

**AUSTIN AFFORDABLE HOUSING CORPORATION  
REGULAR BOARD MEETING**

**Thursday, July 10, 2025  
12:00 PM**

**1124 S IH 35 Frontage Rd,**

Join Zoom Meeting <https://bit.ly/43Hh0Cp> Meeting ID: 889 0331 8599; Passcode:  
189097  
Austin, TX

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

**TO BE HELD AT  
1124 S IH 35 Frontage Rd,  
Join Zoom Meeting <https://bit.ly/43Hh0Cp> Meeting ID: 889 0331 8599; Passcode: 189097  
Austin, TX  
(512.477.4488)**

**Thursday, July 10, 2025  
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.

1. Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on May 29, 2025

**ACTION ITEMS**

2. Presentation, Discussion, and Possible Action on Resolution No. 00272 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 Ovetta Rosedale (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 affiliate limited liability company to execute an amended and restated operating agreement of Ovetta Rosedale, LLC (the “Company”) and other related documents, including any development agreement, purchase option, and right of first refusal agreement; (iii) cause the Company to own the Development; (iv) cause the Company to enter into acquisition and development financing for the Development; and (v) cause AAHC, its affiliates, and/or the Company to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein

3. Presentation, Discussion, and Possible Action on Resolution No. 00273 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 construction of Vargas Apartments Phase I (the “Development”), which will consist of multifamily housing units and associated amenities to be built upon land in Austin, Texas ground-leased from the Housing Authority of the City of Austin (“HACA”); (ii) cause Riverside — Vargas QOZB Condo 1, LLC (the “Owner”), of which the managing member is wholly owned by AAHC, to own the Development; (iii) cause the Owner to enter into acquisition and construction financing for the Development; and (iv) cause AAHC, its affiliates, and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein

## **EXECUTIVE SESSION**

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.

## **OPEN SESSION**

### **REPORTS**

The Board will receive program updates from the President/CEO and other senior staff.

### **ADJOURNMENT**

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"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

### AAHC ITEM 1.

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<b>MEETING DATE:</b>	July 10, 2025
<b>STAFF CONTACT:</b>	Ron Kowal
<b>ITEM TITLE:</b>	Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on May 29, 2025
<b>BUDGETED ITEM:</b>	N/A
<b>TOTAL COST:</b>	N/A

### ACTION

The Board is being asked to review and approve the Board Minutes Summary for the Board Meeting held on May 29, 2025.

### SUMMARY

**Background:**

**Process:**

**Staff Recommendation:**

### ATTACHMENTS:

20250529 AAHC Final Minutes Summary

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

**MAY 29, 2025**

**SUMMARY OF MINUTES**

**THE AUSTIN AFFORDABLE HOUSING CORPORATION (AAHC) BOARD OF DIRECTORS REGULAR MEETING NOTICE WAS POSTED FOR 12:00 PM ON THURSDAY, MAY 29, 2025, 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 May 29, 2025, was called to order by Tyra Duncan-Hall, HACA Board Vice-Chairperson, at 12:06 pm. The meeting was held at the HACA Central Office, 1124 S. IH 35, TX 78704

Roll call certified a quorum was present.

**MEMBERS PRESENT:**

Edwina Carrington, Chairperson  
Mary Apostolou, 2<sup>nd</sup> Vice-Chairperson  
Dr. Tyra Duncan-Hall, Director

**MEMBER(S) ABSENT:**

Carl S. Richie, Jr., Director

**ALSO IN ATTENDANCE:**

Lauren Aldredge, Cokinis Law Firm  
Sarah Scott, Coats Rose

**STAFF PRESENT:**

Ann Gass, Daniel Ruiz, Jorge Vazquez, Katie Richardson, Kelly Crawford, Ken Bodden, Laura Bodai, Leilani Lim-Villegas, Michael Gerber, Nidia Hiroms, Ron Kowal, Suzanne Schwertner and Sylvia Calderon

**PUBLIC COMMUNICATION – NONE**

**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 April 3, 2025**

**Vice-Chairperson Apostolou** moved to Approve the Board Minutes Summary for the Board Meeting held on April 3, 2025. **Director Duncan-Hall** seconded the motion. The motion Passed (3-Ayes and 0-Nays).

