

AUSTIN AFFORDABLE HOUSING CORPORATION



BOARD OF DIRECTORS Regular Meeting

**Wednesday, December 7, 2022
8:00 AM**

**HACA Central Office, 1124 S. Interstate Highway 35
Austin, TX**

**PUBLIC NOTICE OF A MEETING
TAKE NOTICE OF A BOARD OF DIRECTORS
REGULAR BOARD MEETING
OF THE AUSTIN AFFORDABLE HOUSING CORPORATION**

**TO BE HELD AT
HACA Central Office, 1124 S. Interstate Highway 35
Austin, TX
(512.477.4488)**

Wednesday, December 7, 2022

8:00 AM

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 October 20, 2022

ACTION ITEMS

2. Presentation, Discussion and Possible Action on Resolution No. 00216 by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, and to take any other action, that is necessary or desirable to: (i) facilitate the acquisition and construction of Parmer Gateway Lot 1 (the “Development”), which will consist 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 Parmer Gateway – Lot 1, LLC (the “Owner”), of which the sole member has a managing member wholly owned by AAHC, to own the Development; (iii) cause the Owner to enter into acquisition and construction 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.
3. Presentation, Discussion and Possible Action on Resolution No. 00217 by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, and to take any other action, that is necessary or desirable to: (i) facilitate the acquisition of Parmer Gateway Lot 4 (the “Development”), which will consist of real property in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin; (ii) cause Parmer Gateway – Lot 4, LLC (the “Owner”), of which the sole member has a managing member wholly owned by AAHC, to own the Development; and (iii) cause AAHC and/or the Owner to execute any such further documentation as necessary

or desirable to allow the consummation of the transactions described herein.

4. Presentation, Discussion and Possible Action on Resolution No. 00218 by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, and to take any other action, that is necessary or desirable to: (i) facilitate the acquisition of Parmer Gateway Lot 5 (the “Development”), which will consist 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 Parmer Gateway – Lot 5, LLC (the “Owner”), of which the sole member has a managing member wholly owned by AAHC, to own the Development; (iii) cause the Owner to enter into acquisition and construction 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: December 7, 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 October 20, 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 October 20, 2022.

ATTACHMENTS:

- ▣ **20221020 AAHC Minutes Summary**

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

OCTOBER 20, 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, OCTOBER 20, 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 October 20, 2022, was called to order by Edwina Carrington, AAHC Chairperson, at 12:12 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
Mary Apostolou, 2nd Vice-Chairperson
Dr. Tyra Duncan-Hall, Director
Carl S. Richie, Jr., Director

MEMBER(S) ABSENT:

Charles Bailey, Vice-Chairperson

ALSO IN ATTENDANCE:

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

STAFF PRESENT ON THE CALL:

Keith Swenson, 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 September 15, 2022

Director Richie moved to Approve the Board Minutes Summary for the Board Meeting held on September 15, 2022. **2nd Vice Chair Apostolou** seconded the motion. The motion Passed (4-Ayes and 0-Nays).

ACTION ITEMS

ITEM 2: Update on future developments, including St. John's.

Ron Kowal, AAHC Vice-President, announced that AAHC and a team of redevelopment partners have been working on a project in the St. John's area (formerly the site of Home Depot) of Austin. **Ron** introduced **Dr. Laura Cortez**, Cortez Consulting, who is one of the partners on the project. **Dr. Cortez** introduced the rest of the partnership team of **Christine Freindel**, City of Austin, **David Walsh**, Greystar, **Jodi Elderton**, Cortez Consulting, and **Carson Chapman**, TBG Partners. The team provided history of the redevelopment process and presented a preliminary proposed plan for the development.

The Board took a brief recess at 3:11 pm and returned at 3: 14 pm.

ITEM 3: Presentation, Discussion and Possible Action on Resolution No. 00215 by the Board of Directors of Austin Affordable Housing Corporation 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, which consists of multifamily housing units and associated amenities in Austin, Texas to be groundleased from the Housing Authority of the City of Austin; (ii) cause AAHC's subsidiary limited partnership to own the Development; (iii) cause the Owner to enter into acquisition and development financing for the Development; and (iv) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein

Austin Affordable Housing Corporation (AAHC) was presented with an opportunity to partner with Belveron Partners to purchase a 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.

