NO. 1.**

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**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 March 24, 2022

**BUDGETED ITEM:** N/A

**TOTAL COST:** N/A

**ACTION**

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

**ATTACHMENTS:**

- ▣ **20220324 SCPFC Minutes**

# **SOUTH CONGRESS PFC BOARD OF DIRECTORS ANNUAL BOARD MEETING**

**March 24, 2022**

## **SUMMARY OF MINUTES**

**SOUTH CONGRESS PFC (HACA) BOARD OF DIRECTORS ANNUAL BOARD MEETING NOTICE WAS POSTED FOR 12:00 P.M. ON THURSDAY, MARCH 24, 2022, AND WAS HELD AT THE HACA CENTRAL OFFICE, 1124 S. IH 35, AUSTIN, TX**

### **CALL TO ORDER, ROLL CALL, CERTIFICATION OF QUORUM**

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

Roll call certified a quorum was present on the call.

#### **MEMBERS PRESENT:**

Edwina Carrington, Chairperson  
Charles Bailey, Vice-Chairperson  
Mary Apostolou, 2<sup>nd</sup> Vice-Chairperson  
Carl S. Richie, Jr., Director  
Dr. Tyra Duncan-Hall, Director

#### **MEMBER(S) ABSENT:**

#### **ALSO ON THE CALL:**

Wilson Stoker, Cokinos  
Bill Walter, Coats Rose

#### **STAFF PRESENT ON THE CALL:**

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

**PUBLIC COMMUNICATION** – Citizen communication was opened up during each item on the agenda. No one provided any communication during any of the items.

#### **CONSENT AGENDA**

##### **APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS:**

**ITEM 1: Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on March 25, 2021**

**Chairperson Carrington** moved the Approval of the Board Minutes Summary for the Board Meeting held on March 25, 2021. **Director Duncan-Hall** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

**ITEM 2: Presentation, Discussion, and Possible Action regarding Resolution No. 00011: Approval to ratify all actions taken by the Board of Directors during FYE 2022, in order to resolve any irregularities which may have occurred regarding a quorum or vote by the Directors as reflected within the approved minutes and resolutions**

Upon past advisement of legal counsel, Resolution No. 00011 was drafted to ensure all actions taken by the Board of Directors during FYE 2022 be ratified, thus ensuring resolution of any irregularities during the voting process taken by the Directors. This is an action that is presented for board action on an annual basis.

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

**Chairperson Carrington** moved the Approval of Resolution No. 00011: Approval to ratify all actions taken by the Board of Directors during FYE 2022, in order to resolve any irregularities which may have occurred regarding a quorum or vote by the Directors as reflected within the approved minutes and resolutions. **2<sup>nd</sup> Vice-Chairperson Apostolou** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

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

The meeting adjourned at 12:40 p.m.

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**Michael G. Gerber, Secretary**

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**Edwina Carrington, Chairperson**

**SOUTH CONGRESS PFC**  
**BOARD ACTION REQUEST**  
**RESOLUTION NO. 00012**  
**ITEM NO. 2.**

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**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. 00012: Resolution of the Board of Directors of South Congress Public Facility Corporation (“PFC”) authorizing PFC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) acquire a leasehold interest in certain real property located in Austin, Texas (the “Land”) on which a residential multifamily apartment development consisting of affordable housing units and market rate units and associated amenities is to be constructed and known as Vega II (the “Project”); (ii) Sublease the Land to Vega Avenue Phase II Owner LP, a Delaware limited partnership (the “Partnership”), to facilitate the construction and operation of the Project by the Partnership, including the placement of affordable housing units and market rate units at the Project; and (iii) Execute any such further documentation as necessary or desirable, including any financing documentation, to facilitate the development of the Project

**BUDGETED ITEM:** N/A

**TOTAL COST:** N/A

**ACTION**

The Board is being asked to approve Resolution No. 00012 authorizing PFC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) acquire a leasehold interest in certain real property located in Austin, Texas (the “Land”) on which a residential multifamily apartment development consisting of affordable housing units and market rate units and associated amenities is to be constructed and known as Vega II (the “Project”); (ii) Sublease the Land to Vega Avenue Phase II Owner LP, a Delaware limited partnership (the “Partnership”), to facilitate the construction and operation of the Project by the Partnership, including the placement of affordable housing units and market rate units at the Project; and (iii) Execute any such further documentation as necessary or desirable, including any financing documentation, to facilitate the development of the Project

**SUMMARY**

***Background:***

Austin Affordable Housing Corporation has been presented an opportunity to partner with the NRP Group to develop a second phase multi-family project called Vega II on Vega Avenue and Patton Ranch Road, on the St. Andrews campus. In June of 2020, the Board of the South Congress PFC approved phase one of the development. Phase one, now called The Markson, will provide 330 units with 165 units at rents below 80% AMI.

