

THE HOUSING AUTHORITY OF THE CITY OF AUSTIN



BOARD OF COMMISSIONERS

Chairperson - Carl S. Richie, Jr.

Vice-Chairperson - Charles Bailey

2nd Vice-Chairperson - Mary Apostolou

Commissioner - Dr. Tyra Duncan-Hall

Commissioner - Edwina Carrington

Michael G. Gerber, President & CEO

BOARD OF COMMISSIONERS

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 COMMISSIONERS
REGULAR BOARD MEETING
OF THE HOUSING AUTHORITY OF THE CITY OF AUSTIN**

**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

Pledge of Allegiance

Public Hearing (Note: There will be a three-minute time limit) To accept public comment on Kingswood Apartments

Public Hearing for the Kingswood Apartments

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

Citywide Advisory Board Update

CONSENT AGENDA

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

CONSENT ITEMS

1. Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on October 19, 2023
2. Presentation, Discussion, and Possible Action regarding Resolution No. 02819: Approval of the Board of Commissioners Meeting Schedule for 2024

ACTION ITEMS

3. Presentation, Discussion, and Possible Action on Resolution No. 02820 by the Board of Commissioners of the Housing Authority of the City of Austin (the "Authority") to take the following actions with regard to the Bridge at Delco Flats (the "Development") in Austin, Texas: (i) acquire the site of the Development; (ii) lease the Development site to the owner of the Development; and (iii) such other actions necessary or convenient to carry out this Resolution

4. Presentation, Discussion, and Possible Action on Resolution No. 02821 by the Board of Commissioners of the Housing Authority of the City of Austin (the "Authority") to take the following actions with regard to the Bridge at Paloma Apartments (the "Development") in Austin, Texas: (i) acquire the site of the Development; (ii) lease the Development site to the owner of the Development; and (iii) such other actions necessary or convenient to carry out this Resolution.
5. Presentation, Discussion, and Possible Action on Resolution No. 02822 by the Board of Commissioners of the Housing Authority of the City of Austin (the "Authority") approving resolution of Austin Affordable PFC, Inc. providing for the issuance of its Multifamily Housing Revenue Bonds (Kingswood Apartments) Series 2023A and Multifamily Housing Revenue Bonds (Kingswood Apartments) Taxable Series 2023B; approving the form and substance of and authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily rental residential development; and containing other provisions relating to the subject.

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.

The Board accepts the following reports:

- **Update on the Migration to Microsoft and Cloud Services**

ADJOURNMENT

"Pursuant to 30.06, Penal Code, (trespass by holder of license with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not attend this meeting with a concealed handgun."

"Pursuant to 30.07, Penal Code (trespass by holder of license with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not attend this meeting with a handgun that is carried openly."

"En virtud del 30.06, Código Penal, (traspaso titular de licencia con una pistola), una persona bajo el subcapítulo H, capítulo 411, código de gobierno (Ley de licencia de arma o pistola), no se permiten en este reunión con una arma o pistola.

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

*The Housing Authority of the City of Austin (HACA) Board of Commissioners reserves the right to discuss and consider items out of order on the

agenda on an as needed basis.

The Housing Authority of the City of Austin is committed to compliance with the Americans with Disability Act. Reasonable modifications and equal access to the communications will be provided upon request. Meeting locations are planned with wheelchair access. If requiring Sign Language Interpreters or alternative formats, please give notice at least 2 days (48 hours) before the meeting date. Please call Nidia Hiroms at HACA at 512.477.4488, for additional information; TTY users route through Relay Texas at 711. For more information on HACA, please contact Nidia Hiroms at 512.477.4488 x 2104.

HOUSING AUTHORITY OF THE CITY OF AUSTIN
REPORT
AUSTIN AFFORDABLE HOUSING CORPORATION
ITEM NO.

MEETING DATE: November 16, 2023

STAFF CONTACT: Suzanne Schwertner, Director of Development

ITEM TITLE: Public Hearing for the Kingswood Apartments

BUDGETED ITEM: N/A

TOTAL COST: N/A

HOUSING AUTHORITY OF THE CITY OF AUSTIN

BOARD ACTION REQUEST

EXECUTIVE

ITEM NO. 1.

MEETING DATE: November 16, 2023

STAFF CONTACT: Michael Gerber, President & CEO

ITEM TITLE: Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on October 19, 2023

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to review and approve the Board Minutes Summary for the Board Meeting held on April 20, 2023.

ATTACHMENTS:

- **20231019 HACA Minutes Summary**

**THE HOUSING AUTHORITY OF THE CITY OF AUSTIN
BOARD OF COMMISSIONERS
REGULAR BOARD MEETING**

October 19, 2023

SUMMARY OF MINUTES

THE HOUSING AUTHORITY OF THE CITY OF AUSTIN (HACA) BOARD OF COMMISSIONERS REGULAR BOARD MEETING NOTICE WAS POSTED FOR 12:00 PM ON THURSDAY, OCTOBER 19, 2023, AND WAS HELD AT THE HACA CENTRAL OFFICE, 1124 S. INTERSTATE HIGHWAY 35 AUSTIN, TX

CALL TO ORDER, ROLL CALL, CERTIFICATION OF QUORUM

Edwina Carrington, HACA Commissioner called the Board of Commissioners Regular Board Meeting of the Housing Authority of the City of Austin, of October 19, 2023, to order at 12:02 pm. The meeting was held at the HACA Central Office, 1124 S. Interstate Highway 35, Austin, TX

Roll call certified a quorum was present on the call.