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.

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.

Director Richie moved to Approve Resolution No. 00215 by the Board of Directors of Austin Affordable Housing Corporation 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, which consists of multifamily housing units and associated amenities in Austin, Texas to be groundleased from the Housing Authority of the City of Austin; (ii) cause AAHC's subsidiary limited partnership to own the Development; (iii) cause the Owner to enter into acquisition and development financing for the Development; and (iv) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein. **2nd Vice-Chairperson Apostolou** seconded the motion. The motion Passed (4-Ayes and 0-Nays).

EXECUTIVE SESSION

The Board did not recess into Executive Session.

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

The meeting adjourned at 3:22 pm.

Michael G. Gerber, Secretary

Edwina Carrington, Chairperson

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00216

ITEM NO. 2.

MEETING DATE: December 7, 2022

STAFF CONTACT: Suzanne Schwertner, Director of Development

ITEM TITLE: Presentation, Discussion and Possible Action on Resolution No. 00216 by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, and to take any other action, that is necessary or desirable to: (i) facilitate the acquisition and construction of Parmer Gateway Lot 1 (the “Development”), which will consist 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 Parmer Gateway – Lot 1, LLC (the “Owner”), of which the sole member has a managing member wholly owned by AAHC, to own the Development; (iii) cause the Owner to enter into acquisition and construction 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. 00216 authorizing AAHC to execute any and all documents, and to take any other action, that is necessary or desirable to: (i) facilitate the acquisition and construction of Parmer Gateway Lot 1 (the “Development”), which will consist 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 Parmer Gateway – Lot 1, LLC (the “Owner”), of which the sole member has a managing member wholly owned by AAHC, to own the Development; (iii) cause the Owner to enter into acquisition and construction 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 is being presented with an opportunity to partner with River City Capital Partners (RCCP), LDG Multifamily and Battery Global Advisors (BGA) on three lots on East Parmer Lane and Yager Lane, located in the Austin ETJ. The first (Parmer Gateway – Lot 1) is a certain 11.47 acre tract of land located at 3901 E Parmer Lane, Austin, Texas 78754. This project will consist of 273 family apartment units. Fifty percent of the units will be affordable to tenants earning less than 80% median

family income (MFI) and 50% will be rented to tenants earning at or greater than 80% MFI. The following schools in the Manor ISD will serve this property: Pioneer Crossing Elementary, Decker Middle School and Manor High School. The name will be some form of “Bridge at”.

This partnership with RCCP and LDG will be similar to our partnership on Urban East (located off Riverside Drive and Vargas) which was approved by the board in November 2020 and is under construction currently.

HACA is pleased to be partnering with River City Capital and LDG on this development. Both organizations are strongly committed to broadened affordability and serving the lowest-income persons in our community. This development will bring much needed affordability to an emerging area of opportunity, where significant investment is being made in employment opportunities, education, and healthcare. By participating in this development, HACA is meeting its agency objectives by providing high-quality, affordable housing in an area of rapid growth for families below the 80% AMI income limits and the many families being served through HACA’s Housing Choice Voucher program.

RCCP is an Austin-based developer of innovative residential and commercial urban in-fill projects. Peter Kehle, co-founder is responsible for all aspects of the company’s development, financing, construction and acquisition activities. He brings 30 years of experience in these areas. Prior to RCCP, Peter founded Alliance Credit Corporation, a nationwide provider of commercial equipment leasing and accounts receivable factory; Cherokee Construction, a civil construction firm performing private and public works construction in Central Texas; and Kehle Management, Inc., a provider of real estate development services including site selection, market analysis, project design, securing entitlements and financial modeling. Cory Older, co-founder leads investment relations, property acquisition, sales, financial modeling, and accounting. Cory began his career as an Audit Consultant with the big-four accounting firm, Deloitte. After 4 years at Deloitte, he became Controller of Keller Williams Realty International. Cory received the distinct honor of being selected by the Keller Williams Realty executive team to attend the Acton School of Entrepreneurship’s MBA program. Upon graduating from this program, Cory returned to Keller Williams Realty International to head up their Commercial Real Estate Division. He later led the Global Property Specialist division and the Young Professionals Division.

