

# **AUSTIN AFFORDABLE HOUSING CORPORATION**



## **BOARD OF DIRECTORS Regular Meeting**

**Thursday, November 16, 2023  
12:00 PM**

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

To attend the meeting via ZOOM dial: 1 346 248 7799 Meeting ID: 892 2094  
3033 Passcode: 927780  
Austin, TX

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

**TO BE HELD AT  
HACA Central Office, 1124 S. Interstate Highway 35  
To attend the meeting via ZOOM dial: 1 346 248 7799 Meeting ID: 892 2094 3033 Passcode:  
927780  
Austin, TX  
(512.477.4488)**

**Thursday, November 16, 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 August 17, 2023

**ACTION ITEMS**

2. Presentation, Discussion and Possible Action on Resolution No. 00235 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 Delco Flats (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. 00236 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 Paloma 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

4. Presentation, Discussion and Possible Action on Resolution No. 00237 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 Kingswood Apartments, which consists of affordable housing units and associated amenities to be developed upon property to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC's wholly owned, subsidiary limited liability company, AAHC Kingswood GP, LLC (the "General Partner") to execute a first amended and restated agreement of limited partnership of LDG Kingswood, LP (the "Partnership") and other related documents; (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
5. Presentation, Discussion and Possible Action on Resolution No. 00238 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 operation of Heritage Estates at Wells Branch (formerly known as Heritage Estates at Owen Tech) (the "Project"), which consists of affordable housing units and associated amenities newly constructed upon property ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC's wholly owned, subsidiary limited liability company, TX Owen Tech GP, LLC (the "General Partner") to execute an amendment to the partnership agreement of TX Owen Tech 2018, Ltd. (the "Partnership") and other related documents; (iii) cause the Partnership to enter into permanent 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

## **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 x 2104.

# AUSTIN AFFORDABLE HOUSING CORPORATION

## BOARD ACTION REQUEST

### ITEM NO. 1.

---

**MEETING DATE:** November 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 August 17, 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 August 17, 2023.

### ATTACHMENTS:

- ▣ **20230817 AAHC Minutes Summary**

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

**AUGUST 17, 2023**

**SUMMARY OF MINUTES**

**THE AUSTIN AFFORDABLE HOUSING CORPORATION (AAHC) BOARD OF DIRECTORS REGULAR PUBLIC MEETING NOTICE WAS POSTED FOR 12:00 PM ON THURSDAY, AUGUST 17, 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 August 17, 2023, was called to order by Carl S. Richie, Jr., HACA Chairperson, at 12:20 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 (left the meeting at 2:30 pm)  
Charles Bailey, Vice-Chairperson  
Mary Apostolou, 2<sup>nd</sup> Vice-Chairperson  
Dr. Tyra Duncan-Hall, Director  
Carl S. Richie, Jr., Director

**MEMBER(S) ABSENT:**

**ALSO IN ATTENDANCE:**

Bill Walters, Coats Rose Law Firm

**STAFF PRESENT:**

Barbara Chen, Jorge Vazquez, 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 Annual Board Meeting held on June 15, 2023**

**Director Duncan-Hall** moved to Approve the Board Minutes Summary for the Annual Board Meeting held on June 15, 2023. **2<sup>nd</sup> Vice-Chairperson Apostolou** seconded the motion. The motion Passed (4-Ayes and 0-Nays).

**ACTION ITEMS**

**ITEM 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**

Austin Affordable Housing Corporation was 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 +/- .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. AAHC 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.

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 t to AAHC and then AAHC will then lend the total amount to the property.

**2<sup>nd</sup> Vice-Chairperson Apostolou** moved to Approve 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. **Vice-Chairperson Bailey** seconded the motion. The motion Passed (4-Ayes and 0-Nays).

**ITEM 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**

Austin Affordable Housing Corporation (AAHC) was presented with 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 Par 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. The property is currently 96% occupied and rents currently range from \$1,243 for a one bedroom to \$1,756 for a three bedroom.

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.

**Director Duncan-Hall** moved to Approve 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. **2<sup>nd</sup> Vice-Chairperson Apostolou** seconded the motion. The motion Passed (4-Ayes and 0-Nays).

#### **EXECUTIVE SESSION**

The Board did not recess into Executive Session.

