

THE HOUSING AUTHORITY OF THE CITY OF AUSTIN



BOARD OF COMMISSIONERS

Chairperson - Carl S. Richie, Jr.

Vice-Chairperson - Charles Bailey

2nd Vice-Chairperson - Mary Apostolou

Commissioner - Dr. Tyra Duncan-Hall

Commissioner - Edwina Carrington

Michael G. Gerber, President & CEO

BOARD OF COMMISSIONERS

Regular Meeting

Thursday, 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 COMMISSIONERS
REGULAR BOARD MEETING
OF THE HOUSING AUTHORITY OF THE CITY OF AUSTIN**

**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

Pledge of Allegiance

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

Citywide Advisory Board Update

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. 02757 by the Board of Commissioners of the Housing Authority of the City of Austin (the "Authority") approving the issuance by Austin Affordable PFC, Inc. of its Multifamily Housing Revenue Bonds (Pathways at Rosewood Courts East) Series 2022
3. Presentation, Discussion, and Possible Action on Resolution No. 02758 by the Board of Commissioners of the Housing Authority of the City of Austin (the "Authority") authorizing the Housing Authority of the City of Austin (the "Authority") to take such actions necessary or convenient to facilitate the development of the Pathways at Rosewood Courts East (the "Project")
4. Presentation, Discussion, and Possible Action on Resolution No. 02759 by the Board of Commissioners of the Housing Authority of the City of Austin (the "Authority") to take such

actions necessary or convenient to facilitate the development of Vega II, a multifamily housing development (the “Project”)

5. Presentation, Discussion, and Possible Action on Resolution No. 02760 by the Board of Commissioners of the Housing Authority of the City of Austin (the “Authority”) to take the following actions with regard to Alister Balcones Apartments (the “Development”) in Austin, Texas: (i) acquire the site of the Development; (ii) lease the Development site to the owner of the Development; and (iii) such other actions necessary or convenient to carry out this Resolution
6. Presentation, Discussion, and Possible Action on Resolution No. 02761 by the Board of Commissioners of the Housing Authority of the City of Austin (the “Authority”) to take the following actions with regard to the Rolling Oaks Apartments (the “Development”) in Austin, Texas: (i) acquire the site of the Development; (ii) lease the Development site to the owner of the Development; and (iii) such other actions necessary or convenient to carry out this Resolution

EXECUTIVE SESSION

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

- a. 551.071, Texas Gov't Code, consultations with Attorney regarding legal advice, pending or contemplated litigation; or a settlement offer;
- b. 551.072, Texas Gov't Code, discussion about the purchase, exchange, lease or value of real property;
- c. 551.074, Texas Gov't Code, discuss the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee.
- d. 551.087, Texas Gov't Code, discuss certain economic development negotiations.

OPEN SESSION

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

REPORTS

The Board accepts the following reports:

- President's Report
- Finance Report

ADJOURNMENT

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

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

"En virtud del 30.06, Código Penal, (traspaso titular de licencia con una pistola), una persona bajo el subcapítulo H, capítulo 411, código de gobierno (Ley de licencia de arma o pistola), no se permiten en 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 x 2104.

HOUSING AUTHORITY OF THE CITY OF AUSTIN

BOARD ACTION REQUEST

EXECUTIVE

ITEM NO. 1.

MEETING DATE: August 18, 2022

STAFF CONTACT: Michael Gerber, President & CEO

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

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

July 21, 2022

SUMMARY OF MINUTES

THE HOUSING AUTHORITY OF THE CITY OF AUSTIN (HACA) BOARD OF COMMISSIONERS REGULAR BOARD MEETING NOTICE WAS POSTED FOR 12:00 P.M. ON THURSDAY, JULY 21, 2022, AND WAS HELD AT THE HACA CENTRAL OFFICE, 1124 S. INTERSTATE HIGHWAY 35, AUSTIN, TX 78704

Raul Alvarez, Community Action Network (CAN) updated the audience, before the meeting was called to order, on what CAN has been working on to address some of the pandemic challenges. CAN's goal is to find ways to align efforts and leverage resources. They will be updating their community dashboard in September.