MEMBERS PRESENT:

Edwina Carrington, Commissioner
Mary Apostolou, 2nd Vice-Chairperson
Dr. Tyra Duncan-Hall, Commissioner

MEMBER(S) ABSENT:

Carl S. Richie, Jr., Chairperson
Chuck Bailey, Vice-Chairperson

ALSO IN ATTENDANCE:

Arthur Troilo, III, Arthur Troilo Law Firm

STAFF PRESENT:

Ann Gass, Barbara Chen, Jorge Vazquez, Keith Swenson, Kelly Crawford, Leilani Lim-Villegas, Lisa Garcia, Michael Roth, Nidia Hiroms, Ron Kowal, and Sylvia Blanco

PUBLIC COMMUNICATION - (3 minute time limit)

Public communication was opened during each item on the agenda. No one provided any additional communication during any of the items.

Sylvia Blanco, HACA, Chief Operating Officer, recognized and thanked **Barbara Jackson**, HACA Family Opportunity Program Design Director for her work at HACA over the past 19 years. Barbara will be leaving HACA to move back close to her family. Barbara will be working with HACA for a short time on a contract basis.

CITYWIDE ADVISORY BOARD (CWAB) – Lupe Garcia, Citywide Advisory Board President, reported that the October CWAB Meeting was held on Tuesday, October 10, 2023 virtually. •**Michael Roth**, HACA Director of Housing Operations and Policy, Commended the Austin Pathways Staff, Resident Council Leads and Property Staff on job well done for National Night Out on Tuesday, October 3, 2023. •After eight years after passing through Congress, the Housing Opportunities through Modernization Act, HUD will begin to implement this new policy on how rent will be calculated; Residents will get well advance notices prior to these new policy changes. •The new NSPIRE (National Standards for The Physical Inspection of Real Estate) Protocol went effect October 1, 2023. Lakeside will most likely receive a notice soon as well other properties for next year. •**Leilani Lim-Villegas**, HACA Senior Director of Community Development, congratulated **Michael Roth** on his promotion to Vice President of Pathways of Asset Management and Incorporated. •**NNO Competition**: Judging panel will be **Jeff Patterson** and **Damian Martinez** with our Communication Department. Winning resident council will be recognized and awarded the NNO Trophy in November. •FSS (Family Self-Sufficiency) graduation ceremony will be Friday, November 4, 2023 at 9:30 a.m. at ACC (Austin Community College)-Eastview Campus Auditorium. •**Barbara Jackson**, Y.E.S. (Youth Education Success) resigned effective October 20, 2023 after nineteen (19) years of service with our youth at HACA. She is moving back to Minnesota to be close to her family. •**Barbara Jackson** (Youth Educational Success) reported that the Family Reading Club’s purpose is to build parenting skills by reading with the kids, which will help the kids become for successful readers. •Boy Scouts are still building bookshelves for the families to have in their homes and we also have a volunteer group with The Rotary Club with Westlake High School that are building little libraries which will follow the Reading Club to help build togetherness around reading. •End of the quarter for AISD is October 16, 2023 and YES Incentives will be issued to those students with A/B Honor Roll and/or Perfect Attendance to receive the \$15 Gift Card Incentive. •FSS (Family Self Sufficiency) Program Coaches attended the NARHO Conference in New Orleans and received new information to share with our residents; two of our FSS participant has accrued escrow with one of them accruing \$700 within two months. •**Murphy Roland**, HACA Workforce Development Manager, reported that a Two Gen Program with Austin Community College for Administrative Assistant is in process. •Literacy Coalition will also begin offering Adult

Literacy Classes; such as high school/GED classes, held at Meadowbrook and at Chalmers Courts-South. •**Catherine Crago**, HACA Head of Strategic Initiatives reported that HACA has a grant from the Federal Communication Commission (FCC). The Affordable Connectivity Program (ACP) will give \$30 off any internet program or \$100 off a device, desktop, laptop or tablet for residents. All residents qualify due to living in subsidized/affordable housing. •Introduced her new interns who will be soon be at Thurmond Heights, Northgate, Coronado Hills, Lakeside and Santa Rita •Getting the residents registered for ACP Benefits and installation of Google Fiber will soon begin at Northgate and Thurmond Heights. •**Borami Lee**, HACA Health & Wellness Manager, reported that she is coordinating with CVS Project Health on getting flu shots to the properties to begin in October and November. •**Daniel Ruiz**, HACA Family Opportunity, recently received updated pricing on homeownership at Prospect Heights at Rosewood. The homes and square footage with a price reduction for 4BR; \$205K to \$182K and 3BRs; \$185K to \$156K which is exciting and more affordable for our residents. •**Kiounis Williams**, HACA i-DADS, reported on the partnership with the Man in Me organization and through their program, one of the HACA i-DADS participants received a “full-ride” scholarship to a Commercial Driver’s License Program.

CONSENT ITEMS

APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS

ITEM 1: Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on September 21, 2023

Commissioner Duncan-Hall moved the Approval of the Board Minutes Summary for the Board Meeting held on September 21, 2023. **2nd Vice-Chairperson Apostolou** seconded the motion. The motion Passed (3-Ayes and 0-Nays).

ACTION ITEMS

APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS

ITEM 2: Presentation and Discussion on the Independent Auditor’s Report for the Fiscal Year ending March 31, 2023

Sean Cedar and **Laura Ann Pray** with Berman Hopkins provided a briefing on HACA and its subsidiaries’ Independent Auditors Report for Fiscal Year ending March 31, 2023.

The Independent Auditors Report cover a 12-month period ended March 31, 2023 and covers the financial numbers as well as controls and compliance in accordance with internally developed HACA policies.

Sean Cedar reported that there were no findings, and all of the finances were in order.

ITEM 3: Presentation, Discussion, and Possible Action regarding Resolution No. 02815: Operating Budget Revision for fiscal year April 2023 to March 2024

The regulations of the U.S. Department of Housing and Urban Development recommend the Commissioners of the Housing Authority of the City of Austin to approve the Agency’s Operating Budget revision.

Finance worked with Department managers to update the budget based on actual usage and forecast revenues and expenses through March 2024.