**2<sup>nd</sup> Vice-Chairperson Apostolou** moved to adjourn the meeting. **Director Duncan-Hall** seconded the motion. The motion Passed (4-Ayes and 0-Nays).

The meeting adjourned at 2:55 pm.

---

**Michael G. Gerber, Secretary**

---

**Chairperson**



# AUSTIN AFFORDABLE HOUSING CORPORATION

## BOARD ACTION REQUEST

### RESOLUTION NO. 00235

#### ITEM NO. 2.

---

**MEETING DATE:** November 16, 2023

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

**ITEM TITLE:** Presentation, Discussion and Possible Action on Resolution No. 00235 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 Delco Flats (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. 00235 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 Delco Flats (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 JCI Residential (Journeyman Group) to partner on a 186-unit multi-family rental property called Delco Flats Apartments. The development is located at 7601 Springdale Road, Austin, Texas 78724. This would be the third (3<sup>rd</sup>) asset AAHC and JCI have partnered on together. We have successfully completed Bridge at Granada and Bridge at Turtle Creek. This asset is located in North-East Austin and only a few minutes from downtown. The site has easy access to IH35, HWY 183 and HWY 290.

AAHC's proposed partner, JCI Residential has a proven record of accomplishment with numerous projects completed in and around the Austin area. JCI has an experienced development team in place and has been an excellent partner on our previous two transactions. JCI is a privately held development firm with a current development of more than 200 projects. AAHC works with the Managing Partner, Sam Kumar, and President, Kurt Goll.

The Delco Flats Apartments were completed in June of 2023 and sits on 4.95 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, coffee bar, and business center. Residents also enjoy the expansive fitness center, a large pet park and covered parking. The property feeds into the Austin Independent School District and Jordan Elementary School, Dobie Middle School and LBJ Early College 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 JCI can provide some stable and affordable housing to those stakeholders that are threatened with rising rent costs. This property is home to many individuals who work in and around the area with no current affordability in place.

Below is a breakdown of the unit sizes. The property is currently 94.60% occupied and rents currently range from \$1,200 for a one bedroom to \$1,625 for a two bedroom.

<b>167 1 -bedroom/1-bath</b>	<b>600 square feet to 730 square feet</b>
<b>19 2-bedroom/2-bath</b>	<b>900 square feet to 965 square feet</b>

***Process:***

The property is currently owned by JCI Residential and AAHC will enter as the new General Partner at a purchase price \$36,000,000. JCI Residential will be investing approximately \$14,000,000 as a down payment and closing costs. Walker Dunlop will be providing a Freddie Mac new permanent loan with a not to exceed loan amount of \$25,000,000 at a rate of approximately 6.50% with a 30-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 JCI are committed to providing 10% of the affordable units at 60% AMI with a target of 20% at 60% AMI and leasing units to all voucher holders. JCI Management will manage the property. The new name for the property will be Bridge at Delco Flats Apartments.

***Staff Recommendation:***

Staff recommends approval of Resolution No. 00235.

**RESOLUTION NO. 00235**

**Presentation, Discussion and Possible Action on Resolution No. 00235 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 Delco Flats (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**, Bridge at Delco Flats, LP, a Texas limited partnership (the “**Owner**”), will act as the owner of the Development;

**WHEREAS**, AAHC desires to form AAHC Delco Flats GP, LLC, a Texas limited liability company (the “**General Partner**”), which entity will serve as general partner of the Owner;

**WHEREAS**, as sole member of the General Partner, 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 Walker& Dunlop, LLC (or an affiliate thereof) as lender, whereby the Owner will borrow a sum not to exceed \$25,000,000 (“**Loan**”), in order to finance the acquisition and renovation of the Development;

**WHEREAS**, the Loan will be made pursuant to a promissory note to be secured, *inter alia*, by a deed of trust, UCC financing statements, certificates, affidavits, directions, amendments, indemnifications, notices, requests, demands, waivers, and any other assurances, instruments, or other communications executed in the name of and on behalf of the Owner as may be deemed to be necessary or advisable in order to carry into effect or to comply with the requirements of the instruments approved or authorized by these resolutions in connection

with the Loan (collectively, the “**Loan Documents**”);

**NOW, BE IT RESOLVED**, that all of the documents, instruments, or other writing executed by AAHC, the 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 Partnership Agreement, and (iii) any and all such additional documents executed to consummate the transactions contemplated herein (collectively, the “**Transaction Documents**”) shall be in form and substance approved by the Executing Officer (as such term is hereinafter defined), both individually and in a representative capacity as identified in these resolutions, his/her approval of each such instrument to be conclusively evidenced by his execution thereof; and it is further,

**RESOLVED**, that AAHC, 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 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 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 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 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 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 16<sup>th</sup> day of November, 2023.