Once built, Phase two will provide 50% of its units to individuals and families earning 80% area median family income with 10% of these affordable units targeted to residents at 60% of area median family income. Located in the high opportunity area off Southwest Parkway, this property meets AAHC's goals of providing housing in areas of town where affordability does not exist. The property, as with all AAHC's properties will accept qualifying tenants with Housing Choice Vouchers upon completion. In addition to the Vega site, AAHC and NRP have previously partnered twice, one property being SOCO II on South Congress and another property at the Highland Mall site which is currently under construction.

Vega II Multifamily will provide 334 units: 8 studios (463-504 sq ft), 158 one bedroom/one bath (633-915 sq ft), 104 two bedroom/two bath (1091-1380 sq ft) and 64 three bedroom/three bath (1886-2054 sq ft). All three bedroom/three bath units are townhomes. Of these townhomes, seven will be affordable to tenants earning 80% AMI and seven will be affordable to tenants earning 60% AMI.

Located at 5711 Vega Avenue, Austin, TX 78735 (corner of Patton Ranch Road and Vega Avenue), community amenities will include resort style pool with cabanas, fire pit and grilling stations as well as outdoor kitchen station with fridge, sink and TV, 1,750 square foot clubhouse with cyber lounge/work from home space, state of the art fitness studio with connected toddler room and outdoor rec equipment, secondary courtyard with Bocce, dog wash station and dog park, and bike parking/repair station.

The site is adjacent to St. Andrew's Episcopal School (Austin's #2 ranked private school) and is directly across the street from Regents School (#1 ranked private school in Austin). NXP (4,000 employees), AMD (1,900 employees), Arm Ltd (700 employees), and YETI's new corporate headquarters all reside within one mile of the property.

#### ***Process:***

The PFC financing structure will facilitate a lease of both the land and the improvements to a newly formed partnership. South Congress PFC will lease the land from St. Andrew's Episcopal School on a 99 year ground lease. South Congress PFC will then turn around as landlord and sublease both the land and the improvements to the partnership for 99 years. At the end of the 99 years both the land and improvements will revert back to St. Andrew's Episcopal School.

The property will be developed using a combination of equity from NRP and JP Morgan Chase of approximately \$27,000,000 and conventional debt through PNC Bank not to exceed \$62,000,000. The anticipated closing is September 2022 with construction start in October 2022.

#### ***Staff Recommendation:***

Board approval will allow PFC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) acquire a leasehold interest in certain real property located in Austin, Texas (the "Land") on which a residential multifamily apartment development consisting of affordable housing units and market rate units and associated amenities is to be constructed and known as Vega II (the "Project"); (ii) Sublease the Land to Vega Avenue Phase II Owner LP, a Delaware limited partnership (the "Partnership"), to facilitate the construction and operation of the Project by the Partnership, including the placement of affordable housing units and market rate units at the Project; and (iii) Execute any such further documentation as necessary or desirable, including any financing documentation, to facilitate the development of the Project

#### **ATTACHMENTS:**

- ❑ **Vega Map**
- ❑ **Vega Map II**
- ❑ **Vega II - South Congress PFC Resolution Cover Page**



**RESOLUTION NO. 00012**

**Resolution of the Board of Directors of South Congress Public Facility Corporation (“PFC”) authorizing PFC to execute any and all documents, or take any other action, that is necessary or desirable to:**

- 1. Acquire a leasehold interest in certain real property located in Austin, Texas (the “Land”) on which a residential multifamily apartment development consisting of affordable housing units and market rate units and associated amenities is to be constructed and known as Vega II (the “Project”);**
- 2. Sublease the Land to Vega Avenue Phase II Owner LP, a Delaware limited partnership (the “Partnership”), to facilitate the construction and operation of the Project by the Partnership, including the placement of affordable housing units and market rate units at the Project; and**
- 3. Execute any such further documentation as necessary or desirable, including any financing documentation, to facilitate the development of the Project.**

**WHEREAS**, the PFC serves as a partner of Vega Avenue Phase II Apt LP, a Delaware limited partnership, which serves as the limited partner of the Partnership (the “**Limited Partner**”) and the sole member of Vega Avenue Phase II GP LLC, a Delaware limited liability company (the “**General Partner**”), which is the general partner of the Partnership;

**WHEREAS**, the PFC desires to acquire a leasehold interest in the Land pursuant to an assignment and assumption agreement (the “**Assignment**”) between the PFC and NRP Properties LLC, an Ohio limited liability company (“**NRP**”), whereby PFC will assume NRP’s role as tenant under that certain Ground Lease by and between St. Andrew’s Episcopal School, a Texas nonprofit corporation (“**Landlord**”), and NRP (as amended, the “**Ground Lease**”), and any other documentation required to consummate the acquisition of the leasehold interest in the Land (the Assignment, the Ground Lease, and all other documents contemplated thereby, collectively, the “**Acquisition Documents**”);