2nd Vice-Chairperson Apostolou moved the Approval of Resolution No. 02815: Operating Budget Revision for fiscal year **April** 2023 to March 2024. **Commissioner Duncan-Hall** seconded the motion. The motion Passed (3-Ayes and 0-Nays).

ITEM 4: Presentation, Discussion, and Possible Action regarding Resolution No. 02816: Approval of the Pathways Asset Management, Inc. Property Budgets for Calendar Year 2024

Overall, the budgets reflect the challenge of maintaining our high performance standards with the limitations of low RAD rents. The anticipated revenue for Calendar Year 2024 shows a 5.7% increase over the budgeted amount for 2023 resulting from the annual Operating Cost Adjustment Factor (OCAF) applied to rents. This increase is larger than normal, however due to the low RAD rents this does not result in dollars that keep pace with expense increases.

The anticipated expenses for Calendar Year 2024 show a 13.6% increase over the budgeted amount for 2023. The largest areas of increase are the following:

Payroll and benefits: 17.5% (*Salary Study was not included in 2023 Budget*)

Utilities: 14.5%

Maintenance Materials: 42.4%

Maintenance Contracts: 15.9%

Insurance: 16%

The U.S. Department of Housing and Urban Development (HUD) and our lenders do not require board approval of the budgets, however they do recommend owner review and approval. Our lenders request to budgets by November 1, 2023. Therefore staff presented the budgets to the Board during the October meeting.

During the annual budget process, Property Management and Maintenance staff worked with their Community Director to assess the status of their properties, identifying the needs and anticipated circumstances for the upcoming budget year.

The goals of this process are to create budgets that maintain safe, decent and sanitary housing for all residents, that meet all program and contract requirements, and that provide a safe workplace for staff. To meet these goals, staff considered the following during the creation of the budgets:

- Impact of ongoing supply chain concerns; Increased cost of materials and services;
- Program changes related to the Housing Opportunities Through Modernization Act (HOTMA) and the new inspection protocol, the National Standards for the Physical Inspection of Real Estate (NSPIRE) Anticipated reduction in the number of vacancies and unit make readies during the upcoming year.
- Anticipation of 8 property NSPIRE inspections by the U.S. Department of Housing and Urban Development or the Texas Department of Housing and Community Affairs

2nd Vice-Chairperson Apostolou moved the Approval of Resolution No. 02816: Approval of the Pathways Asset Management, Inc. Property Budgets for Calendar Year 2024. **Commissioner Duncan-Hall** seconded the motion. The motion Passed (3-Ayes and 0-Nays).

ITEM 5: Presentation, Discussion and Possible Action regarding Resolution No. 02817: Approval of the adoption of the revised Housing Choice Voucher Program's Payment Standards

Public Housing Authorities (PHAS) are required to adopt payment standards for the Housing Choice Voucher program between 90 and 110 percent of the currently published fair market rents (FMRs). In October 2022, the Board approved the payment standards at 110% of the published Fair Market Rents. Staff reviewed the newly published FMRs and the 2nd quarter Austin Multi-Family Trend report and recommends increasing payment standards to 100% of the fiscal year (FY) 2024 HUD published FMRs for the Housing Choice Voucher program.

For the HUD-VASH, Stability Voucher, and Emergency Housing Voucher programs, HUD has waived 24 CFR 982.503(b)(1)(i) and established an alternative requirement to allow the PHA to establish payment standards at any level between 90 percent and 120 percent of the published FMRs. Recognizing the high barriers to obtaining housing for people experiencing homelessness, staff recommends establishing payment standards at 120% of the current published FMRs for these three programs.

The 2024 fair market rents (FMRs) reflect an average increase of 18% over last year's published FMRS. Staff reviewed the 2nd Quarter Austin Multi-Family Trend report to assess the current rental rates in Austin as compared to the FY2024 published FMRs. The review of the current rental rates, reflects a need to increase payment standards to 100% of the published FMRs so housing choice voucher households can afford rent and utilities in the competitive rental market.

Recognizing the high barriers to obtaining housing for people experiencing homelessness, staff recommends establishing payment standards at 120% of the published FMRS for the HUD-Veteran Affairs Supportive Housing (VASH), Stability Voucher, and Emergency Housing Voucher programs. This will provide additional housing option helping people more quickly end their crisis of homelessness.

The rising Austin rental rates and utility rates continue to make it difficult for Housing Choice Voucher families to locate affordable homes in the Austin area. Staff recommends adjusting the payment standards to 100% of the FY 2024 published FMRs to help families secure homes in Austin's competitive rental market.

HUD allows housing authorities to establish different payment standards for the VASH, Stability Voucher and Emergency Housing Voucher programs to allow for greater access to housing opportunities for people experiencing homelessness, therefore, staff recommends establishing payment standards at 120% of the published FMRs for these programs. Additionally, staff will continue to exercise the flexibility to approve payment standards up to 120% of the published FMRs as a reasonable accommodation for persons with disabilities who receive Housing Choice Voucher program rental assistance.

The new payment standards will go into effect on February 1, 2024, for any new leases/HAP Contracts and annual re-examinations.

Commissioner Duncan-Hall moved the Approval Resolution No. 02817: Approval of the adoption of the revised Housing Choice Voucher Program's Payment Standards. **2nd Vice-Chairperson Apostolou** seconded the motion. The motion Passed (3-Ayes and 0-Nays).

ITEMS PRESENTED OUT OF ORDER

ITEM 8: Presentation, Discussion, and Possible Action regarding Resolution No. 02818: Adoption of HACA's Strategic Plan Refresh

Periodically, HACA conducts strategic planning in order to set future priorities, focus energy and resources, strengthen operations, ensure that employees and other stakeholders are working toward common goals, and assess and adjust the agency's direction in response to changing conditions.

HACA's last Strategic Plan, VISION 20 c Plan, was last approved and accepted by the Board in February 2020.