---

EDWINA CARRINGTON, CHAIRPERSON

ATTEST:

---

SECRETARY

# AUSTIN AFFORDABLE HOUSING CORPORATION

## BOARD ACTION REQUEST

### RESOLUTION NO. 00236

#### ITEM NO. 3.

---

**MEETING DATE:** November 16, 2023

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

**ITEM TITLE:** Presentation, Discussion and Possible Action on Resolution No. 00236 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 Paloma 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. 00236 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 Paloma 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 JCI Residential (Journeyman Group) to partner on a 186-unit multi-family rental property called Paloma Apartments. The development is located at 9911 Dessau Road, Austin, Texas 78754. This would be the forth (4<sup>rd</sup>) asset AAHC and JCI have partnered on together. We have successfully completed Bridge at Granada and Bridge at Turtle Creek. This asset is located in North-East Austin with and only a few minutes from downtown. The site has easy access to IH35, HWY 183 and HWY 290.

AAHC's proposed partner, JCI Residential has a proven record of accomplishment with numerous projects completed in and around the Austin area. JCI has an experienced development team in place and has been an excellent partner on our previous two transactions. JCI is a privately held development firm with a current development of more than 200 projects. AAHC works with the Managing Partner, Sam Kumar, and President, Kurt Goll.

The Paloma Apartments were completed in May of 2023 and sits on 10.95 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, coffee bar, and business center. Residents also enjoy the expansive fitness center, a large pet park and covered parking. The property feeds into the Manor Independent School District and Pioneer Crossing Elementary School, Decker Middle School and Manor 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 JCI 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.

Below is a breakdown of the unit sizes. The property is currently 94% occupied and rents currently range from \$1,200 for a one bedroom to \$1,625 for a three bedroom.

<b>204 1 -bedroom/1-bath</b>	<b>526 square feet to 830 square feet</b>
<b>90 2-bedroom/2-bath</b>	<b>995 square feet to 1103 square feet</b>
<b>6 3-bedroom/2-bath</b>	<b>1,321 square feet</b>

***Process:***

The purchase price for the Paloma Apartments is \$65,000,000. JCI will be investing approximately \$20,000,000 as a down payment. Berkadia will be providing a Freddie Mac permanent loan with a not to exceed loan amount of \$43,000,000 at a rate of approximately 6.50% with a 30-year amortization. A current lease audit is underway to determine the initial number of units already qualified under 80% AMI. The property is currently 94% occupied. AAHC and JCI are committed to providing 10% of the affordable units at 60% AMI with a goal to achieve 20% at 60% AMI and leasing units to all voucher holders. JCI Management will manage the property. The new name for the property will be Bridge at Paloma Apartments.

***Staff Recommendation:***

Staff recommends approval of Resolution No. 00236.

**RESOLUTION NO. 00236**

**Presentation, Discussion and Possible Action on Resolution No. 00236 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 Paloma 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**, Bridge at Paloma LP, a Texas limited partnership (the “**Owner**”), will act as the owner of the Development;

**WHEREAS**, AAHC desires to form AAHC Paloma GP, LLC, a Texas limited liability company (the “**General Partner**”), which entity will serve as general partner of the Owner;

**WHEREAS**, as sole member of the General Partner, 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 Berkadia Commercial Mortgage LLC (or an affiliate thereof) as lender, whereby the Owner will borrow a sum not to exceed \$45,000,000 (“**Loan**”), in order to finance the acquisition and renovation of the Development;

**WHEREAS**, the Loan will be made pursuant to a promissory note to be secured, *inter alia*, by a deed of trust, UCC financing statements, certificates, affidavits, directions, amendments, indemnifications, notices, requests, demands, waivers, and any other assurances, instruments, or other communications executed in the name of and on behalf of the Owner as may be deemed to be necessary or advisable in order to carry into effect or to comply with the



requirements of the instruments approved or authorized by these resolutions in connection with the Loan (collectively, the “**Loan Documents**”);

**NOW, BE IT RESOLVED**, that all of the documents, instruments, or other writing executed by AAHC, the 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 Partnership Agreement, and (iii) any and all such additional documents executed to consummate the transactions contemplated herein (collectively, the “**Transaction Documents**”) shall be in form and substance approved by the Executing Officer (as such term is hereinafter defined), both individually and in a representative capacity as identified in these resolutions, his/her approval of each such instrument to be conclusively evidenced by his execution thereof; and it is further,

**RESOLVED**, that AAHC, 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 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 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 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 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 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 16<sup>th</sup> day of November, 2023.