CALL TO ORDER, ROLL CALL, CERTIFICATION OF QUORUM

Carl S. Richie, Jr., HACA Chairman called the Board of Commissioners Regular Board Meeting of the Housing Authority of the City of Austin, of July 21, 2022, to order at 12:26 p.m. The meeting was held at the HACA Central Office, 1124 S. Interstate 35, Austin, TX 78704

Roll call certified a quorum was present on the call.

MEMBERS PRESENT:

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

MEMBER(S) ABSENT:

Dr. Tyra Duncan-Hall, Commissioner

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 - (3 minute time limit)

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.

CITYWIDE ADVISORY BOARD (CWAB) – Lupe Garcia, Citywide Advisory Board President reported that the July CWAB Meeting was held virtually on Tuesday, July 12, 2022. •**Michael Roth**, HACA Director of Housing Operations & Policy mentioned the heat advisory and reported that the number of COVID 19 cases have increased. Michael also provided updates on Rosewood Courts and HUD inspections. •**Dorothy Doolittle** and **Ann Marie Ellis** were introduced as Deputy Registrars, and are available to go to HACA properties to assist residents in registering to vote. •**Sylvia Blanco**, HACA Chief Operating Officer, encouraged residents to check on their neighbors during the heat advisory. **Sylvia** asked for residents to support management during HUD Inspections, and also announced the Low-Income Housing Waitlist openings. •**Leilani Lim-Villegas**, HACA Sr. Director of Community Development, announced that the Austin Pathways Resident Scholarship Award Ceremony is Friday, July 15th. •**Leilani** gave Bringing Health Home (BHH) updates and reported that there will be a diaper drive for families with children 0 – 1 years old. •**Barbara Jackson**, HACA Family Opportunity Program Design Director, provided youth education success and Rosewood homeownership program updates. •**Murphy Roland**, HACA Workforce Development Manager, provided Workforce Development, i-DADS and i-MOMS updates. •**Nancy Garcia**, HACA Jobs Plus Career Coach, reported that June 29th is the last day of the summer youth employment program. •**Evelyn Holman**, HACA Community Development Specialist reported that there will not be any resident council meetings or Citywide Advisory Board meeting in August. Evelyn reminded everyone to start planning for National Night Out. •**Lupe Garcia**, reported that over 100 women attended the Women's Conference and it was a great event. **Lupe** also discussed i-MOMS.

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

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

ACTION ITEMS

APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS

ITEM 2: Presentation, Discussion, and Possible Action Regarding Resolution No. 02755. Approving the Award of a contract for Diversity, Equity and Inclusion consulting services

The Housing Authority of the City of Austin's Five-Year Strategic Plan, Goal 7 calls for the creation and implementation of a plan to advance inclusion, diversity and racial, economic and social equity throughout the organization, and our programs. Through the creation of this plan HACA envisions the production of an agency DEI Roadmap and Action Plan which the consultants will help launch. The consultants will produce the plan using a wide range of inputs including developing a baseline assessment and audit of key processes. The consultant will identify appropriate DEI training, oversee the phases of implementation and work in a DEI coaching capacity with key staff. This project should result in a phased, continuous, ongoing program.

A Request for Qualifications (RFQ), HACA-21-Q-0239 was issued on April 15, 2021 with a due date of May 20, 2021. It was advertised in the Austin American Statesman on Sunday April 21, 2021 and April 28, 2021. The Request for Qualifications was also posted on HACA's website and the Housing Agency Marketplace, HACA's online bidding services.

Five (5) proposals were reviewed and scored by HACA's DEI Steering Committee.

One respondent was disqualified due to insufficient DEI expertise. Interviews were held with the remaining respondents. The Steering Committee selected a top respondent. HACA's President/CEO and COO had the opportunity to meet and interview the top respondent.

Staff found MGT Consulting was able to provide a clear outline for the project. The company has a grasp and understanding of DEI work, are well credentialed, well diverse, and have worked with our type of organization before. Staff found that MGT Consulting spoke directly to the needs of HACA and is well qualified to complete the work. Staff recommends accepting MGT Consulting's proposal and awarding a contract for DEI services to MGT Consulting.