In early 2023, HACA undertook a refresh to our Strategic Plan. The refresh was in large part based on the VISION 2025 document. Due to the impact of the pandemic, HACA's goals and objectives were necessarily modified and adapted to respond to those conditions. However, as circumstances returned to a more normal status, HACA engaged in a refresh to ensure we are focused on expanding housing choices and opportunities as well as targeting resident services to help residents achieve a higher quality of life.

The following are the six strategic goals for the next five years:

- Expand affordable housing opportunities and preserve existing assets to ensure long-term sustainability.
- Optimize the reach and impact of opportunities for residents and clients to improve their quality of life, achieve self-sufficiency, and reach their full potential.
- Attract, support, develop and retain a talented and diverse workforce that prioritizes HACA's values.
- Support organizational efficiency that prioritizes agency resilience, climate sustainability, and the safety of residents and staff.
- Foster exceptional customer service and enhance communications with stakeholders to nurture strong partnerships and increase community awareness.
- to advance inclusion, diversity and racial, economic, and social equity throughout the organization, our programs, and partnerships.

Staff asked the Board of Commissioners to approve and adopt the Housing Authority of the City of Austin's 2023-2028 Strategic Plan.

Commissioner Duncan-Hall moved the Approval Resolution No. 02818: Adoption of HACA's Strategic Plan Refresh. **2nd Vice-Chairperson Apostolou** seconded the motion. The motion Passed (3-Ayes and 0-Nays).

ITEM 9: Presentation, Discussion, and Possible Action Regarding Resolution No. 02819; Ratifying an Award of Contract for Community Building Generators at Six (6) HACA Properties in the Low Income Housing (LIH) Program

As a result of significant recent winter season storms over the last two years, when multiple HACA properties in the Low Income Housing (LIH) portfolio sustained total electrical power loss, the agency explored the feasibility of installing natural gas-fired generators to its properties. These generator installations would allow HACA to enhance operational resilience and proactively prepare for service disruptions such as those experienced during such ice storms, or even heat wave events, as well. The generators give HACA the opportunity to utilize existing Community Building spaces as a cooling or warming center for residents, ensuring the well-being of HACA's more vulnerable families and residents of our Low Income Housing (LIH) developments, as emergency conditions warrant.

Installed on each development's Community & Management centers, those buildings can provide a stand-alone facility that would run on natural gas power until such time that local utility crews can restore electrical power to the property and all residential units. During such outages, and with HACA Staff assistance, residents of that property could access the space for warming/cooling, emergency meal/water distribution, electrical power for phone/device charging, medical equipment requirements, and other personal needs.

Upon positive discussion with HACA leadership regarding the opportunity, the agency moved quickly to research how the project could be accomplished, where and how such equipment could be located on each site, and develop cost estimates, in order to then present to the Executive Team for full approval. The first six (6) properties to undergo this improvement were selected due to the ease of the project to be completed, specifically at that site. Generator locations were scouted, electrical requirements and install challenges identified and solved, and in order to complete the work before the worst of winter storms arrive, a contract developed for the work to be undertaken, as swiftly as possible.

Based on the approvals from HACA's Executive Leadership and the satisfactory performance of the selected contractor, it was the recommendation of staff that the Board now ratify the approval of the award of contract with MTECH/Comfort Systems USA for building generator installation at six sites, in the amount of \$225,390.00.

Commissioner Duncan-Hall moved the Approval of Resolution No. 02819; Ratifying an Award of Contract for Community Building Generators at Six (6) HACA Properties in the Low Income Housing (LIH) Program. **2nd Vice-Chairperson Apostolou** seconded the motion. The motion Passed (3-Ayes and 0-Nays).

ITEM 6: Discussion of Proposed Housing Choice Voucher Program Administrative Plan Revisions for Public Comment

The Housing Choice Voucher (HCV) Administrative Plan is required by HUD. The purpose of the Administrative Plan is to establish policies for carrying out the programs in a manner consistent with HUD requirements and local goals and objectives contained in HACA's agency plan. The Administrative Plan is a supporting document to HACA's agency plan, and is available for public review as required by CFR 24 Part 903. The HACA Board of Commissioners must approve the original policy and any subsequent changes to comply with HUD regulations.

The following summarizes the proposed changes to the HCV Administrative Plan:

Minimum rent from \$25.00 to zero to ease the financial burden for families with limited income or resources to help stabilize their housing.

Mainstream Extraordinary Administrative Fees (EAF) – Describe the use of EAF for the Mainstream program to be used for current administrative costs for employees who work with the Mainstream program to expedite lease-up and provide support and for security deposits for initial move-ins.

Veteran Affairs Supportive Housing program (VASH) – Amend policy to indicate that HACA will admit VASH referrals who qualify under the low-income (80%) limit.

Subsidy standards - Edit subsidy standards to allow a maximum of 2 persons in efficiency units and for Single Room Occupancy units (SRO) a maximum of 1 person in the household.

Choice Mobility for Project-base Rental Assistance program – Add a Project Turnover Cap. In any calendar year, HACA will limit the number of Choice-Mobility moves exercised by eligible households to 15% of the assisted units in the project in any given year. HACA will maintain a Choice-Mobility Priority List in the order in which the requests from eligible households were received.

Project-Based Rental Assistance (PBRA) Special Accommodation Preference removed: This policy allows HACA to give a preference to families currently in a PBRA development and waiting on the transfer list for a unit with an accessible accommodation to receive a housing choice voucher will be removed.

Emergency Housing Voucher Program Service Fees Limits - Revise this policy to ensure the remaining service funds are spent to help existing EHV participants successfully obtain and retain housing.

Project-based Voucher (PBV) chapter edits to include the following:

Pathways at Chalmers Courts West received 50 PBV vouchers and HUD recently awarded HACA 50 tenant- protection vouchers (TPV) for Chalmers Courts West. HACA will project-base these TPVs which will bring the total number of project-based vouchers at Chalmers West to 100 PBVs.