**WHEREAS**, the PFC desires to enter into a long-term sublease with the Partnership, conveying interests in the Land and the to-be-constructed Project, pursuant to the terms of such sublease (the “**Sublease**”);

**WHEREAS**, the Partnership plans to construct the Project and operate it as a mixed-income development with at least 50% of the units intended for rental to persons of low and moderate income (collectively, the “**Restrictions**”);

**WHEREAS**, the PFC desires to enter into a Regulatory Agreement and Declaration of Restrictive Covenants with the Partnership (“**Regulatory Agreement**”), which Regulatory Agreement shall memorialize the Restrictions placed upon the Land and the Project and the Partnership’s obligations with respect to such Restrictions;

**WHEREAS**, in connection with the financing of the Project, the Partnership will borrow a loan in an original

principal amount not to exceed \$62,000,000 (the “**Construction Loan**”) from PNC Bank, National Association (the “**Lender**”), pursuant to a loan agreement as evidenced by a promissory note and secured by a leasehold deed of trust recorded against the Land (collectively with all other documents contemplated thereby and necessary to evidence the Loan, the “**Construction Loan Documents**”);

**WHEREAS**, the PFC desires to enter into certain construction contracts and documents as the general contractor for the construction of the Project, including but not limited to a Construction Contract and a Prime Subcontract and such other documents, all upon such terms and conditions as PFC deems reasonable (the “**Construction Documents**”); and

**WHEREAS**, the PFC desires to enter into a partnership agreement of the Limited Partner with Vega Avenue Phase II JV LP, a Delaware limited partnership (the “**Partnership Agreement**”).

**NOW, THEREFORE**, in connection with the foregoing, the Board of Directors of the PFC hereby adopts the following resolutions:

**BE IT RESOLVED**, that the PFC is hereby authorized to execute and deliver all such documents, instruments and other writings of every nature whatsoever as the PFC, in its reasonable judgment, deems necessary to acquire the leasehold interest in the Land, sublease the Land to the Partnership, and otherwise assist and facilitate the construction, development and operation of the Project by the Partnership, including, without limitation, (i) the Acquisition Documents; (ii) the Sublease and any assignment by the PFC in favor of the Partnership; (iii) the Regulatory Agreement; (iv) Construction Loan Documents that require execution by the PFC, including without limitation a subordination agreement subordinating PFC’s rights under the Ground Lease and a leasehold deed of trust encumbering PFC’s rights under the Ground Lease and the Sublease, and an estoppel certificate relating to the Sublease; (v) the Construction Documents; (vi) the Partnership Agreement; and (vii) such other and further documents, leases, instruments, resolutions and other writings of every nature whatsoever as the PFC deems necessary to consummate the transactions contemplated herein, or as may be required by the Limited Partner, the General Partner or the Partnership; and it is further

**RESOLVED**, that all of the documents, instruments, or other writings executed by PFC in consummation of the transactions herein described (collectively and together with the Acquisition Documents, the Sublease, the Regulatory Agreement, the Construction Loan Documents, the Construction Documents, and the Partnership Agreement, 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 PFC will 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 any officer of PFC and any authorized signatory of the PFC, including without limitation, Ron Kowal, as authorized signatory (each an “**Executing Officer**”), acting alone without the joinder of any other

officer, is hereby authorized and directed for and on behalf of, and as the act and deed of PFC, to execute and deliver all other documents and other writings of every nature whatsoever in connection with the construction, operation and financing 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 individually or 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 PFC, 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 or manager, to do and perform, or cause to be done and performed, in the name and on behalf of PFC, 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 PFC 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 PFC.