Process:

This lot is located in an Opportunity Zone. Real estate investments within Opportunity Zones stand to provide investors with meaningful federal and state tax incentives, as a result of the Tax Cuts and Jobs Act of 2017. This parcel was attractive due to the appetite by equity firms to invest in Opportunity Zones.

The development will use debt financing originated by International Bank of Commerce (IBC) and equity from a combination of RCCP and Battery Global Advisors (BGA) out of Boston, MA. BGA uses a wide variety of private funds to invest in projects in Opportunity Zones. A large number of their investors are family investors. The total development cost is estimated to be \$85,600,000. The equity provided will be an estimated \$36,000,000, which is about 42% of the total cost. The construction loan through IBC will be in an amount not to exceed \$50,000,000. The planned development will consist of 178 one bedroom and one bath units, 86 two bedroom and two bath units, and 9 three bedroom and two bath units.

The project will include a fitness center, pool, co-work area, and sky-lounge. This project will be a Urban style with two 4-story buildings with elevators and surface parking. All units will be marketed to HACA’s Housing Choice Voucher residents. This approval will allow AAHC to complete the closing transaction and start construction.

Unit Breakdown:

| | | |
|-----|------------------------|---------------------|
| 178 | 1-bedroom/1-bath units | 707-980 sq. ft. |
| 86 | 2-bedroom/2-bath units | 1,069-1,301 sq. ft. |
| 9 | 3-bedroom/2-bath units | 1,460-1,694 sq. ft. |

Staff Recommendation:

Staff recommends Board approval of Resolution No. 00216.

RESOLUTION NO. 00216

A Resolution by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the acquisition and construction of Parmer Gateway Lot 1 (the “Development”), which will consist of multifamily housing units and associated amenities to be built upon land in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin; (ii) cause Parmer Gateway—Lot 1, LLC (the “Owner”), of which the sole member has a managing member wholly owned by AAHC, to own the Development; (iii) cause the Owner to enter into acquisition and construction 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, construction and development of the Development;

WHEREAS, as part of the proposed ownership structure for the Development, AAHC desires to form AAHC Parmer Gateway, LLC, a Texas limited liability company (the “**Managing Member**”), to serve as the managing member of Parmer Gateway QOZB LLC, a Texas limited liability company which entity is the sole member of the Owner (the “**Sole Member**”), and AAHC shall serve as the sole member of the Managing Member;

WHEREAS, as sole member of the Managing Member, AAHC will cause the Managing Member to enter into an amended and restated company agreement of the Sole Member (the “**Sole Member Operating Agreement**”);

WHEREAS, as sole member of the Managing Member of the Sole Member, AAHC will cause the Sole Member to enter into a limited liability company agreement of the Owner (the “**Owner Operating Agreement**”);

WHEREAS, in connection with the acquisition and development of the Development, the Owner desires to obtain site control of approximately 10.78 acres of 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 construction loan with International Bank of Commerce (“**IBC**”), whereby the Owner will borrow a sum not to exceed \$50,000,000 (“**Loan**”), in order to finance the acquisition of the Land and the construction of Development;

WHEREAS, the Loan will be made pursuant to a Promissory Note to be secured, *inter alia*,

by a Leasehold Estate Deed of Trust, Assignment of Rents, Security Agreement and Financing Statement, an Assignment of Construction Agreements, an Environmental Indemnity Agreement, an Assignment of Management Agreements, an Assignment of Plans, a Ground Lease Recognition Agreement, a Construction Loan Agreement, UCC financing statements, certificates, affidavits, directions, amendments, indemnifications, notices, requests, demands, waivers, and any other assurances, instruments, agreements, 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 (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 the Loan Documents, (ii) the Sole Member Operating Agreement and the Owner Operating Agreement, and (iii) any and all such additional documents executed to consummate the transactions contemplated herein (collectively, the "**Transaction Documents**") shall be in form and substance approved by the Executing Officer (as such term is hereinafter defined), both individually and in a representative capacity as identified in these resolutions, his/her approval of each such instrument to be conclusively evidenced by his execution thereof; and it is further,