Add wait list and tenant selection policy for new project-base voucher allocations for Skyline Terrace, Kensington, Bursleson, Cairn Point, Lancaster, Real Gardens, Rhett, Roz, Sasha, and The Works at Tillery.

Stability Vouchers – Added Stability Voucher policy to Chapter 19: Special Purpose Voucher chapter.

HACA received an award of 44 Stability Vouchers. These new vouchers will serve people experiencing homelessness with referrals received through the Coordinated Entry System. HACA has completed a community engagement process to develop a voucher prioritization plan and has identified service partners to support program participants. Integral Care, Downtown Austin Community Court, Family Eldercare, and Lifeworks will provide Permanent Supportive Housing Services to Stability Voucher participants, which will create 44 new PSH beds in our community. The effective date of these new vouchers will be December 1, 2023. Staff utilized the Nan McKay revision service Model HCV Admin Plan to develop the Stability Voucher policy.

Housing Opportunity through Modernization Act (HOTMA) Summary of proposed changes

On July 29, 2016, The Housing Opportunity through Modernization Act of 2016 (HOTMA) was signed into law. HOTMA makes numerous amendments to Sections 3, 8, and 16 of the United States Housing Act of 1937(1937 Act), including significant changes to income calculation, net family assets, and income reviews.

HUD finalized HOTMA rulemaking in 2023 to put Sections 102, 103, and 104 into effect through revisions to HUD’s regulations found in 24 CFR Part 5 and 24 CFR Part 891.

- Section 102 addresses income reviews, including the frequency of income reviews, and revises the definitions of income and assets.
- Section 103 addresses public housing over-income families.
- Section 104 sets asset limits for both Section 8 Project-Based Rental Assistance and Section 202/8 programs.

Housing Authorities are required to update their policies to comply with HOTMA. HUD recognizes, however, that HOTMA includes significant program and systems changes, including the implementation of the Housing Information Portal (HIP), and software revisions, thus making full implementation and compliance as early as January 1, 2024 and no later than January 1, 2025. On September 29, 2023, HUD issued Notice PIH 2023-27, the implementation guidance for Sections 102 and 104 of HOTMA. In this Notice, HUD acknowledged that PHAs would likely need more time to develop their policies and update their Annual Plans and provide further guidance on the compliance date and Annual Plan submission requirements.

HACA staff recommends a HOTMA implementation date of January 1, 2025, to allow for time to change procedures and educate program participants, property owners, and staff. Additionally, HUD and Emphasys need this time to make necessary changes to software and systems to allow for the full implementation of HOTMA.

HACA subscribes to the Nan McKay revision service. Nan McKay announced that they will provide updates to the model HCV Administrative Plan in October 2023. Staff will make the required changes and prepare the HCV Administrative Plan to go out for public comment with the HOTMA changes.

The following highlights the most significant changes as a result of HOTMA for sections 102 and 104. Attachment 1 includes a summary of HOTMA changes with HACA decision points that will be incorporated in the tracked HCV Administrative Plan that will go out for public comment.

•**Inflationary Adjustments Index** will adjust deductions for dependents and elderly/disabled families. (Dependent deduction of \$480 on Jan 1, 2024, the amount will be adjusted annually based on HUD published inflationary adjustment.

•**Elderly/Disabled Family deduction**, increases from \$400 to \$525 and applies at the family's next interim or reexamination. The deduction amount will increase annually based on the HUD-published inflationary adjustment.

•**Medical and Disability Assistance Expenses threshold** increases from 3% to 10% but will be phased in over 2 years with 5% and 7.5% thresholds accordingly each year.

•**Method for calculating income for annual reexamination** will require reviewing the preceding 12 months. Interims and initial occupancy still consider current income to calculate annual future income.

•**Assets \$50,000** or less can be self-certified by the client but with verification every 3rd year. Currently, the HCV policy allows for self-certification of assets \$5,000 or less. Staff recommends allowing for self-certification of assets \$50,000 or less with verification every 3 years, as allowed by HOTMA.

•**Asset Restriction** – assistance may not be provided initially or at re-exam if the family has:

- A present ownership interest in, legal right to reside in, and the effective legal authority to sell, real property that is suitable for occupancy by the family as a residence
- Net family assets exceeding \$100,000 (adjusted annually for inflation)

•**Interim decrease 10% threshold** establishes that interim decreases less than 10% may be declined by the PHA and then considered at the annual reexamination. Staff recommends retaining the current policy to process all interim decreases.

•**Interim increases for unearned income** are required if the unearned income is 10% or more.

•**Interim increases for earned income** may be considered and processed in some circumstances when new earned income increases by 10%. Staff recommends not to process interim increases, consistent with current HCV program interim policy. All income will be captured at the re-exam as HOTMA requires annual income based on the previous 12 months.

•**Earned Income Disallowance (EID)** is discontinued with no new enrollments as of 1-1-2024. EID sunsets 1-1-2026.

•**De Minimis Errors** - PHA will not be considered out of compliance solely due to errors in calculating adjusted income of \$30 or less per month.

•**Revisions to program definitions** - such as annual income, earned income, and assets. Regulation lists income that is excluded and all income is included unless specifically excluded.

Proposed changes to the Housing Choice Voucher (HCV) Administrative Plan with proposed local policy changes will go out for public comment for 30 days beginning Friday, October 20, 2023.

Proposed changes to the Housing Choice Voucher (HCV) Administrative Plan to include HOTMA changes may go out for public comment on October 20, 2023, however, if more time is needed to make the revisions considering the extent of the HOTMA changes, the HCV Administrative Plan may go out for public comment with the proposed HOTMA changes at a later date.

