

AUSTIN AFFORDABLE HOUSING CORPORATION



BOARD OF DIRECTORS Regular Meeting

**Thursday, February 16, 2023
5:00 PM**

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

Thursday, February 16, 2023

5:00 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 January 19, 2023

ACTION ITEMS

2. Presentation, Discussion and Possible Action on Resolution No. 00220 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 Henley Riverside 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
3. Presentation, Discussion and Possible Action on Resolution No. 00221 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) cause AAHC’s wholly owned, subsidiary limited liability company, AAHC Parmer Gateway, LLC (the “Managing Member”), Parmer Gateway QOZB LLC, a Texas limited liability company (the “Sole Member”), and Parmer Gateway—Lot 1, LLC, a Texas limited liability company (the “Company”) to obtain a loan from International Bank of Commerce as financing for the construction and development of Parmer Gateway Lot 1; and (ii) cause AAHC and/or the Managing Member and/or the Sole Member and/or the Company 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. 00222 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 participate in the housing tax credit application for The Rhett
5. Presentation, Discussion and Possible Action on Resolution No. 00223 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 participate in the housing tax credit application for Kingswood

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: February 16, 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 January 19, 2023

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 January 19, 2023.

ATTACHMENTS:

- ▣ **20230119 AAHC Minutes Summary**

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

JANUARY 19, 2023

SUMMARY OF MINUTES

THE AUSTIN AFFORDABLE HOUSING CORPORATION (AAHC) BOARD OF DIRECTORS REGULAR PUBLIC MEETING NOTICE WAS POSTED FOR 1:00 PM ON THURSDAY, JANUARY 19, 2023, 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 January 19, 2023, was called to order by Carl S. Richie, Jr., HACA Chairperson, at 1:10 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:

Mary Apostolou, 2nd Vice-Chairperson
Dr. Tyra Duncan-Hall, Director
Carl S. Richie, Jr., Director

MEMBER(S) ABSENT:

Edwina Carrington, Chairperson
Charles Bailey, Vice-Chairperson

ALSO IN ATTENDANCE:

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

STAFF PRESENT:

Barbara Jackson, Jorge Sanchez, 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 December 7, 2023

2nd Vice-Chair Apostolou moved to Approve the Board Minutes Summary for the Board Meeting held on December 7, 2023.

Director Duncan-Hall seconded the motion. The motion Passed (3-Ayes and 0-Nays).

ACTION ITEMS

ITEM 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 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 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 (13th) asset AAHC e 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.

January 19, 2023

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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.

The property is currently 98% occupied and rents currently range from \$1,721 for a one bedroom to \$2,345 for a three bedroom. The breakdown consists of 193-one bedrooms, 124-two bedrooms, 8-three bedrooms. Belveron has committed to AAHC to keep the 325 units where they are currently. Of the 325 units, 15 of the units are serving people at 30% or below AMI, 26 units are at 40% AMI, 26 units are at 50% and 30 units are at 60% AMI.

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.

Director Duncan-Hall moved to Approve 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 desirable to allow the consummation of the transactions described herein. **2nd Vice-Chair Apostolou** 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. **2nd Vice-Chairperson Apostolou** seconded the motion. The motion Passed (3-Ayes and 0-Nays).

The meeting adjourned at 2:15 pm.

Michael G. Gerber, Secretary

Chairperson

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00220

ITEM NO. 2.

MEETING DATE: February 16, 2023

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

ITEM TITLE: Presentation, Discussion and Possible Action on Resolution No. 00220 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 Henley Riverside 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. 00220 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 Henley Riverside 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 368 unit multi-family rental property called The Henley Riverside Apartments. The development is located at 6107 East Riverside, Austin, Texas 78741. This would be the fourteenth (14th) asset AAHC and Belveron Corporation have purchased together. This asset is located in the rapidly growing and gentrifying corridor of Riverside Drive.

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 30,000 units across the United States. Founded in 2006, Belveron has invested in more than 220 properties in 32 states. AAHC works with the Managing Partner, Paul Odland, and Senior Portfolio Manager, Josh Plattner.

The Henley Apartments were built in 2019 and sits on 8.98 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 Austin Independent School District and Baty Elementary School, Martin Middle School and Travis High School.

This is an important transaction to HACA and AAHC as we have seen this part of Austin continue to displace the affordable community. This partnership will preserve this asset and add deeper affordability for our current voucher holders and the residents that reside in this area. With the plan to add rail on Riverside Drive this will also provide needed transportation for the residents we will be serving. Being so close to many major employers in and around this location, AAHC and Belveron can provide some stable and affordable housing to those stakeholders that are threatened with rising rent costs. This property is home to many individuals and families who work in and around the area.

Below is a breakdown of the many variations of unit sizes. The property is currently 96% occupied and rents currently range from \$1,439 for a one bedroom to \$2,515 for a three bedroom.

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

Process:

The purchase price for the Henley Apartments is \$105,000,000. Belveron will be investing approximately \$30,000,000 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 \$79,000,000 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 96% occupied. AAHC and Belveron are committed to providing 10% of the affordable units at 60% AMI and leasing units to all voucher holders. The property will be managed by Apartment Management Professionals. Belveron has agreed to use the name Bridge at Henley Riverside apartments once closed.

Staff Recommendation:

Staff recommends approval of Resolution No. 00220.

RESOLUTION NO. 00220

Presentation, Discussion and Possible Action on Resolution No. 00220 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 Henley Riverside 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, Henley Riverside Borrower, LP, a Delaware limited partnership (the “Owner”), will act as the owner of the Development;

WHEREAS, AAHC desires to form AAHC Henley Riverside MM, LLC, a Texas limited liability company (the “**Managing Member**”), which entity will serve as managing member of Henley Riverside Apartments, LLC (the “**Borrower Principal**”), which Borrower Principal will be the sole owner of Henley Riverside Apartments 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 \$84,080,000.00 (“**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 16th day of February, 2023.

Edwina Carrington, Chairperson

ATTEST:

Secretary

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00221

ITEM NO. 3.

MEETING DATE: February 16, 2023

STAFF CONTACT: Suzanne Schwertner, Director of Development

ITEM TITLE: Presentation, Discussion and Possible Action on Resolution No. 00221 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) cause AAHC’s wholly owned, subsidiary limited liability company, AAHC Parmer Gateway, LLC (the “Managing Member”), Parmer Gateway QOZB LLC, a Texas limited liability company (the “Sole Member”), and Parmer Gateway—Lot 1, LLC, a Texas limited liability company (the “Company”) to obtain a loan from International Bank of Commerce as financing for the construction and development of Parmer Gateway Lot 1; and (ii) cause AAHC and/or the Managing Member and/or the Sole Member and/or the Company 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. 00221 authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) cause AAHC’s wholly owned, subsidiary limited liability company, AAHC Parmer Gateway, LLC (the “Managing Member”), Parmer Gateway QOZB LLC, a Texas limited liability company (the “Sole Member”), and Parmer Gateway—Lot 1, LLC, a Texas limited liability company (the “Company”) to obtain a loan from International Bank of Commerce as financing for the construction and development of Parmer Gateway Lot 1; and (ii) cause AAHC and/or the Managing Member and/or the Sole Member and/or the Company to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein. This action corrects the not to exceed loan amount to \$58,000,000.

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.

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. Cory Older, co-founder leads investment relations, property acquisition, sales, financial modeling, and accounting.

This property will provide HACA and AAHC affordable units in a rapidly growing and high opportunity area. This area has several large developments of new retail, office space and warehouses as well as market rate apartment communities and single-family houses and will become unaffordable very quickly.

Process:

This resolution will correct the incorrect loan amount the lender gave to us. We approved the resolution at the December 2022 Board meeting with an amount not to exceed \$50,000,000, but it should have been \$58,000,000.

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 \$58,000,000. 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 approval of Resolution No. 00221.

RESOLUTION NO. 00221

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) cause AAHC’s wholly owned, subsidiary limited liability company, AAHC Parmer Gateway, LLC (the “Managing Member”), Parmer Gateway QOZB LLC, a Texas limited liability company (the “Sole Member”), and Parmer Gateway—Lot 1, LLC, a Texas limited liability company (the “Company”) to obtain a loan from International Bank of Commerce as financing for the construction and development of Parmer Gateway Lot 1; and (ii) cause AAHC and/or the Managing Member and/or the Sole Member and/or the Company to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

WHEREAS, AAHC is the sole member of the Managing Member;

WHEREAS, the Managing Member is the managing member of the Sole Member;

WHEREAS, the Sole Member is the sole member of the Company;

WHEREAS, the Company was formed for the purpose of owning, constructing, developing, managing, and otherwise dealing with Parmer Gateway Lot 1, an apartment complex and related amenities (the “**Project**”);

WHEREAS, the Partnership desires to enter into certain loan documents with International Bank of Commerce (“**IBC**”), in connection with a loan funded in a principal amount not to exceed \$58,000,000 (the “**Loan**”), including but not limited to a Promissory Note to be secured 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, indemnifications, notices, and such other documents IBC may require, all upon such terms and conditions as the Company deems reasonable (collectively, the “**IBC Loan Documents**”);

WHEREAS, in connection with the transactions contemplated herein, the Company, Sole Member, Managing Member and AAHC are required to enter into various documents which will evidence the same, including, but not limited to the IBC Loan Documents, and other security agreements, fixture filing statements, indemnity agreements, guaranties, development agreements, assignments of development fees, assignments of general partnership interests, certificates, directions, approvals, waivers, notices, instruments and other communications as may be required by the parties (all of such documents collectively, the “**Financing**”);

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 Financing Documents and (ii) 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, Managing Member, Sole Member and/or Company to enter into the Transaction Documents and that execution and delivery in the name and on behalf of AAHC and/or the Managing Member and/or the Sole Member and/or the Company, 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 the Managing Member and/or the Sole Member and/or the Company, to execute and deliver all other documents and other writings of every nature whatsoever in connection with the development of the Project, including but not limited to, the Transaction Documents, as the Executing Officer deems necessary in order to carry into effect the intent and purposes of these resolutions, and any other instruments approved by the Executing Officer (acting in a representative capacity as identified in these resolutions, acting individually and on behalf of the Managing Member), 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 Company, 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 the Managing Member and/or the Sole Member and/or the Company, 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 Company 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 Company is authorized to act in pursuance of these resolutions.

[End of Resolution]

PASSED, APPROVED AND ADOPTED this 16th day of February, 2023.

Edwina Carrington, Chairperson

ATTEST:

Secretary

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00222

ITEM NO. 4.

MEETING DATE: February 16, 2023

STAFF CONTACT: Suzanne Schwertner, Director of Development

ITEM TITLE: Presentation, Discussion and Possible Action on Resolution No. 00222 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 participate in the housing tax credit application for The Rhett

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to approve Resolution No. 00222 authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to participate in the housing tax credit application for The Rhett.

SUMMARY

Background:

Austin Affordable Housing Corporation is being presented with an opportunity to partner with Saigebrook Development (“Saigebrook”) and O-SDA Industries (“O-SDA”) on a certain 5-acre tract of land located at 1000 East Yager Lane, Austin, Texas 78753. This property is located in the Tech Ridge area which is primarily single-family homes with a mix of retail, restaurants, high-density residential and office/tech manufacturing. Dell’s headquarters is north of the site located between Parmer Lane and Tech Ridge Blvd. The site is surrounded on three sides by single-family homes and a shopping center on the fourth side.

The project (“The Rhett”) will consist of 215 family apartment units serving tenants at or below 30%, 50%, 60%, 70% and 80% of median family income. These units will be dispersed across all unit types throughout the development (a breakdown of units and corresponding AMIs will be included when this property is presented to the board for final approval). The Rhett received a Bond reservation through TDHCA (as issuer) and Zydeco Development Corporation (“Zydeco”) as the developer. Zydeco does not have experience in Tax Credit/Bond financed development, so they are selling the property to Saigebrook and O-SDA to develop in partnership with AAHC/HACA.

The Rhett will serve Copperfield Elementary, Westview Middle School and Connally High School in the Pflugerville ISD. Part of the operations of the apartment will be an after-school learning center that offers a minimum of 15 hours of weekly organized, on-site educational services provided to elementary, middle and high school children.

The Rhett will benefit HACA and AAHC with deep affordability (units down to 30% AMI), after-school care for elementary, middle school and high school students, and close proximity to the Parmer Lane corridor and Tech Ridge area with abundant and increasing job opportunities. We will explore using some form of "Bridge at" in the name.

Process:

The development will use a mixture of 4% tax credits and bonds to finance the development with a total project cost of approximately \$43,000,000. The planned development will consist of 67 one bedroom and one bath units, 93 two bedroom and two bath units, and 55 three bedroom and two bath units. All units will be marketed to HACA's Housing Choice Voucher residents. This approval will begin the initial process to submit an application for tax credit approval. Staff will be presenting back to the Board in the future months on the progress and specifically any and all agreements and approvals.

Staff Recommendation:

Staff recommends approval of Resolution No. 00222.

RESOLUTION NO. 00222

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 participate in the housing tax credit application for The Rhett

WHEREAS, AAHC is the sole member of AAHC Rhett GP, LLC, a Texas limited liability company (the “**General Partner**”);

WHEREAS, the General Partner shall be the sole general partner of The Rhett, LP, a Texas limited partnership (the “**Partnership**”);

WHEREAS, the Partnership was formed for the purpose of owning, developing, managing, and otherwise dealing with The Rhett, a multifamily affordable apartment complex containing approximately 215 units (the “**Project**”) to be developed on a parcel of land located at approximately 1000 E. Yager Lane in Austin, Travis County, Texas (the “**Land**”), and intended as affordable housing for rental to persons of low and moderate income;

WHEREAS, in connection with the development of the Project, the Partnership plans to submit or has submitted a 4% housing tax credit application (TDHCA #22611) to the Texas Department of Housing and Community Affairs (the “**Application**”);

WHEREAS, in connection with the Partnership’s preparation and submission of the Application, AAHC desires to participate as nonprofit sponsor, developer, and as sole member of the General Partner;

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 Application and (ii) any and all such additional documents executed to consummate the transactions contemplated herein (collectively, the “**Application 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 the authorization of AAHC, Partnership and/or General Partner to enter into the Application Documents and that execution and delivery in the name and on behalf of AAHC and/or General Partner and/or the Partnership, by any of the officers of AAHC of the Application Documents, in the form as so executed and delivered is hereby approved, ratified

and confirmed; and it is further

RESOLVED, that Ron Kowal, Vice President of AAHC, and any other 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 General Partner and/or the Partnership, to execute and deliver all other documents and other writings of every nature whatsoever in connection with the development of the Project, including but not limited to, the Application 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 General Partner), 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 General Partner and/or Partnership, effective as of the date such action was taken; 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 Partnership 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 Partnership is authorized to act in pursuance of these resolutions.

[End of Resolution]

PASSED, APPROVED AND ADOPTED this 16th day of February, 2023.

Edwina Carrington, Chairperson

Attest:

Secretary

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00223

ITEM NO. 5.

MEETING DATE: February 16, 2023

STAFF CONTACT: Suzanne Schwertner, Director of Development

ITEM TITLE: Presentation, Discussion and Possible Action on Resolution No. 00223 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 participate in the housing tax credit application for Kingswood

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to approve Resolution No. 00223 authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to participate in the housing tax credit application for Kingswood.

SUMMARY

Background:

Austin Affordable Housing Corporation is being presented with an opportunity to partner with LDG Multifamily LLC on a certain 23.054 acre tract of land located at southeast corner of FM Road 812 and Burklund Farms Road, Austin, Texas 78617 in the Austin extraterritorial jurisdiction (ETJ). The project (Kingswood) will consist of 328 family apartment units serving tenants at or below 60% of median family income. This property was initially presented to the Board in 2020, but we were unable to obtain a bond reservation at that time. The nearest properties in AAHC’s current portfolio are Pointe and Villages of Ben White to the northwest.

This property will benefit HACA and AAHC with deep affordability, a large number of family units and close proximity to TESLA and all the businesses that are building close to TESLA. Once built, we will name the property Bridge at Kingswood.

Process:

The development will use a mixture of 4% tax credits and bonds to finance the development with a total project cost of approximately \$100,000,000. The planned development will consist of 48 one bedroom and one bath units, 132 two bedroom and two bath units, 132 three bedroom and two bath units, and 16 four bedroom and two bath units. All units will be marketed to HACA’s Housing Choice Voucher residents. HACA, through its Public Facility Corporation is requesting the approval of an issuance of tax-exempt bonds

in an amount not to exceed \$50,000,000. This approval will begin the initial process to submit applications for tax credits and bond approval. Staff will be presenting back to the Board in the future months on the progress and specifically any and all agreements and approvals.

Staff Recommendation:

Staff recommends approval of Resolution No. 00223.

RESOLUTION NO. 00223

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 participate in the housing tax credit application for Kingswood.

WHEREAS, AAHC is the sole member of AAHC Kingswood GP, LLC, a Texas limited liability company (the “**General Partner**”);

WHEREAS, the General Partner shall be the sole general partner of LDG Kingswood, LP, a Texas limited partnership (the “**Partnership**”);

WHEREAS, the Partnership was formed for the purpose of owning, developing, managing, and otherwise dealing with Kingswood, a multifamily affordable apartment complex containing approximately 328 units (the “**Project**”) to be developed on a parcel of land located at approximately the southeast corner of FM Road 812 and Burklund Farms Road in Austin, Travis County, Texas (the “**Land**”), and intended as affordable housing for rental to persons of low and moderate income;

WHEREAS, in connection with the development of the Project, the Partnership plans to submit or has submitted a 4% housing tax credit application to the Texas Department of Housing and Community Affairs (the “**Application**”);

WHEREAS, in connection with the Partnership’s preparation and submission of the Application, AAHC desires to participate as nonprofit sponsor, developer, and as sole member of the General Partner;

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 Application and (ii) any and all such additional documents executed to consummate the transactions contemplated herein (collectively, the “**Application 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 the authorization of AAHC, Partnership and/or General Partner to enter into the Application Documents and that execution and delivery in the name and on behalf of AAHC and/or General Partner and/or the Partnership, by any of the officers of AAHC of the

Application Documents, in the form as so executed and delivered is hereby approved, ratified and confirmed; and it is further

RESOLVED, that Ron Kowal, Vice President of AAHC, and any other 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 General Partner and/or the Partnership, to execute and deliver all other documents and other writings of every nature whatsoever in connection with the development of the Project, including but not limited to, the Application 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 General Partner), 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 General Partner and/or Partnership, effective as of the date such action was taken; 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 Partnership 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 Partnership is authorized to act in pursuance of these resolutions.

[End of Resolution]

PASSED, APPROVED AND ADOPTED this February 16, 2023.

Edwina Carrington, Chairperson

ATTEST:

Secretary