**ACTION ITEMS**

**ITEM 2: Presentation, Discussion and Possible Action on Resolution No. 00270: 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 Bridge at Treeline 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 Bridge at Treeline GP, LLC (the "General Partner") to execute a first amended and restated agreement of limited partnership of Bridge at Treeline 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**

Austin Affordable Housing Corporation was presented with an opportunity to partner with JCI Residential on a 11.33 acre tract of land located at 12201 Heatherly Drive, Austin, Texas 78747. This would be the eighth (8th) asset AAHC and JCI have partnered on together. Two of the eight are also LIHTC/Bond projects successfully constructed and completed: Bridge at Granada and Bridge at Turtle Creek. The Board saw this property for the first time in September 2024 where an Inducement Resolution was approved.

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 transactions. JCI is a privately held development firm with a current development pipeline of more than 200 projects. AAHC

works with the Managing Partner, Sam Kumar, and President, Kurt Goll. JCI Residential will also manage the property.

The project (Bridge at Treeline) will consist of 294 family units. 100% of the units will be affordable to people earning 60% AMI or below. This site sits just a few minutes from South of downtown with quick access to major thoroughfares IH35 and SH 45. The property feeds into the Austin Independent School District and Blazier Elementary School, Paredes Middle School and Akins 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 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 will provide a home to many individuals and families who work in and around the area with no current affordability in place. The nearest property in AAHC's current portfolio is Bridge at Three Hills right next door. This is also a partnership between AAHC and JCI as a workforce housing property.

The development will use a mixture of 4% tax credits and bonds to finance the development with a total project cost of approximately \$70,700,000. HACA, through its Public Facility Corporation will issue tax-exempt bonds in an amount not to exceed \$40,000,000. Regions Bank will carry the debt under the HUD 221(d)(4) program at a loan amount not to exceed \$51,000,000. Regions Bank will also provide the tax credit equity and bridge loan not to exceed \$16,000,000.

The planned development will consist of 55 studio units, 32 one bedroom and one bath units, 121 two bedroom and one bath units, and 86 two bedroom and two bath units. All units will be marketed to HACA's Housing Choice Voucher residents. This approval will allow us to close on the bonds and construction financing in July 2025.

**Vice-Chairperson Apostolou** moved to Approve Resolution No. 00270: 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 Bridge at Treeline 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 Bridge at Treeline GP, LLC (the "General Partner") to execute a first amended and restated agreement of limited partnership of Bridge at Treeline 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 in an amount not to exceed \$40,000,000. **Director Duncan-Hall** seconded the motion. The motion Passed (3-Ayes and 0-Nays).

**ITEM 3: Presentation, Discussion and Possible Action on Resolution No. 00271 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 Mesa Verde (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 liability company (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 358-unit multi-family rental property called Mesa Verde Apartments. The development is located at 3201 Duval Road, Austin, Texas 78759. This would be the twentieth asset AAHC and Belveron Corporation have purchased together. This asset is directly across from The Domain with direct access to the 7-mile Northern Walnut Creek Trail.

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 230 properties in 32 states. AAHC works with the Managing Partners, Paul Odland, and Josh Plattner.

The Mesa Verde Apartments were developed in 1994 by North America Properties. The property sits on 20.06 acres. The previous owner has spent over \$6.4 million on capital improvements including replacement of all 358 HVAC units and full exterior paint. Some of the property amenities include two resort-style swimming pools with lounge seating and cabanas, elegant clubhouse with gathering spaces and full conference room with business center and co- working nooks, fitness center, and a full kitchen and coffee bar. Residents can also enjoy the spacious courtyards with grilling areas and a gathering pavilion. The property feeds into the Austin Independent School District Summit Elementary School, Murchison Middle School, and Anderson High School.