ITEM 7: Presentation and Discussion of the Draft 2024 Public Housing Authority (PHA) Annual Plan and Update to the Five-Year Plan

The Five-Year and Annual PHA Plans provide a ready source for interested parties to locate basic housing authority policies, rules and requirements concerning its operations, programs, and services, including changes to these policies. They also inform HUD, families served by the PHA, and members of the public of the PHA's mission, goals and objectives for serving the needs of low-income and extremely low-income families. PHAs who administer Housing Choice voucher (HCV) programs, without public housing units, such as HACA, utilize Form HUD-50075-HCV and HUD-50075-5Y to submit changes to its PHA Plans.

Staff brought these proposed changes to the Board for discussion and input at this time. After incorporating any Board recommendations, HACA will invite public comment on the proposed changes beginning at 8:00 a.m. on Friday, October 20, 2023 through 5:00 p.m. on Monday, December 4, 2023. HACA will send the proposed changes to Texas Rio Grande Legal Aid, the Austin Tenants' Council and other stakeholders. The HCV Administrative Plan changes, which make up the bulk of the Annual PHA Plan revisions, are included here as well. HACA staff also updated its Strategic Plan, therefore the Five-Year Plan is being updated with the new goals and strategies as well. After receiving comments, the proposed changes will be presented to the Board for final approval at the December 2023 Board Meeting.

EXECUTIVE SESSION

The Board do not recess into Executive Session.

REPORTS

- **Sylvia Blanco, HACA Operations Officer**, provided feedback from the NAHRO National Conference in New Orleans. HACA was awarded two Awards of Merit 1) Community Health Worker Initiative and 2) The Chalmers East Redevelopment project. Sylvia also reported that Lisa Garcia, HACA Vice-President of Assisted Housing is now the President of TXNAHRO.

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

The meeting adjourned at 2:00 pm.

Michael G. Gerber, Secretary

Chairperson

HOUSING AUTHORITY OF THE CITY OF AUSTIN

BOARD ACTION REQUEST

RESOLUTION NO. 02819

EXECUTIVE

ITEM NO. 2.

MEETING DATE: November 16, 2023

STAFF CONTACT: Michael Gerber, President & CEO

ITEM TITLE: Presentation, Discussion, and Possible Action regarding Resolution No. 02819: Approval of the Board of Commissioners Meeting Schedule for 2024

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to review and approve Resolution No. 02819 to adopt the Board of Commissioners Meeting Schedule for the 2024 calendar year.

SUMMARY

Background:

Per the HACA Bylaws, each year the Board of Commissioners is to adopt by resolution a meeting schedule for the following year. This schedule is to be posted and given to the City Clerk's office and posted on the HACA's website and all HACA property management community bulletin boards.

A comprehensive list was created to show all future conference dates of state, regional and national associations. This list also includes the dates for the Austin Independent School District's Spring Break for 2024. Based on these dates, the 2024 HACA Board of Commissioners Meeting Schedule has been created.

ATTACHMENTS:

- ▣ **2024 HACA Board Meeting Schedule**
- ▣ **2024 Conferences**

RESOLUTION NO. 02819

APPROVAL OF THE BOARD OF COMMISSIONERS MEETING SCHEDULE FOR 2024

WHEREAS, the Housing Authority of the City of Austin has established Bylaws for the operation of the Housing Authority of the City of Austin;

WHEREAS, to be in compliance with the Bylaws, the Housing Authority is to maintain a schedule of the Board of Commissioners meetings dates and times to be posted at the Housing Authority developments;

WHEREAS, a list of dates and times have been compiled for the 2024 calendar year to ensure a quorum;

NOW, THEREFORE, IT IS HEREBY RESOLVED, that the Housing Authority Board of Commissioners approves and adopts the HACA Board Meeting Schedule for the 2024 calendar year.

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

Michael G. Gerber, Secretary

Carl S. Richie, Jr., Chairperson

Housing Authority of the City of Austin

Established in 1937

Housing Authority of the City of Austin Board of Commissioners Regular Board Meetings for the Year 2024

Regular Board meetings are generally scheduled on the 3rd Thursday of each month to be held at the Central Office or at various housing development sites. The Board of Commissioners may reschedule a meeting date/time to ensure a quorum is met or to address an urgent matter on an “as needed basis.”

ALL BOARD MEETINGS WILL COMMENCE AT 12:00 P.M.
(or unless otherwise indicated by the Posting of the Meeting)

<i>DAY/DATE</i>	<i>TYPE OF MEETING</i>	<i>ADDRESS</i>
Thursday, January 18	Regular Board Meeting 12:00 PM	Central Office 1124 S. IH 35
Thursday, February 15	Regular Board Meeting 12:00 PM	Central Office 1124 S. IH-35
Thursday, March 21	Annual Meeting 12:00 PM	Central Office 1124 S. IH-35
Thursday, April 18	Regular Board Meeting 12:00 PM	Central Office 1124 S. IH-35
Thursday, May 16	Regular Board Meeting 12:00 PM	Central Office 1124 S. IH-35
Thursday, June 20 <i>Optional</i>	Regular Board Meeting 12:00 PM	Central Office 1124 S. IH-35
Thursday, July 18	Regular Board Meeting 12:00 PM	Central Office 1124 S. IH-35
Thursday, August 15	Regular Board Meeting 12:00 PM	Central Office 1124 S. IH-35
Thursday, September 19	Regular Board Meeting 12:00 PM	Central Office 1124 S. IH-35
Thursday, October 17 <i>Optional</i>	Regular Board Meeting 12:00 PM	Central Office 1124 S. IH-35
Thursday, November 21	Regular Board Meeting 12:00 PM	Central Office 1124 S. IH-35
Thursday, December 19	Regular Board Meeting 12:00 PM	Central Office 1124 S. IH-35

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. Please call (512) 477-4488, extension 2104 for information.