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

RESOLVED that the authorization of AAHC and/or Managing Member and/or Sole Member and/or Owner, as applicable, 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 Sole Member and/or Owner, as applicable, by any of the officers of AAHC of the Transaction Documents, in the form as so executed and delivered is hereby approved, ratified and confirmed; and it is further

RESOLVED, that any officer of AAHC (each an "**Executing Officer**"), acting alone without the joinder of any other officer, is hereby authorized and directed for and on behalf, and as the act and deed of AAHC and/or Managing Member and/or Sole Member and/or Owner, as applicable, to execute and deliver all other documents and other writings of every nature whatsoever in connection with the development of the Development, as applicable, including but not limited to, the Transaction Documents, as the Executing Officer deems necessary in order to carry into effect the intent and purposes of these resolutions, and any

other instruments approved by the Executing Officer (acting in a representative capacity as identified in these resolutions, acting individually and on behalf of the Managing Member, the Sole Member and the Owner, as applicable), executing same, his/her approval of each such instrument to be conclusively evidenced by his/her execution thereof, and to take such other action in the consummation of the transactions herein contemplated as the Executing Officer acting shall deem to be necessary or advisable, without the necessity of attestation by the secretary or other officer or director, and any and all acts heretofore taken by the Executing Officer to such end are hereby expressly ratified and confirmed as the acts and deeds of AAHC and/or Managing Member and/or Sole Member and/or Owner, as applicable, effective as of the date such action was taken; and it is further

RESOLVED, that action by any of the officers of AAHC, and any person or persons designated and authorized so to act by any such officer, to do and perform, or cause to be done and performed, in the name and on behalf of AAHC and/or Managing Member and/or Sole Member and/or Owner, as applicable, 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, agreements 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 of 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 7th day of December, 2022.

CHAIRPERSON, EDWINA CARRINGTON

ATTEST:

SECRETARY

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00217

ITEM NO. 3.

MEETING DATE: December 7, 2022

STAFF CONTACT: Suzanne Schwertner, Director of Development

ITEM TITLE: Presentation, Discussion and Possible Action on Resolution No. 00217 by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, and to take any other action, that is necessary or desirable to: (i) facilitate the acquisition of Parmer Gateway Lot 4 (the “Development”), which will consist of real property in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin; (ii) cause Parmer Gateway – Lot 4, LLC (the “Owner”), of which the sole member has a managing member wholly owned by AAHC, to own the Development; and (iii) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to approve Resolution No. 00217 authorizing AAHC to execute any and all documents, and to take any other action, that is necessary or desirable to: (i) facilitate the acquisition of Parmer Gateway Lot 4 (the “Development”), which will consist of real property in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin; (ii) cause Parmer Gateway – Lot 4, LLC (the “Owner”), of which the sole member has a managing member wholly owned by AAHC, to own the Development; and (iii) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

SUMMARY

Background:

Austin Affordable Housing Corporation is being presented with an opportunity to partner with River City Capital Partners (RCCP), LDG Multifamily and Battery Global Advisors (BGA) on three lots on East Parmer Lane and Yager Lane, located in the Austin ETJ. The second (Parmer Gateway – Lot 4) is a certain 13.61 acre tract of land located at 3911 E. Parmer Lane, Austin, TX 78754. The following schools in the Manor ISD will serve this property: Pioneer Crossing Elementary, Decker Middle School and Manor High School.

This partnership with RCCP and LDG will be similar to our partnership on Urban East (located off Riverside Drive and Vargas) which was approved by the board in November 2020 and is under construction currently.

HACA is pleased to be partnering with River City Capital and LDG on this development. Both organizations are strongly committed to broadened affordability and serving the lowest-income persons in our community. This development will bring much needed affordability to an emerging area of opportunity, where significant investment is being made in employment opportunities, education, and healthcare. By participating in this development, HACA is meeting its agency objectives by providing high-quality, affordable housing in an area of rapid growth for families below the 80% AMI income limits and the many families being served through HACA's Housing Choice Voucher program.

Process:

This lot is located in an Opportunity Zone. Real estate investments within Opportunity Zones stand to provide investors with meaningful federal and state tax incentives, as a result of the Tax Cuts and Jobs Act of 2017. This parcel was attractive due to the appetite by equity firms to invest in Opportunity Zones.