2nd Vice-Chairperson Apostolou moved the Approval of Resolution 02755, Approving the Award of a contract for Diversity, Equity and Inclusion consulting services in an amount not to exceed \$150,000. **Vice-Chairperson Bailey** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ITEM 3: Presentation, Discussion, and Possible Action on Resolution No. 02756 by the Board of Commissioners of the Housing Authority of the City of Austin (the "Authority") to take the following actions with regard to the Bell Steiner Apartments (the "Development") in Austin, Texas: (i) acquire the site of the Development; (ii) lease the Development site to the owner of the Development; and (iii) such other actions necessary or convenient to carry out this Resolution

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 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, try. 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.

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.

Commissioner Carrington moved the Approval of Resolution No. 02756 by the Board of Commissioners of the Housing Authority of the City of Austin (the “Authority”) to take the following actions with regard to the Bell Steiner Apartments (the “Development”) in Austin, Texas: (i) acquire the site of the Development; (ii) lease the Development site to the owner of the Development; and (iii) such other actions necessary or convenient to carry out this Resolution. **2nd Vice-Chairperson Apostolou** seconded the motion. The motion Passed (4-Ayes and 0-Nays).

ITEM 4: Update from HACA Chief Financial Officer on HACA and subsidiary finances

Barbara Chen, HACA Chief Financial Officer gave an update on HACA’s operational and financial performance. Items discussed included HACA’s FY 22 total revenue and expenses, earned Administrative fees and all non-HUD revenue.

REPORTS

The Board accepts the following reports from the President:

Mike Gerber, HACA President & CEO communicated to the Board that as part of his report, he is requesting that the Board approve a one-time payment of \$2,000, for every HACA (and subsidiaries) staff member to assist with the impact that inflation has had on staff. Typically, a smaller incentive has been provided to staff to assist with items for back to school during the tax-free weekend, however, the Executive Team feels it is important to step away from the tax-free holiday and address more holistically the needs of our staff. Normally, during Christmas time staff has been provided a \$1,000 bonus, and the Board approved a 3% pay across-the-board increase for the year that pays out over the year, however, it still doesn't keep up with inflation. The Executive Team thinks that we need to invest in staff and this incentive is necessary for retention and it shows support for our staff that are going through some hard times. The Executive Team asks for your approval in providing a \$2,000 one-time incentive for staff that will be distributed before the end of July so that staff would be able to save for the tax-free holiday or they can just pay their bills.

Commissioner Carrington moved the Approval of providing a \$2,000 one-time incentive for every member of the staff that will be distributed before the end of July. **2nd Vice-Chairperson Apostolou** seconded the motion. The motion Passed (4-Ayes and 0-Nays).

Mr. Gerber thanked the Board for the support of staff.

A Salary Study is currently being done to gather information that will assist in managing staff retention as well.

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

The meeting adjourned at 1:58 p.m.

Michael G. Gerber, Secretary

Carl S. Richie, Jr., Chairperson

HOUSING AUTHORITY OF THE CITY OF AUSTIN

BOARD ACTION REQUEST

RESOLUTION NO. 02757

RENTAL ASSISTANCE DEMONSTRATION

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. 02757 by the Board of Commissioners of the Housing Authority of the City of Austin (the “Authority”) approving the issuance by Austin Affordable PFC, Inc. of its Multifamily Housing Revenue Bonds (Pathways at Rosewood Courts East) Series 2022

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The board is being asked to approve Resolution No. 02757 approving the issuance by Austin Affordable PFC, Inc. of its Multifamily Housing Revenue Bonds (Pathways at Rosewood Courts East) Series 2022

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. 02757

Pathways at Rosewood Courts East

Resolution approving the issuance by Austin Affordable PFC, Inc. of its Multifamily Housing Revenue Bonds (Pathways at Rosewood Courts East) Series 2022

WHEREAS, Austin Affordable PFC, Inc. (the “Issuer”) was created by the Housing Authority of the City of Austin (the “Sponsor”) pursuant to the provisions of the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the “Act”);

WHEREAS, Section 303.071 of the Act requires that the governing body of the Sponsor approve by resolution any of the Issuer’s bonds; and

WHEREAS, it is deemed necessary and advisable that this Resolution be adopted;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF AUSTIN THAT:

Section 1. The resolution authorizing the issuance of Austin Affordable PFC, Inc. Multifamily Housing Revenue Bonds (Pathways at Rosewood Courts East) Series 2022, adopted by the Board of Directors of the Issuer (the “Issuer Resolution”), a copy of which is attached hereto as Exhibit A and made a part hereof for all purposes, is hereby approved.