---

EDWINA CARRINGTON, CHAIRPERSON

ATTEST:

---

SECRETARY

# AUSTIN AFFORDABLE HOUSING CORPORATION

## BOARD ACTION REQUEST

### RESOLUTION NO. 00237

#### ITEM NO. 4.

---

**MEETING DATE:** November 16, 2023

**STAFF CONTACT:** Suzanne Schwertner, Director of Development

**ITEM TITLE:** Presentation, Discussion and Possible Action on Resolution No. 00237 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 Kingswood Apartments, which consists of affordable housing units and associated amenities to be developed upon property to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s wholly owned, subsidiary limited liability company, AAHC Kingswood GP, LLC (the “General Partner”) to execute a first amended and restated agreement of limited partnership of LDG Kingswood, LP (the “Partnership”) and other related documents; (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

**BUDGETED ITEM:** N/A

**TOTAL COST:** N/A

#### **ACTION**

The Board is being asked to approve Resolution No. 00237 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 Kingswood Apartments, which consists of affordable housing units and associated amenities to be developed upon property to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s wholly owned, subsidiary limited liability company, AAHC Kingswood GP, LLC (the “General Partner”) to execute a first amended and restated agreement of limited partnership of LDG Kingswood, LP (the “Partnership”) and other related documents; (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.

#### **SUMMARY**

##### ***Background:***

Austin Affordable Housing Corporation is being presented with an opportunity to partner with LDG Multifamily, LLC (“LDG”) on a certain 23.054 acre tract of land located at the 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. The nearest properties in AAHC’s current portfolio are Pointe and Villages of Ben White to the northwest. This will be our 14<sup>th</sup> property in partnership with LDG; all new construction projects.

Kingswood was initially presented to the Board in 2020, but we were unable to obtain a bond reservation at that time. We brought the property back to the board in February 2023 for approval to submit another bond application. The bond allocation was awarded to us on July 6, 2023. We have received approvals from the Austin City Council and the Travis County Commissioners to proceed with the project. If approved by the Board today, we will proceed to close and start construction in December.

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. All units will be marketed to HACA’s Housing Choice Voucher residents. 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 \$107,000,000. The planned development will consist of 48 one bedroom and one bath units, 132 two bedroom and two bath units, 124 three bedroom and two bath units, and 24 four bedroom and two bath units. 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 and a taxable tail not to exceed \$13,000,000. Bellwether Enterprise Real Estate Capital, LLC (“Bellwether”) will provide both construction period and permanent mortgage financing. Rickhaus Design, LLC and/or its affiliate will provide a \$5,000,000 subordinate loan through construction. Enterprise Housing Credit Investments (“Enterprise”) will provide equity at \$.88 per credit, which would be an estimated \$43,384,000 in total equity.

**Unit Breakdown:**

48	One-bedroom/one-bath
132	Two-bedroom/two-bath
124	Three-bedroom/two-bath
24	Four-bedroom/two-bath
328	Total Units

***Staff Recommendation:***

Staff recommends approval of Resolution No. 00237.

**ATTACHMENTS:**

- ❑ **map**
- ❑ **Examples of who can live at Kingswood**
- ❑ **Average Median Income Chart**

**RESOLUTION NO. 00237**

**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:**

- 1. Facilitate the development of the Kingswood Apartments, which consists of affordable housing units and associated amenities to be developed upon property to be ground-leased from the Housing Authority of the City of Austin;**
- 2. Cause AAHC’s wholly owned, subsidiary limited liability company, AAHC Kingswood GP, LLC (the “General Partner”) to execute a first amended and restated agreement of limited partnership of LDG Kingswood, LP (the “Partnership”) and other related documents;**
- 3. Cause the Partnership to enter into development financing for the Project; and**
- 4. 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.**

