

AUSTIN AFFORDABLE HOUSING CORPORATION



BOARD OF DIRECTORS Regular Meeting

**Thursday, October 20, 2022
12:00 PM**

HACA Central Office, 1124 S. Interstate Highway 35

To attend the meeting via ZOOM dial: 1 346 248 7799 Meeting ID: 896 4723

9377 Passcode: 595353 <https://bit.ly/3C9OytE>

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
To attend the meeting via ZOOM dial: 1 346 248 7799 Meeting ID: 896 4723 9377 Passcode:
595353 <https://bit.ly/3C9OytE>
Austin, TX
(512.477.4488)**

Thursday, October 20, 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 September 15, 2022

ACTION ITEMS

2. Update on future developments, including St. John's.
3. Presentation, Discussion and Possible Action on Resolution No. 00215 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 Heritage Woods 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 partnership (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, capítulo 411, código de gobierno (Ley de licencia de arma o pistola), no se permiten en esta reunión con un arma o pistola que lleva abiertamente.

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

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

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

ITEM NO. 1.

MEETING DATE: October 20, 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 September 15, 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 September 15, 2022.

ATTACHMENTS:

- ▣ **202209115 AAHC Minutes Summary**

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

SEPTEMBER 15, 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, SEPTEMBER 15, 2022, AND WAS HELD AT THE HACA CENTRAL OFFICE, 1124 S. IH 35, AUSTIN, TX AND VIRTUALLY

CALL TO ORDER, ROLL CALL, CERTIFICATION OF QUORUM

The Board of Directors Regular Board Meeting of the Austin Affordable Housing Corporation, of September 15, 2022, was called to order by Edwina Carrington, AAHC Chairperson, at 12:15 pm. The meeting was held at the HACA Central Office, 1124 S. IH 35, Austin, TX and virtually.

Roll call certified a quorum was present.

MEMBERS PRESENT:

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

MEMBER(S) ABSENT:

ALSO IN ATTENDANCE:

Wilson Stoker, Cokinos Law Firm, (virtually)
Bill Walter, Coats Rose Law Firm, (virtually)

STAFF PRESENT ON THE CALL:

Andrea Galloway, Michael Gerber, Nidia Hiroms, Ron Kowal, Suzanne Schwertner, and Sylvia Blanco

PUBLIC COMMUNICATION – (3 minute time limit)

NONE

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 August 18, 2022

Director Richie moved to Approve the Board Minutes Summary for the Board Meeting held on August 18, 2022. **Director Duncan-Hall** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ACTION ITEMS

ITEM 2: Presentation, Discussion and Possible Action on Resolution No. 00214 by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the refinancing of The Oaks at Ben White (the “Development”); and (ii) take such other actions as necessary or desirable to allow the consummation of the transactions described herein

This property is in partnership with LDG Development and is the third phase of the Ben White properties located on Ben White Boulevard/Highway 71 between Riverside and Montopolis. Pointe at Ben White (family) and Villages of Ben White (senior) were AAHC’s very first new construction projects and were built in 2014.

The Pointe at Ben White and Villages of Ben White are both tax credit properties affordable to residents earning 60% AMI and below. The Oaks at Ben White Apartments is a mix of 50% affordable units at or below 80% AMI and 50% units at market rate. This is a great addition to our group of properties on Ben White Blvd. It allows residents making just over the 60% AMI threshold a place to live, but still remain in the same area as family members or friends that live at the Pointe and the Villages.

This 96-unit apartment complex offers the following amenities: resort style swimming pool, fitness studio, indoor and outdoor lounge area, and Amazon locker hub. The interior amenities include: wood-style plank flooring, granite countertops, washer and

September 15, 2022

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dryer, stainless energy-efficient appliances and covered patios.

The financing for the construction phase used a short-term loan from Broadway Bank and equity from LDG and AAHC. The property construction is complete and leasing will be stabilized in the next month or so. The construction loan will be refinanced into a permanent loan with Bellwether as the lender and a loan amount not to exceed \$19,000,000. The interest rate is estimated to be 4.44%. The estimated appraised value of the completed project is \$42,900,000. As with all properties in AAHC's portfolio, units are marketed to and will accept qualified HACA Housing Choice Voucher individuals and families.