Section 2. The Austin Affordable PFC, Inc. Multifamily Housing Revenue Bonds (Pathways at Rosewood Courts East) Series 2022, which are issued in an aggregate principal amount not to exceed \$30,000,000, to finance the acquisition and construction of a multifamily housing residential rental development located at approximately 2001 Rosewood Avenue, Austin, Texas 78702 including, without limitation, utilities, foundation, structures and equipment, and owned and operated by Pathways at Rosewood Courts East, LP, a Texas limited partnership (the “Project”) are hereby approved pursuant to Section 303.071 of the Act.

Section 3. The approval herein given is in accordance with the provisions of Section 303.071 of the Act and is not to be construed as any undertaking by the Sponsor, and the Bonds shall never constitute and indebtedness or pledge of the Sponsor, the City of Austin or the State of Texas, within the meaning of any constitutional or statutory provision, and the holders of the Bonds shall never be paid in whole or in part out of any funds raised or to be raised by taxation or any other revenues of the Issuer, the Sponsor, the City of Austin or the State of Texas except those revenues assigned and pledged by the Issuer in the Trust Indenture (as may be defined in the Issuer Resolution).

Section 4. The issuance of the Bonds to assist in the financing of the Project will promote the public purposes set forth in Section 303.002 of the Act, will accomplish a valid public purpose of the Sponsor by providing for the acquisition, construction, rehabilitation, renovation, repair, equipping, furnishing and placement in service of public facilities in an orderly, planned manner and at the lowest possible borrowing costs, and will provide decent, safe, and sanitary urban housing for persons of low income.

Section 5. An income that is greater than 80% of Median Gross Income for the Austin area is the amount of income that the Sponsor considers necessary for families or persons to live, without financial assistance, in decent, safe and sanitary housing without overcrowding.

Section 6. The programs and expenditures authorized and contemplated by the Issuer Resolution are hereby in all respects approved.

Section 7. The Chair and Secretary of the Sponsor and the other officers of the Sponsor are hereby authorized, jointly and severally, to execute and deliver such endorsements, instruments, certificates, documents, or papers necessary and advisable to carry out the intent and purposes of this Resolution.

Section 8. This resolution shall be in full force and effect from and upon its adoption.

PASSED this 18th day of August, 2022.

Michael G. Gerber, Secretary

Chairperson

HOUSING AUTHORITY OF THE CITY OF AUSTIN

BOARD ACTION REQUEST

RESOLUTION NO. 02758

RENTAL ASSISTANCE DEMONSTRATION

ITEM NO. 3.

MEETING DATE: August 18, 2022

STAFF CONTACT: Ann Gass, Director of Strategic Housing Initiatives

ITEM TITLE: Presentation, Discussion, and Possible Action on Resolution No. 02758 by the Board of Commissioners of the Housing Authority of the City of Austin (the “Authority”) authorizing the Housing Authority of the City of Austin (the “Authority”) to take such actions necessary or convenient to facilitate the development of the Pathways at Rosewood Courts East (the “Project”)

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to approve Resolution No. 02758 authorizing the Housing Authority of the City of Austin (the “Authority”) to take such actions necessary or convenient to facilitate the development of the Pathways at Rosewood Courts East (the “Project”).

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. 02758

Resolution authorizing the Housing Authority of the City of Austin (the “Authority”) to take such actions necessary or convenient to facilitate the development of the Pathways at Rosewood Courts East (the “Project”)

WHEREAS, the Authority owns the site on which the Project will be developed (the “Land”);

WHEREAS, the Authority and Pathways at Rosewood Courts East, LP, a Texas limited partnership (the “Partnership”), desire to enter into a ground lease (the “Ground Lease”) granting site control of the Land to the Partnership;

WHEREAS, pursuant to the terms of the Ground Lease, the Partnership is required to develop the Project as a development dedicated for low-income persons in compliance with the laws and regulations applicable to eligible tenants under the federal low-income housing tax credit program as established at 26 U.S.C. §42 and regulations promulgated pursuant thereto;

WHEREAS, the Authority enter into a seller loan with the Partnership in an amount not to exceed \$8,000,000 to facilitate the development of the Project;

WHEREAS, subject to requisite approvals, the Authority may expend additional funds (or authorize its affiliates to expend) in an amount not to exceed \$10,000,000 in relocation costs, demolition and/or utility costs related to the Project;