**WHEREAS,** AAHC is the sole member of the General Partner;

**WHEREAS,** the General Partner is the sole general partner of the Partnership;

**WHEREAS,** the Partnership was formed for the purpose of owning, developing, managing, and otherwise dealing with the Kingswood Apartments, a 328-unit apartment complex (the “**Project**”) under development on a parcel of land located at approximately the southeast corner of FM Road 812 and Burklund Farms Road, in Austin, Travis County, Texas 78617 (the “**Land**”), and intended for rental to persons of low and moderate income;

**WHEREAS,** in connection with the development of the Project, the Partnership desires to obtain site control of the Land from the Housing Authority of the City of Austin (“**HACA**”), by entering into a ground lease (“**Ground Lease**”) with HACA for the Project;

**WHEREAS,** AAHC, the General Partner and Partnership desire to enter into certain equity documents for the purpose of admitting Wincopin Circle LLLP or affiliates thereof (collectively, the “**Enterprise Parties**”), as limited partners to the Partnership, including a first amended and restated agreement of limited partnership, a development agreement, a right of first refusal agreement, if any, a guaranty and other related documents contemplated thereby (collectively, the “**Equity Documents**”);

**WHEREAS**, in connection with the proceedings relating to the issuance and delivery by Austin Affordable PFC, Inc. (the “**Governmental Lender**”) of its Multifamily Housing Revenue Bonds (Kingswood Apartments), Series 2023A in an original principal amount not to exceed \$50,000,000 and pursuant to a promissory note in the same amount (the “**2023 Bond Note**”) loan the associated bond proceeds to the Partnership (the “**2023 Bond Loan**”);

**WHEREAS**, the Governmental Lender has agreed to issue its Multifamily Housing Revenue Bonds (Kingswood Apartments), Taxable Series 2023B in an aggregate principal amount not to exceed \$13,000,000 (the “**Taxable Bonds**”), and pursuant to a promissory note in the same amount (the “**Taxable Bond Note**”) loan the associated bond proceeds to the Partnership (the “**Taxable Bond Loan**”, and together with the 2023 Bond Loan, the “**Bond Loans**”);

**WHEREAS**, the 2023 Bond Loan and the Taxable Bond Loan will be subject to the terms of an Indenture of Trust (the “**Indenture**”) by and between the Governmental Lender and the trustee named therein, a Loan Agreement (the “**Loan Agreement**”) by and between the Partnership and Governmental Lender, leasehold deed of trust by the Partnership in favor of the trustee named therein (“**Deed of Trust**”), a Regulatory Agreement and Declaration of Restrictive Covenants by and among the Governmental Lender, the Partnership, and the trustee named therein (“**Regulatory Agreement**”), and the Bond Loans shall be additionally secured by UCC financing statements, certificates, affidavits, directions, amendments, indemnifications, notices, requests, demands, waivers, agreements and any other assurances, instruments, or other communications executed in the name of and on behalf of the Partnership 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 Bond Loans (collectively, along with the 2023 Bond Note and the Taxable Bond Note, the “**Bond Documents**”);

**WHEREAS**, Rickhaus Design, LLC, and/or its affiliate (the “**Subordinate Lender**”), has agreed to make a subordinate loan to the Partnership in an amount not to exceed \$5,000,000 (the “**Subordinate Loan**”) in order to finance the construction of the Project;

**WHEREAS**, in connection with the Subordinate Loan, the Partnership will execute one or more promissory notes (the “**Subordinate Note**”) payable to the Subordinate Lender and certain other documents evidencing, governing and/or securing the Partnership’s obligations under the Subordinate Note (collectively, together with the Subordinate Note, the “**Subordinate Loan Documents**”);

**WHEREAS**, in connection with the transactions contemplated herein, the Partnership, General Partner and AAHC are required to enter into various documents which will evidence the same, including, but not limited to the Ground Lease, Equity Documents, Bond Documents, Subordinate Loan Documents, and other security agreements, fixture filing statements, indemnity agreements, guaranties, development agreements, 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/her 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, General Partner and/or Partnership to enter into the Transaction 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 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 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 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 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 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 General Partner and/or the Partnership, 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 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.