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

*[End of Resolution]*

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

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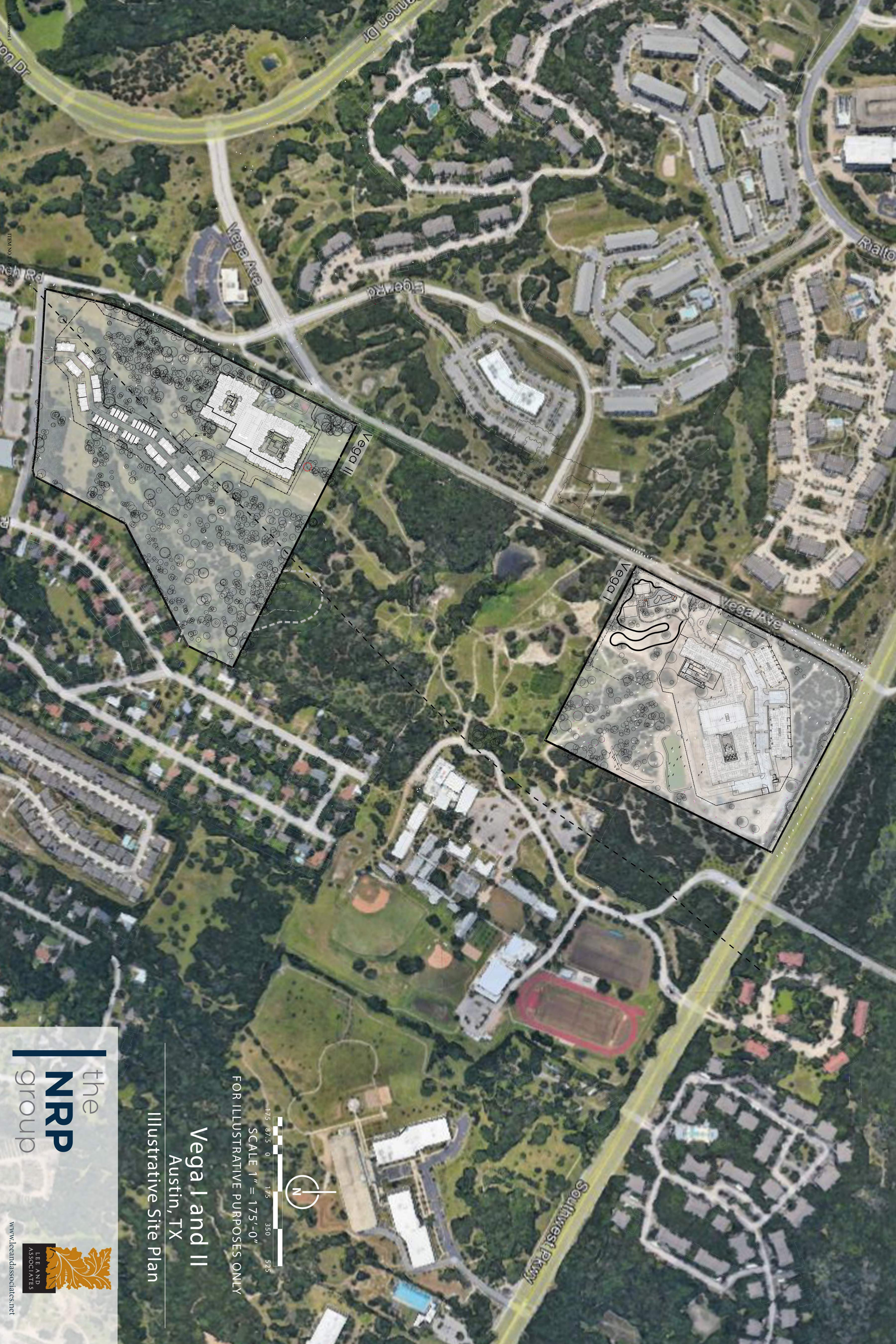
CHAIRMAN

ATTEST:

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SECRETARY





Attachment 1  
ITEM NO. 2 - Page 6 of 8

# Vega I and II Austin, TX

Illustrative Site Plan

FOR ILLUSTRATIVE PURPOSES ONLY

17.5 87.5 0 17.5 350 525  
SCALE 1" = 175'-0"



the  
**NRP**  
group



LEE AND  
ASSOCIATES

www.leeandassociates.net





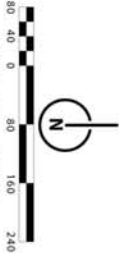
VEGA II AVE. MULTIFAMILY  
AUSTIN, TEXAS

Illustrative Site Plan

See Notes 1, 6, 7, 8, 9, 10, 11



www.leeandassociates.net



SCALE 1" = 80'-0"

FOR ILLUSTRATIVE PURPOSES ONLY

**CERTIFICATE AS TO  
RESOLUTIONS AND INCUMBENCY  
(SOUTH CONGRESS PUBLIC FACILITY CORPORATION)**

I certify that I am the duly qualified and acting secretary of South Congress Public Facility Corporation, a Texas nonprofit public facility corporation (“PFC”), and as follows:

1. Attached hereto as Exhibit A is a true and complete copy of a resolution adopted by PFC pertaining to Vega II. The resolution has not been amended or modified in any manner and remains in full force and effect as of the date hereof.

2. I further certify that the following individuals are officers of PFC, authorized to act on behalf of PFC:

<u>NAME</u>	<u>TITLE</u>
Sylvia Blanco	President
Ron Kowal	Vice-President
Michael Gerber	Secretary
Biliang Chen	Treasurer

IN WITNESS WHEREOF, I have hereunto set my hand as of August 18th, 2022.

By: \_\_\_\_\_  
Name: Ron Kowal  
Title: Vice-President

Attachments:

Exhibit A