

# **AUSTIN AFFORDABLE HOUSING CORPORATION**



## **BOARD OF DIRECTORS Regular Meeting**

**Thursday, January 19, 2023  
1:00 PM**

**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)**

**Thursday, January 19, 2023**

**1:00 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 December 7, 2022

**ACTION ITEMS**

2. Presentation, Discussion and Possible Action on Resolution No. 00219 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 Indigo 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 esta reunión con una arma o pistola.

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

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

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

**AUSTIN AFFORDABLE HOUSING CORPORATION**

**BOARD ACTION REQUEST**

**ITEM NO. 1.**

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**MEETING DATE:** January 19, 2023

**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 December 7, 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 December 7, 2022.

**ATTACHMENTS:**

- ▣ **20221207 AAHC Minutes**

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

**DECEMBER 7, 2022**

**SUMMARY OF MINUTES**

**THE AUSTIN AFFORDABLE HOUSING CORPORATION (AAHC) BOARD OF DIRECTORS REGULAR PUBLIC MEETING NOTICE WAS POSTED FOR 8:00 AM ON WEDNESDAY, DECEMBER 7, 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 December 7, 2022, was called to order by Edwina Carrington, AAHC Chairperson, at 8:12 am. 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  
Mary Apostolou, 2<sup>nd</sup> Vice-Chairperson  
Dr. Tyra Duncan-Hall, Director  
Carl S. Richie, Jr., Director

**MEMBER(S) ABSENT:**

**ALSO IN ATTENDANCE:**

Wilson Stoker, Cokinon Law Firm  
Bill Walter, Coats Rose Law Firm

**STAFF PRESENT:**

Gloria Morgan, Jimi Teasdale, Keith Swenson, Kelly Crawford, Leilani Lim-Villegas, Lisa Garcia, Michael Cummings, 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 October 20, 2022**

**Director Duncan-Hall** moved to Approve the Board Minutes Summary for the Board Meeting held on October 20, 2022. **2<sup>nd</sup> Vice-Chair Apostolou** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

**Chairperson Carrington left at 11:28 am.**

**Director Richie left at 11:30 am, AAPFC Vice-Chairperson Bailey presiding over meeting.**

**ACTION ITEMS**

**ITEM 2: Presentation, Discussion and Possible Action on Resolution No. 00216 by the Board of Directors of Austin Affordable Housing Corporation 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, 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, 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**

Austin Affordable Housing Corporation was 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 11.47 acre tract of land located at 3901 E Parmer Lane, Austin, Texas 78754. This

December 7, 2022

Page 1 of 4

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 1 Real Estate Division. He later led the Global Property Specialist division and the Young Professionals Division.

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 an 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 allows AAHC to complete the closing transaction and start construction.

**2<sup>nd</sup> Vice-Chair Apostolou** moved to Approve Resolution No. 00216 by the Board of Directors of Austin Affordable Housing Corporation 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, 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, 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. **Director Duncan-Hall** seconded the motion. The motion Passed (3-Ayes and 0-Nays).

**ITEM 3: Presentation, Discussion and Possible Action on Resolution No. 00217 by the Board of Directors of Austin Affordable Housing Corporation 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, 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, 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**

Austin Affordable Housing Corporation was 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 13.61 acre tract of land located at 3911 E. Parmer Lane, Austin, TX 78754. The

following schools in the or 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.

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 request of the Board on Lot 4 was different from Lot 1 and Lot 5. Staff only asked for approval to purchase 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 AAHC is ready to start construction on the property, assuming the project is still feasible, it will be brought to the board for approval to close on construction financing and commencement of construction.

**Director Duncan-Hall** moved to Approve Resolution No. 00217 by the Board of Directors of Austin Affordable Housing Corporation 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, 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, 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. **2<sup>nd</sup> Vice-Chair Apostolou** seconded the motion. The motion Passed (3-Ayes and 0-Nays).

**ITEM 4: Presentation, Discussion and Possible Action on Resolution No. 00218 by the Board of Directors of Austin Affordable Housing Corporation 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, 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, 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**

Austin Affordable Housing Corporation was 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 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 AAHC's 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 1 Real Estate Division. He later led the Global Property Specialist division and the Young Professionals Division.

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. Approval allows AAHC to complete the closing transaction and start construction.