*[Remainder of page intentionally left blank for signature]*

**PASSED, APPROVED AND ADOPTED** this 16<sup>th</sup> day of November, 2023.

CHAIRPERSON

---

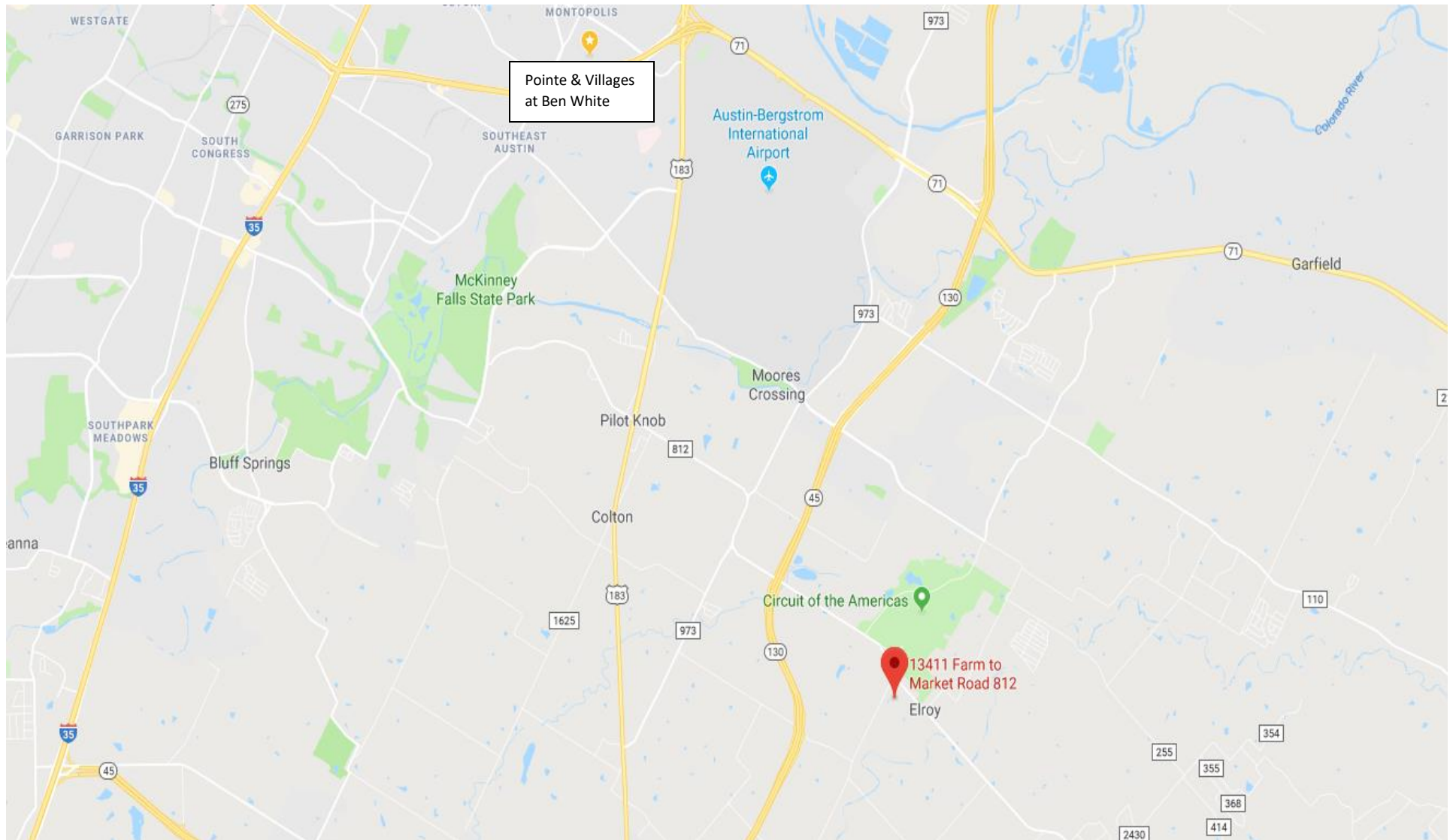
EDWINA CARRINGTON,

ATTEST:

---

SECRETARY





## Kingswood

### Who Can Live Here?

Kingswood will be reserved for individuals and families making at or below 60% of the Area Median Income (AMI). The actual income limit depends on the size of the household.