Director Duncan-Hall moved to Approve Resolution No. 00214 by the Board of Directors of Austin Affordable Housing Corporation ("AAHC") authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the refinancing of The Oaks at Ben White (the "Development"); and (ii) take such other actions as necessary or desirable to allow the consummation of the transactions described herein. **2nd Vice-Chairperson Apostolou** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

EXECUTIVE SESSION

The Board did not recess into Executive Session.

Director Duncan-Hall moved to adjourn the meeting. **2nd Vice-Chairperson Apostolou** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

The meeting adjourned at 2:32 pm.

Michael G. Gerber, Secretary

Edwina Carrington, Chairperson

AUSTIN AFFORDABLE HOUSING CORPORATION
REPORT
ITEM NO. 2.

MEETING DATE: October 20, 2022

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

ITEM TITLE: Update on future developments, including St. John's.

BUDGETED ITEM: N/A

TOTAL COST: N/A

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00215

ITEM NO. 3.

MEETING DATE: October 20, 2022

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

ITEM TITLE: Presentation, Discussion and Possible Action on Resolution No. 00215 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 Heritage Woods 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 partnership (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. 00215 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 Heritage Woods 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 partnership (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 298 unit multi-family rental property called Heritage Woods Apartments. The development is located at 12205 N. Lamar Blvd., Austin, Texas 78753. This would be the twelfth asset AAHC and Belveron Corporation have purchased together. This asset is located in the extremely high opportunity area of Silicon Hills off North Lamar 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 Heritage Woods Apartments were built in 2021 and sits on 17.68 acres and is the last development completed by local developer Larry Peel. Some of the property amenities include a two tier swimming pool with lounge seating and cabanas, elegant clubhouse with gathering spaces and full conference room, full kitchen, pool table and coffee bar, and business center. Residents also enjoy the newly renovated fitness center, two pet parks, detached garages and additional covered parking. The property is directly across the street from Walnut Creek Metropolitan Park. The property feeds into Walnut Creek Elementary School, Westview Middle School and Connally High School. The property's location provides fantastic access to major tech employers, retail shops, grocery stores and the SH-45 and Mopac area. Below is a breakdown of the many variations of unit sizes. The property is currently 98% occupied and rents currently range from \$1,635 for a one bedroom to \$2,398 for a two bedroom.

171 1 -bedroom/1-bath	669 square feet to 941 square feet
127 2-bedroom/2-bath	1,015 square feet to 1,787 square feet

Process:

The purchase price for the Heritage Woods Apartments is \$91,100,000. Belveron will be investing approximately \$22,000,000 as a down payment, as well as \$2,000,000.00 for future capital needs. Bellwether will be providing a Freddie Mac or Fannie Mae permanent loan with a not to exceed loan amount of \$74,000,000 at a rate of approximately 4.65%. A current lease audit is underway to determine the initial number of units already qualified under 80% AMI. The property is currently 98% occupied. AAHC and Belveron are committed to providing 10% of the affordable units at 60% AMI and leasing units to all qualified voucher holders. The property will be managed by Apartment Management Professionals. Belveron has agreed to use the name Bridge at Heritage Woods for naming the property once closed.

Staff Recommendation:

Staff recommends Board approval of Resolution No. 00215.

RESOLUTION NO. 00215

Presentation, Discussion and Possible Action on Resolution No. 00215 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 Heritage Woods 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 partnership (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, Heritage Woods Borrower, LP, a Delaware limited partnership (the “Owner”), will act as the owner of the Development;

WHEREAS, AAHC desires to form AAHC Heritage MM, LLC, a Texas limited liability company (the “**Managing Member**”), which entity will serve as managing member of Heritage Woods Apartments, LLC (the “**Borrower Principal**”), which Borrower Principal will be the sole owner of Heritage Woods Apartments SPTE, LLC (the “**SPTE 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 Bellwether Enterprise Mortgage Investments, LLC (or an affiliate thereof) as lender, whereby the Owner will borrow a sum not to exceed \$74,000,000 (“**Loan**”), in order to finance the acquisition and renovation of the Development;

WHEREAS, the Loan will 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 20th day of October, 2022.

EDWINA CARRINGTON, CHAIRPERSON

ATTEST:

SECRETARY