Our ask of the Board on Lot 4 is different from Lot 1 and Lot 5. We will only be asking to approve the purchase of the lot by the partnership with equity funds from BGA, the transfer of the lot to HACA and execution of a ground lease from HACA to the partnership. In 18 months when we are ready to start construction on the property, assuming the project is still feasible, we will bring this lot back to the board for approval to close on construction financing and commencement of construction.

Staff Recommendation:

Staff recommends Board approval of Resolution No. 00217.

RESOLUTION NO. 00217

A Resolution by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the acquisition of Parmer Gateway Lot 4 (the “Development”), which will consist of real property in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin; (ii) cause Parmer Gateway—Lot 4, LLC (the “Owner”), of which the sole member has a managing member wholly owned by AAHC, to own the Development; and (iii) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein

WHEREAS, AAHC is contemplating the acquisition, construction and development of the Development;

WHEREAS, as part of the proposed ownership structure for the Development, AAHC desires to form AAHC Parmer Gateway, LLC, a Texas limited liability company (the “**Managing Member**”), to serve as the managing member of Parmer Gateway QOZB LLC, a Texas limited liability company which entity is the sole member of the Owner (the “**Sole Member**”), and AAHC shall serve as the sole member of the Managing Member;

WHEREAS, as sole member of the Managing Member, AAHC will cause the Managing Member to enter into an amended and restated company agreement of the Sole Member (the “**Sole Member Operating Agreement**”);

WHEREAS, as sole member of the Managing Member of the Sole Member, AAHC will cause the Sole Member to enter into a limited liability company agreement of the Owner (the “**Owner Operating Agreement**”);

WHEREAS, in connection with the acquisition of the Development, the Owner desires to obtain site control of approximately 12.79 acres of 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;

NOW, BE IT RESOLVED, that all of the documents, instruments, or other writing executed by AAHC (both individually and in a representative capacity as identified in these resolutions), in consummation of the transactions herein described (both individually and in a representative capacity as identified in these resolutions), including, but not limited to, (i) the Ground Lease, (ii) the Sole Member Operating Agreement and the Owner Operating Agreement, and (iii) any and all such additional documents executed to consummate the transactions contemplated herein (collectively, the “**Transaction Documents**”) shall be in form and substance approved by the Executing Officer (as such term is hereinafter defined),

both individually and in a representative capacity as identified in these resolutions, his/her approval of each such instrument to be conclusively evidenced by his execution thereof; and it is further,

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

RESOLVED that the authorization of AAHC and/or Managing Member and/or Sole Member and/or Owner, as applicable, 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 Sole Member and/or Owner, as applicable, by any of the officers of AAHC of the Transaction Documents, in the form as so executed and delivered is hereby approved, ratified and confirmed; and it is further

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

RESOLVED, that action by any of the officers of AAHC, and any person or persons designated and authorized so to act by any such officer, to do and perform, or cause to be done and performed, in the name and on behalf of AAHC and/or Managing Member and/or Sole Member and/or Owner, as applicable, 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, agreements 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 of 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 7th day of December, 2022.

CHAIRPERSON, EDWINA CARRINGTON

ATTEST:

SECRETARY

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00218

ITEM NO. 4.

MEETING DATE: December 7, 2022

STAFF CONTACT: Suzanne Schwertner, Director of Development

ITEM TITLE: Presentation, Discussion and Possible Action on Resolution No. 00218 by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, and to take any other action, that is necessary or desirable to: (i) facilitate the acquisition of Parmer Gateway Lot 5 (the “Development”), which will consist 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 Parmer Gateway – Lot 5, LLC (the “Owner”), of which the sole member has a managing member wholly owned by AAHC, to own the Development; (iii) cause the Owner to enter into acquisition and construction 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. 00218 authorizing AAHC to execute any and all documents, and to take any other action, that is necessary or desirable to: (i) facilitate the acquisition of Parmer Gateway Lot 5 (the “Development”), which will consist 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 Parmer Gateway – Lot 5, LLC (the “Owner”), of which the sole member has a managing member wholly owned by AAHC, to own the Development; (iii) cause the Owner to enter into acquisition and construction 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 is being presented with an opportunity to partner with River City Capital Partners (RCCP), LDG Multifamily and Battery Global Advisors (BGA) on three lots on East Parmer Lane and Yager Lane, located in the Austin ETJ. The third (Parmer Gateway – Lot 5) is a certain 24.67 acre tract of land located at 4835 E. Yager Lane, Austin, TX 78754. This project will consist of 300 family apartment units. Fifty percent of the units will be affordable to tenants earning less than 80% median family income (MFI) and 50% will be rented to tenants earning at or greater than 80% MFI. The following