<b>60% AMI – KINGSWOOD</b>					
<b>HOUSEHOLD SIZE</b>	<b>HOURLY WAGE</b>	<b>HOURS WORKED/ WEEK</b>	<b>WEEKS WORKED/ YEAR</b>	<b>ANNUAL WAGE</b>	<b>60% AMI LIMIT</b>
1 PERSON	\$24.54	40	50	\$49,080	\$49,080
2 PERSON	\$28.05	40	50	\$56,100	\$56,100
3 PERSON	\$31.56	40	50	\$63,120	\$63,120
4 PERSON	\$35.04	40	50	\$70,080	\$70,080

The development will serve hard-working individuals and families working a variety of jobs that are essential to a thriving community.

<b>QUALIFIED RESIDENTS</b>		
<b>OCCUPATION</b>	<b>EMPLOYER</b>	<b>AVERAGE INCOME</b>
School Data Coordinator	Pearson	\$ 36,000.00
Production Associate	Tesla	\$ 40,000.00
Medical Data Clerk	Delta Care RX	\$ 40,000.00
Administrative Assistant	City of Austin	\$ 44,000.00
Lead Bus Driver	Del Valle ISD	\$ 44,243.00
Permit Review Specialist	City of Austin	\$ 50,220.00
Electric Technician	Del Valle ISD	\$ 50,840.00
Engineering Technician	City of Austin	\$ 52,480.00
Security Coordinator	City of Austin	\$ 62,580.00

## 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

# AUSTIN AFFORDABLE HOUSING CORPORATION

## BOARD ACTION REQUEST

### RESOLUTION NO. 00238

#### ITEM NO. 5.

---

---

**MEETING DATE:** November 16, 2023

**STAFF CONTACT:** Suzanne Schwertner, Director of Development

**ITEM TITLE:** Presentation, Discussion and Possible Action on Resolution No. 00238 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 operation of Heritage Estates at Wells Branch (formerly known as Heritage Estates at Owen Tech) (the “Project”), which consists of affordable housing units and associated amenities newly constructed upon property ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s wholly owned, subsidiary limited liability company, TX Owen Tech GP, LLC (the “General Partner”) to execute an amendment to the partnership agreement of TX Owen Tech 2018, Ltd. (the “Partnership”) and other related documents; (iii) cause the Partnership to enter into permanent 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

**BUDGETED ITEM:** N/A

**TOTAL COST:** N/A

#### **ACTION**

The Board is being asked to approve Resolution No. 00238 authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: : (i) facilitate the operation of Heritage Estates at Wells Branch (formerly known as Heritage Estates at Owen Tech) (the “Project”), which consists of affordable housing units and associated amenities newly constructed upon property ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s wholly owned, subsidiary limited liability company, TX Owen Tech GP, LLC (the “General Partner”) to execute an amendment to the partnership agreement of TX Owen Tech 2018, Ltd. (the “Partnership”) and other related documents; (iii) cause the Partnership to enter into permanent 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.

#### **SUMMARY**

##### ***Background:***

Austin Affordable Housing Corporation partnered with Generation Housing Partners, LLC based in Dallas, Texas on a certain tract of land located at 14011 Owen Tech Boulevard, Austin, Texas 78728 (northwest

quadrant of Owen Tech Blvd and Interstate 35) located in the Travis County ETJ to build Heritage Estates at Wells Branch (previously known as Heritage Estates at Owen Tech). The project consists of 174 senior apartment units serving tenants 62 years old and above with incomes from 40%-70% Area Median Family Income (AMFI).

The board saw this project three times: June 2019 for the Tax Credit Application Resolution, October 2019 for the Bond Inducement Resolution, and June 2020 for final closing Resolutions.

The nearest properties in AAHC's current portfolio (all family sites) are: Park at Summers Grove located at 2900 Century Park Blvd, Austin, TX 78728 (to the West); Bridge at Tech Ridge located at 12800 Center Lake Drive, Austin, TX 78753 (to the South); and Preserve at Wells Branch located at 1773 Wells Branch Parkway, Austin, TX 78728 (to the North).

The benefit to HACA and AAHC is deeply affordable senior housing in an area that has little affordable options. The property is well located with an on-site bus stop and residents will have access to a community van.