This is an important transaction for HACA and AAHC as this part of Austin continues to keep some of the highest rents in the Austin market with virtually no affordable housing. 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 the rail and bus stations adjacent to the

property, AAHC and Belveron can provide some stable and affordable housing to those stakeholders in the area.

The property is currently 95% occupied and rents currently range from \$1,609 for a 1 bedroom to \$2,427 for a two bedroom.

The purchase price for Mesa Verde Apartments is \$77,750,000. 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. Berkadia will be providing a Fannie Mae permanent loan with a not to exceed loan amount of \$62,200,000 at a rate of approximately 5.75% 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, 40% of the units at 80% AMI and marketing units to all voucher holders.

Apartment Management Professionals will manage the property. The new name for the property will be Bridge at Mesa Verde Apartments.

**Vice-Chairperson Apostolou** moved to Approve Resolution No. 00271 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 Mesa Verde (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 liability company (the "Owner") to own the Development; (iii) cause the Owner to enter into acquisition and development financing for the Development; and (iv) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein. **Director Duncan-Hall** seconded the motion. The motion Passed (3-Ayes and 0-Nays).

#### **EXECUTIVE SESSION**

The Board did not recess into Executive Session.

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

The meeting adjourned at 1:00 pm.

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**Michael G. Gerber, Secretary**

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**Chairperson**



# AUSTIN AFFORDABLE HOUSING CORPORATION

## BOARD ACTION REQUEST

### AAHC ITEM 2.

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**MEETING DATE:** July 10, 2025

**STAFF CONTACT:** Suzanne Schwertner

**ITEM TITLE:** Presentation, Discussion, and Possible Action on Resolution No. 00272 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 Ovetta Rosedale (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 affiliate limited liability company to execute an amended and restated operating agreement of Ovetta Rosedale, LLC (the “Company”) and other related documents, including any development agreement, purchase option, and right of first refusal agreement; (iii) cause the Company to own the Development; (iv) cause the Company to enter into acquisition and development financing for the Development; and (v) cause AAHC, its affiliates, and/or the Company to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein

**BUDGETED ITEM:** N/A

**TOTAL COST:** N/A

### ACTION

The Board is being asked to approve Resolution No. 00272 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 Ovetta Rosedale (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 affiliate limited liability company to execute an amended and restated operating agreement of Ovetta Rosedale, LLC (the “Company”) and other related documents, including any development agreement, purchase option, and right of first refusal agreement; (iii) cause the Company to own the Development; (iv) cause the Company to enter into acquisition and development financing for the Development; and (v) cause AAHC, its affiliates, and/or the Company to execute any such further documentation as necessary or desirable to allow the consummation of the transactions



described herein.

## SUMMARY

### Background:

Austin Affordable Housing Corporation is being presented with an opportunity to partner with Megan Lasch of O-SDA Industries, LLC on a certain +/- .79-acre tract of land located within the Austin city limits at 4202-4210 Medical Pkwy, Austin, Texas 78756. The project (Ovetta Rosedale) will consist of 70 family units serving tenants with incomes in the range of 30% AMI, 50% AMI, 60% AMI and 80% AMI.

### Process:

The development received a competitive 9% tax credit award last year (July 2024). As is common with most 9% tax credit deals, there are several layers of financing. Equity will be provided by Hudson Housing Capital LLC with a price of 85 cents. Construction Debt will be provided by Legacy Bank & Trust Company in an amount not to exceed \$16,000,000. Central Texas Housing Accelerator Fund, LLC will provide construction gap financing of \$2,000,000 that will be paid off at construction completion. Austin Housing Finance Corporation provided a loan of \$5,195,000 to purchase the land and the loan will remain in place as permanent debt. Boston Capital Mortgage Fund VI will provide the permanent debt in the amount not to exceed \$8,030,000. The total project cost will be approximately \$28,000,000.