1124 S. IH 35, Austin, TX 78704 • 512.477.4488

2024 Conferences/Meetings

January 7-12	NSCHA	HFA Institute	Washington, DC
January 18	HACA	Regular Meeting	
January 23-24	SWNAHRO	Winter Committee Mtgs	Irving, TX
February 13-15	SWNAHRO	Maintenance Conference	Little Rock, AR
February 15	HACA	Regular Meeting	
March 6-8	NAHMA	Winter Conference	Washington, DC
March 4-6	NSCHA	Legislative Conference	Washington, DC
March 11-15	AISD Spring Break		
March	CLPHA	Spring Meeting	Washington, DC
March 21	HACA	Annual Meeting	
April 8-10	NAHRO	Washington Conference	Washington, DC
April 18	HACA	Regular Meeting	
April	CLPHA	Housing Is Summit	Washington, DC
April	CHRA	Housing & Homelessness	
April	NALHFA	Conference	
May 16	HACA	Regular Meeting	
June 2-5	PHADA	Annual Convention	New Orleans, LA
June 25-28	SWNAHRO	Annual Conference	St. Louis, MO
June 20	HACA	Optional Meeting	
June 10-13	NCSHA	Housing Credit Connect	Atlanta, GA
June	NLHA	Annual Meeting	
June 23-26	SHRM	Annual Conference	Chicago, IL
June	CLPHA	Summer Meeting	Washington, DC
July 18	HACA	Regular Meeting	
July 22-24	TAAHP	Annual Conference	Austin, TX
August 15	HACA	Regular Meeting	
September 8-10	PHADA	Legislative Forum	Washington, DC
September 19	HACA	Regular Meeting	
September 28-October 1	NCSHA	Annual Conference	Phoenix, AZ
October 17	HACA	Optional Meeting	
October	CLPHA	Fall Meeting	Washington, DC
October 13-16	SW SHRM	Annual Conference(s)	Ft. Worth, TX
October 23-25	NAHMA	Fall Conference	Washington, DC
September 26-28	NAHRO	National Conference	Orlando, FL
October	NLHA	Fall Seminar	
November 21	HACA	Regular Meeting	
December 19	HACA	Regular Meeting	

HOUSING AUTHORITY OF THE CITY OF AUSTIN

BOARD ACTION REQUEST

RESOLUTION NO. 02820

AUSTIN AFFORDABLE HOUSING CORPORATION

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. 02820 by the Board of Commissioners of the Housing Authority of the City of Austin (the “Authority”) to take the following actions with regard to the Bridge at Delco Flats (the “Development”) in Austin, Texas: (i) acquire the site of the Development; (ii) lease the Development site to the owner of the Development; and (iii) such other actions necessary or convenient to carry out this Resolution

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to approve Resolution No. 02820 to take the following actions with regard to the Bridge at Delco Flats (the “Development”) in Austin, Texas: (i) acquire the site of the Development; (ii) lease the Development site to the owner of the Development; and (iii) such other actions necessary or convenient to carry out this Resolution

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 (3rd) 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.

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

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. 02820.

RESOLUTION NO. 02820

Resolution authorizing the Housing Authority of the City of Austin (the “Authority”) to take the following actions with regard to the Bridge at Delco Flats (the “Development”) in Austin, Texas: (i) acquire the site of the Development; (ii) lease the Development site to the owner of the Development; and (iii) such other actions necessary or convenient to carry out this resolution

WHEREAS, Austin Affordable Housing Corporation (“AAHC”) has agreed to participate in the acquisition and operation of the Development;

WHEREAS, in connection therewith, the Authority has agreed to acquire certain real property in Austin, Texas (the “**Land**”), which constitutes the site for the Development, and to simultaneously lease the Land to Bridge at Delco Flats, LP, a Texas limited partnership whose general partner is controlled by AAHC (the “**Owner**”), under a long-term ground lease (the “**Ground Lease**”);

NOW, THEREFORE, the Board of Commissioners of the Authority hereby approves and adopts the following resolutions, and hereby authorizes its Chief Executive Officer (or the Chief Executive Officer’s designee) to do the following:

1. Acquire the Land and enter into the Ground Lease with the Owner.
2. Review, execute and approve the Ground Lease and all such other documents necessary to effectuate the acquisition of the Land, execution of the Ground Lease and Owner’s acquisition of the Development, including but not limited to such security instruments and estoppel certificates as any lender involved with the Development may require, all on such terms and containing such provisions as the Chief Executive Officer (or his designee) shall deem appropriate, and the approval of the terms of each such instrument shall be conclusively evidenced by his execution and delivery thereof.

This resolution shall be in full force and effect from and upon its adoption.

[End of Resolution]

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

CHAIRMAN

ATTEST:

SECRETARY

HOUSING AUTHORITY OF THE CITY OF AUSTIN

BOARD ACTION REQUEST

RESOLUTION NO. 02821

AUSTIN AFFORDABLE HOUSING CORPORATION

ITEM NO. 4.

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. 02821 by the Board of Commissioners of the Housing Authority of the City of Austin (the “Authority”) to take the following actions with regard to the Bridge at Paloma Apartments (the “Development”) in Austin, Texas: (i) acquire the site of the Development; (ii) lease the Development site to the owner of the Development; and (iii) such other actions necessary or convenient to carry out this Resolution.

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to approve Resolution No. 02821 to take the following actions with regard to the Bridge at Paloma Apartments (the “Development”) in Austin, Texas: (i) acquire the site of the Development; (ii) lease the Development site to the owner of the Development; and (iii) such other actions necessary or convenient to carry out this Resolution.

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 fourth (4th) 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.

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

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.02821.