**2<sup>nd</sup> Vice-Chair Apostolou** moved to Approve Resolution No. 00218 by the Board of Directors of Austin Affordable Housing Corporation 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, 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, 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. **Director Duncan-Hall** seconded the motion. The motion Passed (3-Ayes and 0-Nays).

#### **EXECUTIVE SESSION**

The Board did not recess into Executive Session.

**Director Duncan-Hall** moved to adjourn the meeting. **2<sup>nd</sup> Vice-Chairperson Apostolou** seconded the motion. The motion Passed (3-Ayes and 0-Nays).

The meeting adjourned at 11:55 am.

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**Michael G. Gerber, Secretary**

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**Edwina Carrington, Chairperson**



# AUSTIN AFFORDABLE HOUSING CORPORATION

## BOARD ACTION REQUEST

### RESOLUTION NO. 00219

#### ITEM NO. 2.

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**MEETING DATE:** January 19, 2023

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

**ITEM TITLE:** Presentation, Discussion and Possible Action on Resolution No. 00219 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 Indigo 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. 00219 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 Indigo 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 325 unit multi-family rental property called The Indigo Apartments. The development is located at 10800 Lakeline Boulevard, Austin, Texas 78717. This would be the thirteenth (13<sup>th</sup>) asset AAHC and Belveron Corporation have purchased together. This asset is located in the extremely high opportunity and rapidly growing area of Northwest Austin and Lakeline Mall.

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 Indigo Apartments were built in 2013 and sits on 18.226 acres. Some of the property amenities include a resort-style swimming pool with lounge seating and cabanas and a splash pad, elegant clubhouse with gathering spaces and full conference room, full kitchen, a billiards lounge and coffee bar, and business center. Residents also enjoy the newly renovated fitness center, a large pet park with washing station, detached garages and additional covered parking. The property feeds into the Round Rock School District and Purple Sage Elementary School, Pearson Middle School and McNeil High School. The property's location is ½ mile from the Lakeline Metro Rail Station and provides fantastic access to major tech employers, retail shops, grocery stores and the SH-45 and US-183 roadways.

This is an important transaction to HACA and AAHC as we have yet to obtain an asset in such a high opportunity area as Lakeline. This asset will allow our current voucher holders another excellent opportunity for housing in an extremely strong area for schools, jobs and transportation. With the Lakeline area exploding in growth, AAHC and Belveron can provide some stable and affordable housing not only to our stakeholders but to the community as well. This property is home to many children and their families who attend these strong schools and work in and around the area.

Below is a breakdown of the many variations of unit sizes. The property is currently 98% occupied and rents currently range from \$1,721 for a one bedroom to \$2,345 for a three bedroom.

<b>193 1-bedroom/1-bath</b>	<b>657 square feet to 791 square feet</b>
<b>124 2-bedroom/2-bath</b>	<b>1,039 square feet to 1,204 square feet</b>
<b>8 3-bedroom/2-bath</b>	<b>1,315 square feet</b>

***Process:***

The purchase price for the Indigo Apartments is \$80,262,000. Belveron will be investing approximately \$25,000,000 as a down payment. In addition, \$2,000,000.00 for future capital needs will also be set aside. Bellwether will be providing a Freddie Mac or Fannie Mae permanent loan with a not to exceed loan amount of \$64,000,000 at a rate of approximately 5.02% with a 35-year amortization. A current lease audit is underway to determine the initial number of units already qualified under 80% AMI. The property is currently 95% 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 Indigo Apartments once closed.

***Staff Recommendation:***

Staff recommends Board approval of Resolution No. 00219.

RESOLUTION NO. 00219

**Presentation, Discussion and Possible Action on Resolution No. 00219 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 Indigo 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**, Indigo Borrower, LP, a Delaware limited partnership (the “**Owner**”), will act as the owner of the Development;

**WHEREAS**, AAHC desires to form AAHC Indigo MM, LLC, a Texas limited liability company (the “**Managing Member**”), which entity will serve as managing member of Austin Indigo Apts, LLC (the “**Borrower Principal**”), which Borrower Principal will be the sole owner of Austin Indigo Apts SPTE, LLC (the “**SPTE Principal**”), and the SPTE 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 \$64,000,000 (“**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 SPTE 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 SPTE 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 SPTE 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 Borrower Principal and/or the SPTE Principal 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 SPTE 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 SPTE 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 SPTE 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 19<sup>th</sup> day of January, 2023.

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EDWINA CARRINGTON, CHAIRPERSON

ATTEST:

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SECRETARY