The project is in a high opportunity area and will be near a high concentration of jobs and services related to the medical industry. Several bus stops are located across the street and up and down Medical Parkway. The following AISD schools serve this property: Bryker Woods Elementary, O Henry Middle School and Austin High School. The development will also provide a High-Quality Pre-K program located on the first floor of the building as well as other social services for adults.

### Unit Breakdown:

# Bedrooms	30% AMI	50% AMI	60% AMI	80% AMI
Efficiency	3	3	1	0
1 Bedroom	2	5	6	1
2 Bedroom	1	14	17	1
3 Bedroom	1	6	8	1

All units will be marketed to HACA's Housing Choice Voucher residents. The Board approved this property back in August of 2024 for a tax credit application. Today's approval will allow us to move forward with financial closing and to start construction.

### Staff Recommendation:

Staff recommends approval of Resolution No. 00272.

### ATTACHMENTS:

None

## RESOLUTION NO. 00272

**A Resolution by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the acquisition and development of Ovetta Rosedale (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 affiliate limited liability company to execute an amended and restated operating agreement of Ovetta Rosedale, LLC (the “Company”) and other related documents, including any development agreement, purchase option, and right of first refusal agreement; (iii) cause the Company to own the Development; (iv) cause the Company to enter into acquisition and development financing for the Development; and (v) cause AAHC, its affiliates, and/or the Company to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein**

**WHEREAS**, AAHC is the sole member of AAHC Ovetta Rosedale MM, LLC, a Texas limited liability company (the **“AAHC MM”**);

**WHEREAS**, the AAHC MM is the sole managing member of Ovetta MM, LLC, a Texas limited liability company (the **“Managing Member”**);

**WHEREAS**, the Managing Member is the sole managing member of the Company;

**WHEREAS**, the Company was formed for the purpose of owning, constructing, developing, managing, operating, and otherwise dealing with the Development of a 70-unit apartment project to be constructed on a parcel of land located in Austin, Travis County, Texas (the **“Land”**), and intended for rental to persons of low and moderate income;

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

**WHEREAS**, AAHC, the AAHC MM, the Managing Member, and the Company desire to enter into certain equity documents for the purpose of admitting one or more affiliates of Hudson Housing Capital LLC, as investor member(s), to the Company (the **“Investor Member”**), including an Amended and Restated Operating Agreement of the Company, a Development Agreement, a Deferred Development Fee Note, and other related documents contemplated thereby (collectively, the **“Equity Documents”**);

**WHEREAS**, the Company desires to enter into a construction loan with Legacy Bank & Trust Company, a Missouri chartered trust company with banking powers (or an affiliate thereof), as lender, whereby the Company will borrow a sum not to exceed \$16,000,000.00 (**“Construction Loan”**), in order to finance the acquisition of the Land and construction of the Development;

**WHEREAS**, the Construction Loan will be made pursuant to a Loan Agreement, a Promissory

Note (Construction) to be secured, inter alia, by a Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, a Security Agreement (Assignment of Membership Interest and Capital Contributions), an Environmental Indemnification and Release Agreement, an Escrow and Disbursing Agreement, an Intercreditor and Subordination Agreement, assignments, UCC financing statements, certificates, affidavits, directions, amendments, notices, requests, demands, waivers, and any other assurances, instruments, or other communications executed in the name of and on behalf of the Company as may be deemed to be necessary or advisable in order to carry into effect or to comply with the requirements of the instruments approved or authorized by these resolutions in connection with the Construction Loan (collectively, the “**Construction Loan Documents**”);