schools in the Manor ISD will serve this property: Pioneer Crossing Elementary, Decker Middle School and Manor High School. The name will be some form of “Bridge at”.

This partnership with RCCP and LDG will be similar to our partnership on Urban East (located off Riverside Drive and Vargas) which was approved by the board in November 2020 and is under construction currently.

HACA is pleased to be partnering with River City Capital and LDG on this development. Both organizations are strongly committed to broadened affordability and serving the lowest-income persons in our community. This development will bring much needed affordability to an emerging area of opportunity, where significant investment is being made in employment opportunities, education, and healthcare. By participating in this development, HACA is meeting its agency objectives by providing high-quality, affordable housing in an area of rapid growth for families below the 80% AMI income limits and the many families being served through HACA’s Housing Choice Voucher program.

RCCP is an Austin-based developer of innovative residential and commercial urban in-fill projects. Peter Kehle, co-founder is responsible for all aspects of the company’s development, financing, construction and acquisition activities. He brings 30 years of experience in these areas. Prior to RCCP, Peter founded Alliance Credit Corporation, a nationwide provider of commercial equipment leasing and accounts receivable factory; Cherokee Construction, a civil construction firm performing private and public works construction in Central Texas; and Kehle Management, Inc., a provider of real estate development services including site selection, market analysis, project design, securing entitlements and financial modeling. Cory Older, co-founder leads investment relations, property acquisition, sales, financial modeling, and accounting. Cory began his career as an Audit Consultant with the big-four accounting firm, Deloitte. After 4 years at Deloitte, he became Controller of Keller Williams Realty International. Cory received the distinct honor of being selected by the Keller Williams Realty executive team to attend the Acton School of Entrepreneurship’s MBA program. Upon graduating from this program, Cory returned to Keller Williams Realty International to head up their Commercial Real Estate Division. He later led the Global Property Specialist division and the Young Professionals Division.

Process:

This lot is located in an Opportunity Zone. Real estate investments within Opportunity Zones stand to provide investors with meaningful federal and state tax incentives, as a result of the Tax Cuts and Jobs Act of 2017. This parcel was attractive due to the appetite by equity firms to invest in Opportunity Zones.

The development will use debt financing originated by Comerica and equity from a combination of RCCP, LDG and Battery Global Advisors (BGA) out of Boston, MA. BGA uses a wide variety of private funds to invest in projects in Opportunity Zones. A large number of their investors are family investors. The total development cost is estimated to be \$97,550,000. The equity provided will be an estimated \$38,550,000, which is about 40% of the total cost. The construction loan through Comerica will be in amount not to exceed \$59,000,000. The planned development will consist of 24 one bedroom and one bath units, 168 two bedroom and two bath units, 96 three bedroom and two bath units, and 12 four bedroom and two bath units.

The project will include a large clubhouse, fitness center, playground and pool as well as a large amount of greenspace. This project will be Garden-style with buildings spread out over the 24+ acres. All units will be marketed to HACA’s Housing Choice Voucher residents. This approval will allow AAHC to complete the closing transaction and start construction.

Unit Breakdown:

| | | |
|-----|------------------------|---------------|
| 24 | 1-bedroom/1-bath units | 870 sq. ft. |
| 168 | 2-bedroom/2-bath units | 1,089 sq. ft. |
| 96 | 3-bedroom/2-bath units | 1,525 sq. ft. |
| 12 | 4-bedroom/2-bath units | 1,919 sq. ft. |

Staff Recommendation:

Staff recommends Board approval of Resolution No. 00218.