NOW, THEREFORE, in connection with the development, construction and equipping of the Project, the Board of Commissioners hereby adopt the following resolutions:

BE IT RESOLVED, that any officer of the Authority (the “Executing Officer”), acting alone, is hereby authorized to review, approve and execute all certificates, affidavits, agreements, documents and other writings (collectively the “Agreements”) the Executing Officer shall deem to be necessary or desirable in the consummation of the transactions herein contemplated;

BE IT FURTHER RESOLVED, that all acts, transactions, or agreements undertaken prior hereto by the Executing Officer of the Authority, in connection with the foregoing matters are hereby ratified and confirmed as the valid actions of the Authority, effective as of the date such actions were taken; and

BE IT FURTHER RESOLVED, that the Executing Officer is hereby authorized and directed for and on behalf of, and as the act and deed of the Authority, to take such further action in the consummation of the transactions herein contemplated and to do any and all other acts and things necessary or proper in furtherance thereof, as the Executing Officer shall deem to be necessary or desirable, and all acts heretofore taken by the designee of the Executing Officer to such end are hereby expressly ratified and confirmed as the acts and deeds of the Authority.

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

PASSED this 18th day of August, 2022.

Michael G. Gerber, Secretary

Chairperson

HOUSING AUTHORITY OF THE CITY OF AUSTIN

BOARD ACTION REQUEST

RESOLUTION NO. 02759

AUSTIN AFFORDABLE HOUSING CORPORATION

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. 02759 by the Board of Commissioners of the Housing Authority of the City of Austin (the “Authority”) to take such actions necessary or convenient to facilitate the development of Vega II, a multifamily housing development (the “Project”)

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to approve Resolution No. 02759 authorizing the Housing Authority of the City of Austin (the “Authority”) to take such actions necessary or convenient to facilitate the development of Vega II, a multifamily housing development (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 the Housing Authority of the City of Austin (the "Authority") to take such actions necessary or convenient to facilitate the development of Vega II, a multifamily housing development (the "Project").

RESOLUTION NO. 02759

Resolution authorizing the Housing Authority of the City of Austin (the “Authority”) to take such actions necessary or convenient to facilitate the development of Vega II, a multifamily housing development (the “Project”)

WHEREAS, the Authority has created South Congress Public Facility Corporation, a Texas nonprofit public facility corporation (“**PFC**”), to assist in the development of multifamily housing developments such as the Project;

WHEREAS, the Authority desires for the PFC to assume a leasehold interest in and to the real property on which the Project will be constructed (the “**Land**”) from NRP Properties LLC, an Ohio limited liability company (“**NRP**”), pursuant to an assignment and assumption agreement between PFC and NRP (the “**Assumption Agreement**”), 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**”);

WHEREAS, the PFC will enter into a sublease agreement (the “**Sublease**”) with Vega Avenue Phase II Owner LP, a Delaware limited partnership (the “**Partnership**”), granting site control of the Land to the Partnership and a regulatory agreement providing that no less than 50% of the units in the Project are made available for rental to persons of low and moderate income (the “**Regulatory Agreement**”);

WHEREAS, the PFC will serve as a limited partner of Vega Avenue Phase II Apt LP, a Delaware limited partnership, which is the limited partner of the Partnership and the sole member of Vega Avenue Phase II GP LLC, a Delaware limited liability company, which is the general partner of the Partnership;

WHEREAS, pursuant to the terms of the Sublease and the Regulatory Agreement, the Partnership is required to develop the Project in a manner so that no less than 50% of the units are made available for rental to persons of low and moderate income; and

WHEREAS, the Partnership will obtain a loan in an original principal amount not to exceed \$62,000,000 (“**Mortgage Loan**”) from PNC Bank, National Association (the “**Lender**”) to finance the Project and, in connection with the making of the Mortgage Loan, Lender may require PFC to execute a leasehold deed of trust and to join in the execution of documents evidencing and/or securing the Mortgage Loan (collectively, the “**Loan Documents**”).