**WHEREAS**, the Company desires to enter into a permanent loan commitment for a permanent loan in a sum not to exceed \$8,030,000.00 (“**Permanent Loan Commitment**”), with Boston Capital Long Term Mortgage Fund VI LLC, a Delaware limited liability company (or an affiliate thereof), as lender, the Permanent Loan Commitment will be made pursuant to a loan commitment and delivery assurance documents, including, but not limited to, a Promissory Note (Delivery Assurance) to be secured, inter alia, by a Delivery Assurance Leasehold Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing, UCC financing statements, subordinations, assignments, guaranties, certificates, affidavits, directions, amendments, indemnifications, notices, requests, demands, waivers, and any other assurances, instruments, or other communications executed in the name of and on behalf of the Company as may be deemed to be necessary or advisable in order to carry into effect or to comply with the requirements of the instruments approved or authorized by these resolutions in connection with the Permanent Loan (collectively, the “**Delivery Assurance Documents**”);

**WHEREAS**, the Company desires to enter into a permanent loan with Boston Capital Long Term Mortgage Fund VI LLC, a Delaware limited liability company (or an affiliate thereof), as lender, whereby the Company will borrow a sum not to exceed \$8,030,000.00 (“**Permanent Loan**”);

**WHEREAS**, the Permanent Loan will be made pursuant to a Permanent Loan Agreement, a Promissory Note to be secured, inter alia, by a Leasehold Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing, UCC financing statements, an Operating Reserve and Security Agreement, a Capital Improvements Reserve and Security Agreement, an Assignment and Subordination of Management Agreement, an Environmental Indemnification Agreement, guaranties, subordinations, certificates, affidavits, directions, amendments, indemnifications, notices, requests, demands, waivers, and any other assurances, instruments, or other communications executed in the name of and on behalf of the Company as may be deemed to be necessary or advisable in order to carry into effect or to comply with the requirements of the instruments approved or authorized by these resolutions in connection with the Permanent Loan (collectively, the “**Permanent Loan Documents**”);

**WHEREAS**, the Company desires to obtain a loan from the Austin Housing Finance Corporation, a Texas public, nonprofit corporation (“**AHFC**”), whereby the Company will borrow an aggregate sum not to exceed \$5,195,000.00 from the Rental Housing Development Assistance Program (“**AHFC Loan**”), in order to finance the acquisition of the Land and

construction of the Development;

**WHEREAS**, the AHFC Loan will be made pursuant to amended and restated restrictive covenants, an amended and restated rental housing development assistance loan agreement, an amended and restated environmental indemnity agreement, an amended and restated promissory note to be secured, inter alia, by an amended and restated subordinate leasehold deed of trust, UCC financing statements, certificates, affidavits, directions, amendments, indemnifications, notices, requests, demands, waivers, and any other assurances, instruments, or other communications executed in the name of and on behalf of the Company as may be deemed to be necessary or advisable in order to carry into effect or to comply with the requirements of the instruments approved or authorized by these resolutions in connection with the AHFC Loan (collectively, the **"AHFC Loan Documents"**);

**WHEREAS**, in connection with the AHFC Loan, the City of Austin will require the Company to enter into an Amended and Restated Affordability Unlocked Land Use and Restrictions Agreement and any other assurances, instruments, or other communications executed in the name of and on behalf of the Company as may be deemed to be necessary or advisable in order to carry into effect or to comply with the requirements of the instruments approved or authorized by these resolutions in connection with the Amended and Restated Affordability Unlocked Land Use and Restrictions Agreement (the **"AU Agreement"**);

**WHEREAS**, the Company desires to obtain a loan from Central Texas Housing Accelerator Fund, LLC, a Texas limited liability company, or an affiliate thereof (**"ACF"**), whereby the Company will borrow a sum not to exceed \$2,000,000.00 from ACF (**"ACF Loan"**), in order to finance the construction of the Development;