RESOLUTION NO. 00218

A Resolution by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the acquisition and construction of Parmer Gateway Lot 5 (the “Development”), which will consist of multifamily housing units and associated amenities to be built upon land in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin; (ii) cause Parmer Gateway— Lot 5, LLC (the “Owner”), of which the sole member has a managing member wholly owned by AAHC, to own the Development; (iii) cause the Owner to enter into acquisition and construction 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, construction and development of the Development;

WHEREAS, as part of the proposed ownership structure for the Development, AAHC desires to form AAHC Parmer Gateway, LLC, a Texas limited liability company (the “**Managing Member**”), to serve as the managing member of Parmer Gateway QOZB LLC, a Texas limited liability company which entity is the sole member of the Owner (the “**Sole Member**”), and AAHC shall serve as the sole member of the Managing Member;

WHEREAS, as sole member of the Managing Member, AAHC will cause the Managing Member to enter into an amended and restated company agreement of the Sole Member (the “**Sole Member Operating Agreement**”);

WHEREAS, as sole member of the Managing Member of the Sole Member, AAHC will cause the Sole Member to enter into a limited liability company agreement of the Owner (the “**Owner Operating Agreement**”);

WHEREAS, in connection with the acquisition and development of the Development, the Owner desires to obtain site control of approximately 24.68 acres of 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 construction loan with Comerica Bank in its own capacity and/or as administrative agent on behalf of certain lenders (“**Comerica**”), whereby the Owner will borrow a sum not to exceed \$59,000,000 (“**Loan**”), in order to finance the acquisition of the Land and the construction of Development;

WHEREAS, the Loan will be made pursuant to one or more promissory note(s) to be

secured, *inter alia*, by a deed of trust, loan agreement, UCC financing statements, certificates, affidavits, directions, amendments, indemnifications, notices, requests, demands, waivers, and any other assurances, instruments, agreements, 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 (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 the Loan Documents, (ii) the Sole Member Operating Agreement and the Owner Operating Agreement, and (iii) any and all such additional documents executed to consummate the transactions contemplated herein (collectively, the "**Transaction Documents**") shall be in form and substance approved by the Executing Officer (as such term is hereinafter defined), both individually and in a representative capacity as identified in these resolutions, his/her approval of each such instrument to be conclusively evidenced by his execution thereof; and it is further,

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

RESOLVED that the authorization of AAHC and/or Managing Member and/or Sole Member and/or Owner, as applicable, 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 Sole Member and/or Owner, as applicable, by any of the officers of AAHC of the Transaction Documents, in the form as so executed and delivered is hereby approved, ratified and confirmed; and it is further

RESOLVED, that any officer of AAHC (each an "**Executing Officer**"), acting alone without the joinder of any other officer, is hereby authorized and directed for and on behalf, and as the act and deed of AAHC and/or Managing Member and/or Sole Member and/or Owner, as applicable, to execute and deliver all other documents and other writings of every nature whatsoever in connection with the development of the Development, as applicable, including but not limited to, the Transaction Documents, as the Executing Officer deems necessary in order to carry into effect the intent and purposes of these resolutions, and any other instruments approved by the Executing Officer (acting in a representative capacity as identified in these resolutions, acting individually and on behalf of the Managing Member, the Sole Member and the Owner, as applicable), executing same, his/her approval of each such instrument to be conclusively evidenced by his/her execution thereof, and to take such other

action in the consummation of the transactions herein contemplated as the Executing Officer acting shall deem to be necessary or advisable, without the necessity of attestation by the secretary or other officer or director, and any and all acts heretofore taken by the Executing Officer to such end are hereby expressly ratified and confirmed as the acts and deeds of AAHC and/or Managing Member and/or Sole Member and/or Owner, as applicable, effective as of the date such action was taken; and it is further

RESOLVED, that action by any of the officers of AAHC, and any person or persons designated and authorized so to act by any such officer, to do and perform, or cause to be done and performed, in the name and on behalf of AAHC and/or Managing Member and/or Sole Member and/or Owner, as applicable, 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, agreements 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 of 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 7th day of December, 2022.

CHAIRPERSON, EDWINA CARRINGTON

ATTEST:

SECRETARY