RESOLUTION NO. 02821

Resolution authorizing the Housing Authority of the City of Austin (the “Authority”) to take the following actions with regard to the Bridge at Paloma Apartments (the “Development”) in Austin, Texas: (i) acquire the site of the Development; (ii) lease the Development site to the owner of the Development; and (iii) such other actions necessary or convenient to carry out this resolution

WHEREAS, Austin Affordable Housing Corporation (“AAHC”) has agreed to participate in the acquisition and operation of the Development;

WHEREAS, in connection therewith, the Authority has agreed to acquire certain real property in Austin, Texas (the “Land”), which constitutes the site for the Development, and to simultaneously lease the Land to Bridge at Paloma LP, a Texas limited partnership whose general partner is controlled by AAHC (the “Owner”), under a long-term ground lease (the “Ground Lease”);

NOW, THEREFORE, the Board of Commissioners of the Authority hereby approves and adopts the following resolutions, and hereby authorizes its Chief Executive Officer (or the Chief Executive Officer’s designee) to do the following:

1. Acquire the Land and enter into the Ground Lease with the Owner.
2. Review, execute and approve the Ground Lease and all such other documents necessary to effectuate the acquisition of the Land, execution of the Ground Lease and Owner’s acquisition of the Development, including but not limited to such security instruments and estoppel certificates as any lender involved with the Development may require, all on such terms and containing such provisions as the Chief Executive Officer (or his designee) shall deem appropriate, and the approval of the terms of each such instrument shall be conclusively evidenced by his execution and delivery thereof.

This resolution shall be in full force and effect from and upon its adoption.

[End of Resolution]

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

CHAIRMAN

ATTEST:

SECRETARY

HOUSING AUTHORITY OF THE CITY OF AUSTIN

BOARD ACTION REQUEST

RESOLUTION NO. 02822

AUSTIN AFFORDABLE HOUSING CORPORATION

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. 02822 by the Board of Commissioners of the Housing Authority of the City of Austin (the “Authority”) approving resolution of Austin Affordable PFC, Inc. providing for the issuance of its Multifamily Housing Revenue Bonds (Kingswood Apartments) Series 2023A and Multifamily Housing Revenue Bonds (Kingswood Apartments) Taxable Series 2023B; approving the form and substance of and authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily rental residential development; and containing other provisions relating to the subject.

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to approve Resolution No. 02822: Resolution by the Board of Commissioners of the Housing Authority of the City of Austin (the “Authority”) approving resolution of Austin Affordable PFC, Inc. providing for the issuance of its Multifamily Housing Revenue Bonds (Kingswood Apartments) Series 2023A and Multifamily Housing Revenue Bonds (Kingswood Apartments) Taxable Series 2023B; approving the form and substance of and authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily rental residential development; and containing other provisions relating to the subject.

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 14th 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. 02822.

RESOLUTION NO. 02822

RESOLUTION APPROVING ISSUANCE BY AUSTIN AFFORDABLE PFC, INC. OF THE AUSTIN AFFORDABLE PFC, INC. MULTIFAMILY HOUSING REVENUE BONDS (KINGSWOOD APARTMENTS), SERIES 2023A and Multifamily Housing Revenue Bonds (KINGSWOOD Apartments), Taxable Series 2023B; APPROVING THE FORM AND SUBSTANCE OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS AND INSTRUMENTS NECESSARY TO CARRY OUT THE FINANCING OF SUCH MULTIFAMILY RENTAL RESIDENTIAL DEVELOPMENT; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Austin Affordable PFC, Inc. (the “Issuer”) was created by the Housing Authority of the City of Austin (the “Sponsor”) pursuant to the provisions of the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the “Act”); and

WHEREAS, Section 303.071 of the Act requires that the governing body of the Sponsor approve by resolution any of the Issuer’s bonds; and

WHEREAS, the Board of Directors of the Issuer (the “Board”) has determined to authorize the issuance, sale and delivery of the Issuer’s Multifamily Housing Revenue Bonds (Kingswood Apartments), Series 2023A and Multifamily Housing Revenue Bonds (Kingswood Apartments), Taxable Series 2023B (the “Bonds”), pursuant to and in accordance with the terms of an Indenture of Trust (the “Trust Indenture”), between the Issuer and BOKF, NA, as trustee; and

WHEREAS, the Board adopted a resolution on the date hereof authorizing the issuance of the Bonds (the “Issuer Resolution”); and

WHEREAS, the proceeds of the sale of the Bonds will be used for the purpose of lending the funds to LDG Kingswood, LP, a Texas limited partnership (the “Borrower”), to provide financing for the acquisition, construction and equipping of a multifamily rental housing development identified on Exhibit A of the Issuer Resolution to be known as the Kingswood Apartments (the “Project”), all in accordance with the Constitution and laws of the State of Texas; and

WHEREAS, it is deemed necessary and advisable that this Resolution be adopted;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF AUSTIN THAT:

Section 1. The Issuer Resolution, a copy of which is attached hereto as Exhibit A and made a part hereof for all purposes, is hereby approved.

Section 2. The approval herein given is in accordance with the provisions of Section 303.071 of the Act and is not to be construed as any undertaking by the Sponsor, and the Bonds shall never constitute an indebtedness or pledge of the Sponsor, the City of Austin, Travis County, or the State of Texas, within the meaning of any constitutional or statutory provision, and the owners of the Bonds shall never be paid in whole or in part out of any funds raised or to be raised by taxation or any other revenues of the Issuer, the Sponsor, the City of Austin, Travis County, or the State of Texas except those revenues assigned and pledged by the Issuer in the Trust Indenture.

Section 3. The activities and expenditures authorized and contemplated by the Issuer Resolution are hereby in all respects approved.

Section 4. The officers of the Sponsor are hereby authorized, jointly and severally, to execute and deliver such endorsements, instruments, certificates, documents, or papers necessary and advisable to carry out the intent and purposes of this Resolution.

Section 5. This Resolution was considered and adopted at a meeting of the Board of Commissioners of the Sponsor that was noticed, convened, and conducted in full compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code.

Section 6. This Resolution shall be in full force and effect from and upon its adoption.

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

CHAIRMAN

ATTEST:

SECRETARY