**WHEREAS**, the ACF Loan will be made pursuant to a loan agreement, a promissory note to be secured, inter alia, by a deed of trust, a land use restriction agreement, UCC financing statements, assignments, guaranty agreements, subordination agreements, certificates, affidavits, directions, amendments, indemnifications, notices, requests, demands, waivers, and any other assurances, instruments, or other communications executed in the name of and on behalf of AAHC or on behalf of the Company, as applicable, as may be deemed to be necessary or advisable in order to carry into effect or to comply with the requirements of the instruments approved or authorized by these resolutions in connection with the ACF Loan (collectively, the **"ACF Loan Documents"**), and together with the Equity Documents, the Ground Lease, the Construction Loan Documents, the Permanent Loan Documents, the AHFC Loan Documents, and the AU Agreement, the **"Financing Documents"**);

**NOW, BE IT RESOLVED**, that all of the documents, instruments, or other writing executed by AAHC, the AAHC MM, the Managing Member, and/or the Company (both individually and in a representative capacity as identified in these resolutions), in consummation of the transactions herein described (both individually and in a representative capacity as identified in these resolutions), including, but not limited to, (i) the Financing Documents, and (ii) any and all such additional documents executed to consummate the transactions contemplated herein (collectively, the **"Transaction Documents"**) shall be in form and substance approved by the Executing Officer (as such term is hereinafter defined), both individually and in a representative

capacity as identified in these resolutions, his/her approval of each such instrument to be conclusively evidenced by his execution thereof; and it is further,

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

**RESOLVED**, that the authorization of AAHC, the AAHC MM, the Managing Member, and/or the Company, as applicable, to enter into the Transaction Documents and that execution and delivery in the name and on behalf of AAHC, the AAHC MM, the Managing Member, and/or the Company, as applicable, by any of the officers of AAHC of the Transaction Documents, in the form as so executed and delivered is hereby approved, ratified and confirmed; and it is further

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

**RESOLVED**, that any officer of AAHC, including without limitation Ron Kowal as Vice President (each an "**Executing Officer**"), acting alone without the joinder of any other officer, is hereby authorized and directed for and on behalf, and as the act and deed of AAHC, the AAHC MM, the Managing Member, and/or the Company, as applicable, to execute and deliver all other documents and other writings of every nature whatsoever in connection with the development of the Development, including but not limited to, the Transaction Documents, as the Executing Officer deems necessary in order to carry into effect the intent and purposes of these resolutions, acting individually, and on behalf of the AAHC MM, the Managing Member, and any other instruments approved by the Executing Officer (acting in a representative capacity as identified in these resolutions), executing same, his/her approval of each such instrument to be conclusively evidenced by his/her execution thereof, and to take such other action in the consummation of the transactions herein contemplated as the Executing Officer acting shall deem to be necessary or advisable, without the necessity of attestation by the secretary or other officer or director, and any and all acts heretofore taken by the Executing Officer to such end are hereby expressly ratified and confirmed as the acts and deeds of AAHC, the AAHC MM, the Managing Member, and/or the Company, as applicable, effective as of the date such action was taken; and it is further

**RESOLVED**, that action by any of the officers of AAHC, and any person or persons designated and authorized to act by any such officer, to do and perform, or cause to be done and performed, in the name and on behalf of AAHC, the AAHC MM, the Managing Member, and/or the Company, as applicable, or the execution and delivery, or causing to be executed and delivered, such other security agreements, financing statements, notices, requests, demands, directions, consents, approvals, waivers, acceptances, appointments, applications, certificates, agreements, supplements, amendments, further assurances or other instruments or communications, in the name and on behalf of AAHC or otherwise, as they, or any of them, may deem to be necessary or

advisable in order to carry into effect the intent of the foregoing resolutions or to comply with the requirements of the instruments approved or authorized by the foregoing resolutions is hereby approved, ratified and confirmed; and it is further

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

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

[End of Resolution]

**PASSED, APPROVED and ADOPTED** this 10th day of July, 2025.

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EDWINA CARRINGTON, CHAIRPERSON

ATTEST:

