

**AUSTIN AFFORDABLE HOUSING CORPORATION
REGULAR BOARD MEETING**

**Thursday, February 19, 2026
12:00 PM**

1124 S. IH 35, Austin, TX

Join Zoom Meeting <http://bit.ly/4r9UL0W> Meeting ID: 894 9495 6507

Passcode: 400017

**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, Austin, TX**

**Join Zoom Meeting <http://bit.ly/4r9UL0W> Meeting ID: 894 9495 6507 Passcode: 400017
(512.477.4488)**

**Thursday, February 19, 2026
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 January 15, 2026

ACTION ITEMS

2. Presentation, Discussion, and Possible Action regarding Resolution No. 00287 by the Board of Commissioners of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: 1. Facilitate the bifurcation of Pathways of Santa Rita Courts in order to undertake the redevelopment of Pathways at Santa Rita Courts West, which consists of affordable housing units and associated amenities built upon land to be ground-leased from the Housing Authority of the City of Austin; 2. Cause AAHC’s wholly owned, subsidiary limited liability company, Pathways at Santa Rita Courts West GP, LLC (the “General Partner”) to execute an agreement of limited partnership of Pathways at Santa Rita Courts West, LP (the “Partnership”) and other related documents; 3. Cause the Partnership to enter into seller financing for the Project; and 4. Cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein

3. Presentation, Discussion, and Possible Action regarding Resolution No. 00288 by the Board of Commissioners of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: 1. Facilitate the bifurcation of Pathways of Santa Rita Courts in order to undertake the redevelopment of Pathways at Santa Rita Courts East, which consists of affordable housing units and associated amenities built upon land to be ground-leased from the Housing Authority of the City of Austin; 2. Cause AAHC’s wholly owned, subsidiary limited liability company, Pathways at Santa Rita Courts East GP, LLC (the “General Partner”) to execute an agreement of limited partnership of Pathways at Santa Rita Courts East, LP (the “Partnership”) and other related documents; 3. Cause the Partnership to enter into seller financing for the Project; and 4. Cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein

EXECUTIVE SESSION

The Board may go into Executive Session (close its meeting to the public) Pursuant to: a. 551.071, Texas Gov't Code, consultations with Attorney regarding legal advice, pending or contemplated litigation; or a settlement offer; b. 551.072, Texas Gov't Code, discussion about the purchase, exchange, lease or value of real property; c. 551.074, Texas Gov't Code, discuss the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee. d. 551.087, Texas Gov't Code, discuss certain economic development negotiations.

OPEN SESSION

If there is an Executive Session, the Board will return to Open Session for discussion, consideration and possible action of matters discussed in Executive Session.

REPORTS

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

ADJOURNMENT

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

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

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

Executive ITEM 1.

MEETING DATE: February 19, 2026
STAFF CONTACT: Nidia Hiroms
ITEM TITLE: Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on January 15, 2026
BUDGETED ITEM: N/A
TOTAL COST: N/A

ACTION

The Board is being asked to review and approve the Board Minutes Summary for the Board Meeting held on January 15, 2026.

SUMMARY

Background:

Process:

Staff Recommendation:

ATTACHMENTS:

20260115 Final AAHC Minutes Summary

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

JANUARY 15, 2026

SUMMARY OF MINUTES

THE AUSTIN AFFORDABLE HOUSING CORPORATION (AAHC) BOARD OF DIRECTORS REGULAR MEETING NOTICE WAS POSTED FOR 12:00 NOON ON THURSDAY, JANUARY 15, 2026, AND WAS HELD AT THE HACA CENTRAL OFFICE, 1124 S. IH 35, AUSTIN, TX AND VIRTUALLY

CALL TO ORDER, ROLL CALL, CERTIFICATION OF QUORUM

The Board of Directors Regular Board Meeting of the Austin Affordable Housing Corporation, of January 15, 2026, was called to order by Dr. Tyra Duncan-Hall, HACA Vice-Chairperson, at 12:09 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, Vice-Chairperson
Dr. Tyra Duncan-Hall, