

AUSTIN AFFORDABLE HOUSING CORPORATION



BOARD OF DIRECTORS Regular Meeting

**Thursday, August 17, 2023
12:00 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, August 17, 2023

12:00 PM

CALL TO ORDER, ROLL CALL

CERTIFICATION OF QUORUM

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

CONSENT AGENDA

Items on the Consent Agenda may be removed at the request of any Commissioner and considered at another appropriate time on this agenda. Placement on the Consent Agenda does not limit the possibility of any presentation, discussion, or action at this meeting. Under no circumstances does the Consent Agenda alter any requirements under Chapter 551 of the Texas Government Code, Texas Open Meetings Act.

CONSENT ITEMS

1. Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on June 15, 2023

ACTION ITEMS

2. Presentation, Discussion and Possible Action on Resolution No. 00233 by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the acquisition and development of the Cady Lofts (the “Development”), which will consist of multifamily housing units and associated amenities to be built upon land to be ground-leased from the Housing Authority of the City of Austin (“HACA”); (ii) cause AAHC’s wholly-owned subsidiary limited liability company, AAHC Cady Lofts MM, LLC (the “Managing Member”), to execute an amended and restated company agreement of Cady Lofts, LLC (the “Company”) and other related documents, including any development agreement, purchase option, and right of first refusal agreement; (iii) cause the Company to enter into acquisition and development financing for the Development; and (iv) cause AAHC, Managing Member, and/or the Company 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. 00234 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 Bridge at Waters Park 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 (“HACA”); (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 will receive program updates from the President/CEO and other senior 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.

*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: August 17, 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 June 15, 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 June 15, 2023.

ATTACHMENTS:

- ▣ **20230615 AAHC Minutes Summary**

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

JUNE 15, 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, JUNE 15, 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 June 15, 2023, was called to order by Carl S. Richie, Jr., HACA Chairperson, at 1:21 pm. The meeting was held at the HACA Central Office, 1124 S. IH 35, Austin, TX and virtually.

Roll call certified a quorum was present.

MEMBERS PRESENT:

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

MEMBER(S) ABSENT:

Charles Bailey, Vice-Chairperson

ALSO IN ATTENDANCE:

Sarah Scott, Coats Rose Law Firm

STAFF PRESENT:

Barbara Chen, Jorge Vazquez, Keith Swenson, Leilani Lim-Villegas, Lisa Garcia, Michael Cummings, Michael Gerber, Nidia Hiroms, Orly Cabrera, 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 Annual Board Meeting held on April 20, 2023

2nd Vice-Chair Apostolou moved to Approve the Board Minutes Summary for the Annual Board Meeting held on April 20, 2023. Director Richie seconded the motion. The motion Passed (4-Ayes and 0-Nays).

ACTION ITEMS

ITEM 2: Presentation, Discussion and Possible Action on Resolution No. 00231 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 development of The Rhett (the “Development”), which consists of affordable housing units and associated amenities to be built upon land to be ground-leased from the Housing Authority of the City of Austin (“HACA”); (ii) cause AAHC’s wholly-owned, subsidiary limited liability company, AAHC Rhett GP, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of The Rhett, LP (the “Partnership”) and other related documents, including any development and purchase option and right of first refusal agreements; (iii) cause the Partnership to enter into development financing for the Project; and (iv) cause AAHC and/or the General Partner and/or the Partnership 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 Saigebrook Development (“Saigebrook”) and O-SDA Industries (“O-SDA”) on a 5-acre tract of land located at 1000 East Yager Lane, Austin, Texas 78753. The Board was originally presented this property in February 2023 for approval to submit a tax credit application. 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. Several developers bid on the property, but none could make the financial model work due to the deep affordability requirements associated with participating in the Affordability Unlocked program.

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 are north of the site located between Parmer Lane and Tech Ridge 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% and 80% of median family income. The lender will be Community Bank of Texas/Stellar Bank and will finance both the tax-exempt bond piece of \$30,750,000 and a taxable tail in the amount of \$12,000,000. Austin Housing Finance Corporation will finance a loan of \$6,400,000 through its Rental Housing Development Assistance Program (RHDA). TDHCA will finance a loan of \$2,375,000 through its HOME American Rescue Plan (ARP) program. The Federal Home Loan Bank (FHLB) will finance a loan in the amount of \$850,000 under its Affordable Housing Program (AHP). Hudson Housing will be the investor buying the tax credits for \$.87.

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 and high school students, and close proximity to the Parmer Lane corridor and Tech Ridge area with abundant and increasing job opportunities.

All units will be marketed to qualifying tenants of HACA's Housing Choice Voucher residents. This approval will allow us to complete the financing and closing of the property.

Director Duncan-Hall moved to Approve Resolution No. 00231 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 development of The Rhett (the "Development"), which consists of affordable housing units and associated amenities to be built upon land to be ground-leased from the Housing Authority of the City of Austin ("HACA"); (ii) cause AAHC's wholly-owned, subsidiary limited liability company, AAHC Rhett GP, LLC (the "General Partner") to execute an amended and restated agreement of limited partnership of The Rhett, LP (the "Partnership") and other related documents, including any development and purchase option and right of first refusal agreements; (iii) cause the Partnership to enter into development financing for the Project; and (iv) cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein. **Director Richie** seconded the motion. The motion Passed (4-Ayes and 0-Nays).

ITEM 3: Presentation, Discussion and Possible Action on Resolution No. 00232 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 Bridge at Tech Crossing 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 ("HACA"); (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

Austin Affordable Housing Corporation (AAHC) was presented with an opportunity to partner with Belveron Partners to purchase a 288 unit multi-family rental property called Tech Junction Apartments. The development is located at 13624 Dessau Road, Austin, Texas 78753. This would be the seventeenth (17th) asset AAHC and Belveron Corporation have purchased together. This asset is located in the rapidly growing tech HUB of Austin.

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 Tech Junction Apartments were built in 2022 and sits on 8.98 acres. Some of the property amenities include a resort-style swimming pool with lounge seating and cabanas, elegant clubhouse with gathering spaces and full conference room, full kitchen, a billiards lounge and coffee bar, and business center. Residents also enjoy the expansive fitness center, a large pet park with washing station and additional covered parking. The property feeds into the Pflugerville Independent School District and Dessau and Delco Elementary School, Dessau Middle School and John B. Connally 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. 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 with no current affordability in place.

The property is currently 96% occupied and rents currently range from \$1,370 for a one bedroom to \$2,221 for a three bedroom.

The purchase price for the Tech Junction Apartments is \$73,500,000. Belveron will be investing approximately \$20,000,000 as a down payment. In addition, \$1,200,000.00 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 \$58,800,000 at a rate of approximately 5.50% 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 The property will be managed by Apartment Management Professionals. The new name for the property will be Bridge at Tech Crossing Apartments.

Director Duncan-Hall moved to Approve Resolution No. 00232 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 Bridge at Tech Crossing 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 (“HACA”); (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. **Director Richie** seconded the motion. The motion Passed (4-Ayes and 0-Nays).

EXECUTIVE SESSION

The Board did not recess into Executive Session.

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

The meeting adjourned at 2:46 pm.

Michael G. Gerber, Secretary

Chairperson

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00233

ITEM NO. 2.

MEETING DATE: August 17, 2023

STAFF CONTACT: Suzanne Schwertner, Director of Development

ITEM TITLE: Presentation, Discussion and Possible Action on Resolution No. 00233 by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the acquisition and development of the Cady Lofts (the “Development”), which will consist of multifamily housing units and associated amenities to be built upon land to be ground-leased from the Housing Authority of the City of Austin (“HACA”); (ii) cause AAHC’s wholly-owned subsidiary limited liability company, AAHC Cady Lofts MM, LLC (the “Managing Member”), to execute an amended and restated company agreement of Cady Lofts, LLC (the “Company”) and other related documents, including any development agreement, purchase option, and right of first refusal agreement; (iii) cause the Company to enter into acquisition and development financing for the Development; and (iv) cause AAHC, Managing 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. 00233 authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the acquisition and development of the Cady Lofts (the “Development”), which will consist of multifamily housing units and associated amenities to be built upon land to be ground-leased from the Housing Authority of the City of Austin (“HACA”); (ii) cause AAHC’s wholly-owned subsidiary limited liability company, AAHC Cady Lofts MM, LLC (the “Managing Member”), to execute an amended and restated company agreement of Cady Lofts, LLC (the “Company”) and other related documents, including any development agreement, purchase option, and right of first refusal agreement; (iii) cause the Company to enter into acquisition and development financing for the Development; and (iv) cause AAHC, Managing Member, and/or the Company to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

SUMMARY

Background:

Austin Affordable Housing Corporation is being presented with an opportunity to partner with SGI Ventures, LLC (Sally Gaskin) as developer/partner and Saigebrook Development, LLC (Lisa Stephens) and O-SDA (Megan Lasch) as developer consultants on a certain +/- .74 acre tract of land located within the Austin city limits at 1004-1008 East 39th Street, Austin, Texas 78751. Joy Horak-Brown with New Hope Housing, Inc. will be a supportive housing consultant and brings extensive experience in the development area of supportive housing. We will enter into a supportive services agreement with Endeavors (Annie Erickson) based in San Antonio, with an office located in Austin. The project (Cady Lofts) will consist of 100 permanent supportive housing units. The nearest property in AAHC's current portfolio is The Henderson at Reinli (under construction) to the Northeast.

Process:

The development was awarded a competitive 9% tax credit allocation in July of 2022. The project is located in a high opportunity area and will be near a high concentration of jobs and services at the University of Texas at Austin and St. David's Medical Center and will have walkable access to high frequency transit with close proximity to Mueller retail. This property will benefit both HACA and the city of Austin by delivering 100 units to reduce the number of people experiencing homelessness along with supportive services. HACA is providing 75 project-based vouchers and the City of Austin is providing 25 project-based vouchers.

The development will use multiple sources of funding to achieve construction. Hunt Capital Partners will provide the equity, purchasing the tax credits for \$.84 with a total estimated value of \$13,800,000. Cadence Bank will provide a \$9,500,000 construction loan with \$2,000,000 in permanent debt. Texas Department of Housing and Community Affairs will provide a HOME ARP loan in the amount of \$1,082,400. Austin Housing Finance Corporation awarded the development \$7,000,000 in RHDA funds. Austin Community Foundation will lend \$2,000,000. Texas State Affordable Housing Corporation will provide \$300,000 under their Affordable Housing Partnership program. AAHC will make a commitment to lend \$850,000 into the project. This commitment will be funded once the Federal Home Loan Bank approves their \$850,000 Affordable Housing Program loan. The FHLB loan proceeds will be sent to AAHC and then AAHC will then lend the total amount to the property.

Unit Breakdown:

30% AMI – 20 Efficiency Units

50% AMI – 60 Efficiency Units

60% AMI – 20 Efficiency Units

Staff Recommendation:

Staff recommends approval of Resolution No. 00233.

RESOLUTION NO. 00233

Presentation, Discussion and Possible Action on Resolution No. 00233 by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the acquisition and development of the Cady Lofts (the “Development”), which will consist of multifamily housing units and associated amenities to be built upon land to be ground-leased from the Housing Authority of the City of Austin (“HACA”); (ii) cause AAHC’s wholly-owned subsidiary limited liability company, AAHC Cady Lofts MM, LLC (the “Managing Member”), to execute an amended and restated company agreement of Cady Lofts, LLC (the “Company”) and other related documents, including any development agreement, purchase option, and right of first refusal agreement; (iii) cause the Company to enter into acquisition and development financing for the Development; and (iv) cause AAHC, the Managing 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 sole managing member of the Company;

WHEREAS, the Company was formed for the purpose of owning, constructing, developing, managing, and otherwise dealing with the Development, a 100-unit apartment project to be constructed on a parcel of land located in Austin, Travis County, Texas (the “**Land**”), and intended to serve as fully affordable supportive housing for persons of low income;

WHEREAS, in connection with the development of the Development, the Company desires to obtain site control of the Land from HACA, by entering into a ground lease (“**Ground Lease**”) with HACA for the Development;

WHEREAS, AAHC, the Managing Member, and the Company desire to enter into certain equity documents for the purpose of admitting one or more affiliates of Hunt Capital Partners, LLC, as investor member(s), to the Company (the “**Investor Member**”), including an Amended and Restated Operating Agreement of the Company, a development agreement, an Assignment and Assumption of Membership Interests and Amendment to Amended and Restated Operating Agreement, a guaranty and other related documents contemplated thereby (collectively, the “**Equity Documents**”);

WHEREAS, the Company desires to enter into a construction loan with Cadence Bank (or an affiliate thereof), as lender, whereby the Company will borrow a sum not to exceed \$9,500,000.00 (“**Construction Loan**”), in order to finance the acquisition of the Land and construction of the Development;

WHEREAS, the Construction 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 Company 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 Construction Loan (collectively, the “**Construction Loan Documents**”);

WHEREAS, the Company desires to enter into a commitment for a permanent loan in an amount not to exceed \$2,000,000.00 (“**Permanent Loan**”) from Cadence Bank (or an affiliate thereof), as lender, which Permanent Loan will be made pursuant to a loan commitment, 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 Company 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 Permanent Loan (collectively, the “**Permanent Loan Documents**”);

WHEREAS, the Company desires to obtain a loan from the Texas Department of Housing and Community Affairs (or an affiliate thereof) as lender, whereby the Company will borrow a sum not to exceed \$1,082,400.00 (“**HOME ARP Loan**”), in order to finance the acquisition of the Land and construction of the Development;

WHEREAS, the HOME ARP Loan will be made pursuant to a HOME-ARP Multifamily Housing Direct Loan Contract, a promissory note to be secured, *inter alia*, by a deed of trust, a land use restriction agreement, 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 Company 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 HOME ARP Loan (collectively, the “**HOME ARP Loan Documents**”);

WHEREAS, the Company desires to obtain a loan from the Austin Housing Finance Corporation (“**AHFC**”), whereby the Company will borrow an aggregate sum not to exceed \$7,000,000.00 (“**AHFC Loan**”), in order to finance the acquisition of the Land and construction of the Development;

WHEREAS, the AHFC Loan will be made pursuant to restrictive covenants, 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 Company 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 AHFC Loan (collectively, the “**A H F C Loan Documents**”);

WHEREAS, in connection with the AHFC Loan, the City of Austin will require the Company to enter into an Affordability Unlocked Land Use and Restrictions Agreement (the “**AU Agreement**”);

WHEREAS, the Company desires to obtain a loan from the Austin Community Foundation (“**ACF**”), whereby the Company will borrow a sum not to exceed \$2,000,000.00 (“**ACF Loan**”), in order to finance the construction of the Development;

WHEREAS, the ACF Loan will be made pursuant to a loan agreement, a promissory note to be secured, *inter alia*, by a deed of trust, a land use restriction agreement, UCC financing statements, assignments, guaranty agreements, subordination agreements, 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 AAHC or on behalf of the Company, as applicable, 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 ACF Loan (collectively, the “**ACF Loan Documents**”);

WHEREAS, the Company desires to obtain a loan from AAHC and AAHC desires to make a loan to the Company, whereby the Company will borrow a sum not to exceed \$850,000.00 (the “**AAHC Loan**”) in order to finance the construction and operation of the Development;

WHEREAS, the AAHC Loan will be made pursuant to a loan commitment between the Company and AAHC (“**AAHC Loan Commitment**”) and shall be evidenced by 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 Company 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 AAHC Loan (collectively with the AAHC Loan Commitment, the “**AAHC Loan Documents**”);

WHEREAS, the Company desires to obtain a loan from the Texas State Affordable Housing Corporation (“**TSAHC**”) through the Affordable Housing Partnership initiative (the “**AHP Program**”), whereby the Company will borrow a sum not to exceed \$300,000.00 (the “**TSAHC Loan**”), in order to finance the acquisition of the Land and construction of the Development;

WHEREAS, the TSAHC 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, deed restriction and/or restrictive covenants, collateral assignments, and any other assurances, instruments, or other communications executed in the name of and on behalf of the Company, the Managing Member, and/or AAHC 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 TSAHC Loan (collectively, the “**TSAHC Loan Documents**”);

WHEREAS, the Company desires to obtain funding from the Federal Home Loan Bank of Dallas or a member bank (“**FHLB**”) thereof through the AHP Program (the “**AHP Funding**”);

WHEREAS, the AHP Funding will be made as a grant from the FHLB to AAHC in an amount not to exceed \$850,000.00 (the “**AHP Grant**”), and AAHC will then in turn loan the proceeds of the AHP Grant to the Company (the “**AHP Loan**”) in order to finance the acquisition of the Land and construction of the Development;

WHEREAS, the AHP Loan and the AHP Grant 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, deed restriction and/or restrictive covenants, collateral assignments, and any other assurances, instruments, or other communications executed in the name of and on behalf of the Company, the Managing Member, and/or AAHC 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 AHP Loan and the AHP Grant (collectively, the “**AHP Documents**”, and together with the Equity Documents, the Ground Lease, the Construction Loan Documents, the Permanent Loan Documents, the HOME ARP Loan Documents, the AHFC Loan Documents, the AU Agreement, the ACF Loan Documents, the AAHC Loan Documents, and the TSAHC Loan Documents, the “**Financing Documents**”);

NOW, BE IT RESOLVED, that all of the documents, instruments, or other writing executed by AAHC, the Managing Member, and/or the Company (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, the Managing Member, and/or the Company (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 Managing Member, and/or the Company, as applicable, to enter into the Transaction Documents and that execution and delivery in the name and on behalf of AAHC, the Managing Member, and/or the Company, as applicable, by any of the officers of AAHC of the Transaction Documents, in the form as so executed and delivered is hereby approved, ratified and confirmed; and it is further

RESOLVED, that AAHC is authorized to make the AAHC Loan to the Company pursuant to the AAHC Loan Documents; and it is further

RESOLVED, that any officer of AAHC, including without limitation Ron Kowal as Vice President (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 Managing Member, and/or the Company, as applicable, 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, acting individually, and on behalf of the Managing Member 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 Managing Member, and/or the Company, as applicable, effective as of the date such action was taken; and it is further

RESOLVED, that action by any of the officers of AAHC, and any person or persons designated and authorized 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 Managing Member, and/or the Company, as applicable, or the execution and delivery, or causing to be executed and delivered, such other security agreements, financing statements, notices, requests, demands, directions, consents, approvals, waivers, acceptances, appointments, applications, certificates, agreements, supplements, amendments, further assurances or other instruments 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 17th day of August, 2023.

EDWINA CARRINGTON, CHAIRPERSON

ATTEST:

SECRETARY

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00234

ITEM NO. 3.

MEETING DATE: August 17, 2023

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

ITEM TITLE: Presentation, Discussion and Possible Action on Resolution No. 00234 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 Bridge at Waters Park 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 (“HACA”); (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. 00234 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 Bridge at Waters Park 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 (“HACA”); (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 442 unit multi-family rental property called Waters Park Apartments. The development is located at 3401 West Parmer Lane, Austin, Texas 78727. This would be the eighteenth (18th) asset AAHC and Belveron Corporation have purchased together. This asset is located in the popular Domain corridor at

the corner of Parmer Lane and Mopac in Austin. If approved this would be AAHC's first asset connected to the Domain area.

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 Waters Park Apartments were built in 1996 and sits on 52 acres. Some of the property amenities include a resort-style swimming pool with lounge seating and cabanas, elegant clubhouse with gathering spaces and full conference room, full kitchen, a billiards lounge and coffee bar, and business center. Residents also enjoy the expansive fitness center, a large pet park with washing station, walking trails, a 9 hole disc golf course and additional covered parking. The property feeds into the Austin Independent School District and Summit Elementary School, Murchison Middle School and Anderson 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 Waters Park's close proximity to many major employers in and around the Domain, 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 with no current affordability in place. It also feeds into one of the strongest schools in Austin.

Below is a breakdown of the many variations of unit sizes. The property is currently 96% occupied and rents currently range from \$1,243 for a one bedroom to \$1,756 for a three bedroom.

262 1 -bedroom/1-bath	650 square feet to 890 square feet
144 2-bedroom/2-bath	912 square feet to 1,234 square feet
36 3-bedroom/2-bath	1,328 square feet

Process:

The purchase price for the Waters Park Apartments is \$94,000,000. Belveron will be investing approximately \$20,000,000 as a down payment. In addition, \$3,000,000.00 for future capital needs will also be set aside. Bellwether will be providing a Freddie Mac permanent loan with a not to exceed loan amount of \$75,200,000 at a rate of approximately 5.50% 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 marketing units to HCV voucher holders. The property will be managed by Apartment Management Professionals. The new name for the property will be Bridge at Waters Park Apartments.

Staff Recommendation:

Staff recommends approval of Resolution No. 00234.

ATTACHMENTS:

- ▣ **2023 TDHCA Income and Rent Chart**

RESOLUTION NO. 00234

Presentation, Discussion and Possible Action on Resolution No. 00234 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 Bridge at Waters Park 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 (“HACA”); (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, Waters Park Borrower, LP, a Delaware limited partnership (the “**Owner**”), will act as the owner of the Development;

WHEREAS, AAHC desires to form AAHC Waters Park MM, LLC, a Texas limited liability company (the “**Managing Member**”), which entity will serve as managing member of Waters Park Apartments, LLC, a Delaware limited liability company (the “**Borrower Principal**”), and the Borrower Principal will be the sole owner of the general partner of the Owner, Waters Park Borrower GP, LLC, a Delaware limited liability company (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 HACA by entering into a ground lease (“**Ground Lease**”) with HACA for the Land;

WHEREAS, the Owner desires to enter into a loan with Berkadia Commercial Mortgage LLC (or an affiliate thereof), as lender, whereby the Owner will borrow a sum not to exceed \$75,200,000.00 (“**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 Managing Member, the Borrower Principal, the General Partner and/or the Owner (both individually and in a representative capacity as identified in these resolutions), in consummation of the transactions herein described (both individually and in a representative capacity as identified in these resolutions), including, but not limited to, (i) the Ground Lease and Loan Documents, (ii) the Operating Agreement, (iii) the Partnership Agreement, and (iv) any and all such additional documents executed to consummate the transactions contemplated herein (collectively, the "**Transaction Documents**") shall be in form and substance approved by the Executing Officer (as such term is hereinafter defined), both individually and in a representative capacity as identified in these resolutions, his/her approval of each such instrument to be conclusively evidenced by his execution thereof; and it is further,

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

RESOLVED that the authorization of AAHC, the Managing Member, the Borrower Principal, the General Partner and/or the Owner to enter into the Transaction Documents and that execution and delivery in the name and on behalf of AAHC and/or Managing Member and/or the Borrower Principal and/or the General Partner 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 Managing Member, the Borrower Principal, the General Partner and/or the Owner, to execute and deliver all other documents and other writings of every nature whatsoever in connection with the development of the Development, including but not limited to, the Transaction Documents, as the Executing Officer deems

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

RESOLVED, that action by any of the officers of AAHC, and any person or persons designated and authorized so to act by any such officer, to do and perform, or cause to be done and performed, in the name and on behalf of AAHC, the Managing Member, the Borrower Principal, the General Partner and/or the Owner, or the execution and delivery, or causing to be executed and delivered, such other security agreements, financing statements, notices, requests, demands, directions, consents, approvals, waivers, acceptances, appointments, applications, certificates, agreements, supplements, amendments, further assurances or other instruments or communications, in the name and on behalf of AAHC or otherwise, as they, or any of them, may deem to be necessary or advisable in order to carry into effect the intent of the foregoing resolutions or to comply with the requirements of the instruments approved or authorized by the foregoing resolutions is hereby approved, ratified and confirmed; and it is further

RESOLVED, that the Board of Directors finds the actions authorized by these resolutions may reasonably be expected to directly or indirectly benefit AAHC; and it is further

RESOLVED, that the Owner be promptly notified in writing by the Secretary or any other officer of AAHC or any change in these resolutions, and until it has actually received such notice in writing, the Owner is authorized to act in pursuance of these resolutions.

[End of Resolution]

PASSED, APPROVED AND ADOPTED this 17th day of August, 2023.

EDWINA CARRINGTON, CHAIRPERSON

ATTEST:

SECRETARY

INCOME LIMITS

2023 Area Median Income:

\$122,300

AMFI %	Number of Household Members							
	1	2	3	4	5	6	7	8
20	\$ 16,360	\$ 18,700	\$ 21,040	\$ 23,360	\$ 25,240	\$ 27,100	\$ 28,980	\$ 30,840
30	\$ 24,540	\$ 28,050	\$ 31,560	\$ 35,040	\$ 37,860	\$ 40,650	\$ 43,470	\$ 46,260
40	\$ 32,720	\$ 37,400	\$ 42,080	\$ 46,720	\$ 50,480	\$ 54,200	\$ 57,960	\$ 61,680
50	\$ 40,900	\$ 46,750	\$ 52,600	\$ 58,400	\$ 63,100	\$ 67,750	\$ 72,450	\$ 77,100
60	\$ 49,080	\$ 56,100	\$ 63,120	\$ 70,080	\$ 75,720	\$ 81,300	\$ 86,940	\$ 92,520
70	\$ 57,260	\$ 65,450	\$ 73,640	\$ 81,760	\$ 88,340	\$ 94,850	\$ 101,430	\$ 107,940
80	\$ 65,440	\$ 74,800	\$ 84,160	\$ 93,440	\$ 100,960	\$ 108,400	\$ 115,920	\$ 123,360
120	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

RENT LIMITS

AMFI %	Number of Bedrooms					
	0	1	2	3	4	5
20	\$409	\$438	\$526	\$607	\$677	\$747
30	\$613	\$657	\$789	\$911	\$1,016	\$1,121
40	\$818	\$876	\$1,052	\$1,215	\$1,355	\$1,495
50	\$1,022	\$1,095	\$1,315	\$1,518	\$1,693	\$1,869
60	\$1,227	\$1,314	\$1,578	\$1,822	\$2,032	\$2,243
65						
70	\$1,431	\$1,533	\$1,841	\$2,126	\$2,371	\$2,617
80	\$1,636	\$1,753	\$2,104	\$2,430	\$2,710	\$2,991