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SECRETARY



# AUSTIN AFFORDABLE HOUSING CORPORATION

## BOARD ACTION REQUEST

### AAHC ITEM 3.

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**MEETING DATE:** July 10, 2025

**STAFF CONTACT:** Suzanne Schwertner

**ITEM TITLE:** Presentation, Discussion, and Possible Action on Resolution No. 00273 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 construction of Vargas Apartments Phase I (the “Development”), which will consist of multifamily housing units and associated amenities to be built upon land in Austin, Texas ground-leased from the Housing Authority of the City of Austin (“HACA”); (ii) cause Riverside — Vargas QOZB Condo 1, LLC (the “Owner”), of which the managing member is wholly owned by AAHC, to own the Development; (iii) cause the Owner to enter into acquisition and construction financing for the Development; and (iv) cause AAHC, its affiliates, 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. 00273 authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the construction of Vargas Apartments Phase I (the “Development”), which will consist of multifamily housing units and associated amenities to be built upon land in Austin, Texas ground-leased from the Housing Authority of the City of Austin (“HACA”); (ii) cause Riverside — Vargas QOZB Condo 1, LLC (the “Owner”), of which the managing member is wholly owned by AAHC, to own the Development; (iii) cause the Owner to enter into acquisition and construction financing for the Development; and (iv) cause AAHC, its affiliates, 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 is being presented with an opportunity to partner with

River City Capital Partners (RCCP) on a certain 6.44-acre tract of land located at 6610 E. Riverside Drive, Austin, TX 78741. Vargas Apartments Phase I will be the first of two phases. Fifty percent of the units will be affordable to tenants earning less than 80% median family income (10% of these will be designated for 60% median family income).

This will be our 5th time partnering with RCCP. Cory Older and Rich Leisy will be heading up the development for RCCP, and they are local to Austin.

We will again use Battery Global Advisors (BGA) as our equity partner. This will be our 5th time partnering with them as well. They are based out of Boston, MA and use a wide variety of private funds to invest in projects located in Opportunity Zones. A larger number of their investors are family investors.

**Process:**

The Board approved the purchase of this land and the transfer of the land into HACA's name in April 2023. At the same time, AAHC entered into two joint venture partnerships with RCCP and BGA. One for Phase I and one for Phase II.

BGA infused the funds to purchase the land with equity, no debt. Due to the fact that this is a two-phase project, the parcels were condominiumized into two units. HACA ground leased one unit to the Phase I joint venture partnership and the other unit to the Phase II joint venture partnership. This was done to separate the two phases in every aspect, including debt and equity.

Today we are asking you to approve the construction of Phase I of the development. This phase will consist of 357 family units. The unit mix will be 19 efficiency, 250 one-bedrooms, 79 two-bedrooms and 9 three-bedrooms. The affordable units at 80% AMI and 60% AMI will be equally distributed in all bedroom sizes. IBC will be the construction lender on this project. The loan amount will be an estimated \$58,000,000.

The thoughtfully designed amenity program will include a resort-style pool and expansive deck, fitness center, yoga deck and private focus booths for co-working and productivity, as well as an outdoor community lounge and landscaped courtyard. A 6-story private parking garage ensures secure and convenient parking for residents and visitors alike.

The benefit to HACA/AAHC from partnering on this property is the location in downtown Austin close to schools, retail and offices on the proposed light rail. We will also be working with AISD to offer a yet-to-be-determined discount for teaching staff to help in their recruiting and retention. The schools serving this apartment complex are Baty Elementary, Martin Middle School and Travis High School.

**Staff Recommendation:**

Staff recommends approval of Resolution No. 00273.



**ATTACHMENTS:**

None

## RESOLUTION NO. 00273

**A Resolution by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the construction of Vargas Apartments Phase I (the “Development”), which will consist of multifamily housing units and associated amenities to be built upon land in Austin, Texas ground-leased from the Housing Authority of the City of Austin (“HACA”); (ii) cause Riverside — Vargas QOZB Condo 1, LLC (the “Owner”), of which the managing member is wholly owned by AAHC, to own the Development; (iii) cause the Owner to enter into acquisition and construction financing for the Development; and (iv) cause AAHC, its affiliates, 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 construction and development of the Development;

**WHEREAS**, as part of the ownership structure for the Development, AAHC has formed AAHC Vargas MM, LLC, a Texas limited liability company (the “**Managing Member**”), to serve as the managing member of the Owner, and AAHC serves as the sole member of the Managing Member;

**WHEREAS**, the Owner entered into a condominium lease (the “**Condominium Lease**”) covering the site of the Development (the “**Land**”) with HACA;

**WHEREAS**, in connection with the construction and financing of the Development, the Owner and HACA now desire to amend and restate the Condominium Lease to add terms related to the Owner’s proposed financing and construction of improvements comprising the Development pursuant to an amended and restated condominium lease (the “**Amended Condominium Lease**”);

**WHEREAS**, the Owner desires to enter into a construction loan with International Bank of Commerce (“**IBC**”), whereby the Owner will borrow a sum not to exceed \$58,000,000 (“**Loan**”), in order to finance the construction of Development;

**WHEREAS**, the Owner may desire to subject the Land to a license agreement with the owner of the adjacent site to allow for reciprocal access to amenities located on the Land and the neighboring property (the “**License Agreement**”);

**WHEREAS**, the Loan will be made pursuant to a Promissory Note to be secured, inter alia, by a Leasehold Estate Deed of Trust, Assignment of Rents, Security Agreement and Financing Statement, an Assignment of Construction Agreements, an Environmental Indemnity Agreement, an Assignment of Management Agreements, an Assignment of Plans, a Ground Lease Recognition Agreement, a Construction Loan Agreement, UCC financing statements, certificates, affidavits, directions, amendments, indemnifications, notices, requests, demands, waivers, and any other assurances, instruments, agreements, 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 (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 Amended Condominium Lease and the Loan Documents, (ii) the License 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 (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 and/or Managing Member and/or Owner, as applicable, to enter into the Transaction Documents and that execution and delivery in the name and on behalf of AAHC and/or Managing Member and/or Owner, as applicable, by any of the officers of AAHC of the Transaction Documents, in the form as so executed and delivered is hereby approved, ratified and confirmed; and it is further

**RESOLVED**, that 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 Managing Member and/or Owner, as applicable, to execute and deliver all other documents and other writings of every nature whatsoever in connection with the development of the Development, as applicable, including but not limited to, the Transaction Documents, as the Executing Officer deems necessary in order to carry into effect the intent and purposes of these resolutions, and any other instruments approved by the Executing Officer (acting in a representative capacity as identified in these resolutions, acting individually and on behalf of the Managing Member and the Owner, as applicable), executing same, his/her approval of each such instrument to be conclusively evidenced by his/her execution thereof, and to take such other action in the consummation of the transactions herein contemplated as the Executing Officer acting shall deem to be necessary or advisable, without the necessity of attestation by the secretary or other officer or director, and any and all acts heretofore taken by the Executing Officer to such end are hereby expressly ratified and confirmed as the acts and deeds of AAHC and/or Managing Member and/or Owner, as applicable, effective as of the date such action was taken; and it is further

**RESOLVED**, that action by any of the officers of AAHC, and any person or persons designated

and authorized 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 Managing Member and/or Owner, as applicable, or the execution and delivery, or causing to be executed and delivered, such other security agreements, financing statements, notices, requests, demands, directions, consents, approvals, waivers, acceptances, appointments, applications, certificates, agreements, supplements, amendments, further assurances or other instruments, agreements 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 of 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 10th day of July, 2025.

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EDWINA CARRINGTON, CHAIRPERSON

ATTEST:

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SECRETARY