***Process:***

The development used a mix of 4% tax credits and tax exempt bonds to finance the construction. Construction has been complete and the property consists of 104 one bedroom/one bath units and 70 two bedroom/two bath units. Income averaging is being used to enable more deeply affordable units. Seventeen units are affordable to tenants with incomes at 40% AMFI or below; 148 are affordable to tenants with incomes at 60% AMFI or below; and 9 units are affordable to tenants with incomes at 70% AMFI or below. All units averaged together are equal to 60% AMFI. All units are being marketed to HACA's Housing Choice Voucher families.

HACA, through its Public Facility Corporation, issued tax-exempt bonds in an amount of \$20,000,000. Construction debt financing was provided by Bank OZK. TDHCA loaned \$3,000,000 under their Multifamily Direct Loan program. Monarch Private Capital, LLC provided the equity.

Today we are asking the Board to approve resolutions authorizing the conversion from construction financing to permanent debt financing through KeyBank N.A. The primary loan will be for \$20,000,000 with a taxable tail not to exceed \$2,485,000. Due to the timing of construction, there were cost overruns. The taxable tail will cover these overruns. This project was built during COVID and had many delays due to city staff delays with inspections, supply chain delays and labor shortages. These in combination with supply costs increasing due to the shortages resulted in the \$2,485,000 overrun.

**Unit Breakdown:**

10	One bedroom/one bath	40% AMI
87	One bedroom/one bath	60% AMI
7	One bedroom/one bath	70% AMI
7	Two bedroom/two bath	40% AMI
61	Two bedroom/two bath	60% AMI
2	Two bedroom/two bath	70% AMI
174	Total Units	Average 60% AMI

***Staff Recommendation:***

Staff recommends approval of Resolution No. 00238.

## ATTACHMENTS:

map

**RESOLUTION NO. 00238**

**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:**

- 1. Facilitate the operation of Heritage Estates at Wells Branch (formerly known as Heritage Estates at Owen Tech) (the “Project”), which consists of affordable housing units and associated amenities newly constructed upon property ground-leased from the Housing Authority of the City of Austin;**
- 2. Cause AAHC’s wholly owned, subsidiary limited liability company, TX Owen Tech GP, LLC (the “General Partner”) to execute an amendment to the partnership agreement of TX Owen Tech 2018, Ltd. (the “Partnership”) and other related documents;**
- 3. Cause the Partnership to enter into permanent financing for the Project; and**
- 4. 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.**

**WHEREAS**, AAHC is the sole member of the General Partner;

**WHEREAS**, the General Partner is the sole general partner of the Partnership;

**WHEREAS**, the Partnership has developed the Project, a 174-unit apartment complex intended for rental to persons of low and moderate income on a parcel of land ground leased from the Housing Authority of the City of Austin (“**HACA**”) and located in Austin, Travis County, Texas (the “**Land**”);

**WHEREAS**, the General Partner previously entered into certain equity documents, including an Amended and Restated Partnership Agreement for the Partnership (the “**Partnership Agreement**”);

**WHEREAS**, the General Partner desires to enter into an amendment to the Partnership Agreement (the “**LPA Amendment**”);

**WHEREAS**, the Partnership desires to enter into certain loan documents evidencing a permanent tax-exempt loan in an amount not to exceed \$20,000,000 and a taxable tail loan in an amount not to exceed \$2,485,000 (collectively, the “**Loans**”) from KeyBank National Association (“**KeyBank**”), including without limitation, a Continuing Covenant Agreement,

an Amended and Restated Project Note, a Multifamily Note, a Loan Agreement, a Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, an amended and restated deed of trust, various assignments, pledges, certifications, agreements and other instruments reasonably required to evidence, govern and/or secure the Loans (collectively, the "**Loan Documents**");

**WHEREAS**, in connection with the transactions contemplated herein, the Partnership, General Partner and AAHC are required to enter into various documents which will evidence the same, including, but not limited to the LPA Amendment, the Loan Documents, and other security agreements, fixture filing statements, indemnity agreements, guaranties, development agreements, 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/her 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, Partnership and/or General Partner to enter into the Transaction 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 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, including without limitation Ron Kowal as Vice President of AAHC and Michael Gerber as Secretary 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



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 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 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 General Partner and/or the Partnership, 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 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.

*[Remainder of page intentionally left blank for signature]*

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

---

EDWINA CARRINGTON,

CHAIRPERSON

ATTEST:

---

SECRETARY