NOW, THEREFORE, in connection with the foregoing, the Board of Commissioners of the Authority hereby adopts the following resolutions:

BE IT RESOLVED, that the Chief Executive Officer of the Authority and/or his designee is hereby authorized to review, approve and execute all certificates, affidavits, agreements, leases, company agreements, documents and other writings, including the Loan Documents (collectively the “**Agreements**”) the Chief Executive Officer or his designee shall deem to be necessary or desirable in the consummation of the transactions and the formation of the entities herein contemplated;

BE IT FURTHER RESOLVED, that all acts, transactions, or agreements undertaken prior hereto by the Chief Executive Officer of the Authority or his designee, in connection with the foregoing matters are hereby ratified and confirmed as the valid actions of the Authority, effective as of the date such actions were taken; and

BE IT FURTHER RESOLVED, that the Chief Executive Officer and his designee are hereby authorized and directed for and on behalf of, and as the act and deed of the Authority, to take such further action in the consummation of the transactions herein contemplated and to do any and all other acts and things necessary or proper in furtherance thereof, as the Chief Executive Officer or his designee shall deem to be necessary or desirable, and all acts heretofore taken by the Chief Executive Officer and his designee to such end are hereby expressly ratified and confirmed as the acts and deeds of the Authority.

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.

CHAIRMAN

ATTEST:

SECRETARY

HOUSING AUTHORITY OF THE CITY OF AUSTIN

BOARD ACTION REQUEST

RESOLUTION NO. 02760

AUSTIN AFFORDABLE HOUSING CORPORATION

ITEM NO. 5.

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. 02760 by the Board of Commissioners of the Housing Authority of the City of Austin (the “Authority”) to take the following actions with regard to Alister Balcones Apartments (the “Development”) in Austin, Texas: (i) acquire the site of the Development; (ii) lease the Development site to the owner of the Development; and (iii) such other actions necessary or convenient to carry out this Resolution

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The board is being asked to approve Resolution No. 02760 authorizing the Housing Authority of the City of Austin to take the following actions with regard to Alister Balcones Apartments (the “Development”) in Austin, Texas: (i) acquire the site of the Development; (ii) lease the Development site to the owner of the Development; and (iii) such other actions necessary or convenient to carry out this Resolution.

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 No. 02760.

RESOLUTION NO. 02760

Resolution authorizing the Housing Authority of the City of Austin to take the following actions with regard to the Alister Balcones Apartments (the “Development”) in Austin, Texas: (i) Acquire the site of the Development; (ii) Lease the Development site to the owner of the Development; and (iii) Such other actions necessary or convenient to carry out this Resolution.

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

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

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

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

[End of Resolution]

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

CHAIRMAN

ATTEST:

SECRETARY

HOUSING AUTHORITY OF THE CITY OF AUSTIN

BOARD ACTION REQUEST

RESOLUTION NO. 02761

AUSTIN AFFORDABLE HOUSING CORPORATION

ITEM NO. 6.

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. 02761 by the Board of Commissioners of the Housing Authority of the City of Austin (the “Authority”) to take the following actions with regard to the Rolling Oaks Apartments (the “Development”) in Austin, Texas: (i) acquire the site of the Development; (ii) lease the Development site to the owner of the Development; and (iii) such other actions necessary or convenient to carry out this Resolution

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to approve Resolution No. 02761 authorizing the Housing Authority of the City of Austin (the “Authority”) to take the following actions with regard to the Rolling Oaks Apartments (the “Development”) in Austin, Texas: (i) acquire the site of the Development; (ii) lease the Development site to the owner of the Development; and (iii) such other actions necessary or convenient to carry out this Resolution.

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. In addition, \$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. 02761.

RESOLUTION NO. 02761

Resolution authorizing the Housing Authority of the City of Austin to take the following actions with regard to the Rolling Oaks Apartments (the “Development”) in Austin, Texas: (i) Acquire the site of the Development; (ii) Lease the development site to the owner of the Development; and (iii) such other actions necessary or convenient to carry out this Resolution

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

WHEREAS, in connection therewith, the Housing Authority of the City of Austin (“HACA”) has agreed to acquire certain real property in Austin, Texas (the “Land”), which constitutes the site for the Development, and to simultaneously lease the Land to Preserve at Rolling Oaks Borrower, LP, a Texas limited partnership whose general partner is controlled by an affiliate of AAHC (the “Owner”) under a long-term ground lease (the “Ground Lease”);

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

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

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

[End of Resolution]

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

CHAIRMAN

ATTEST:

SECRETARY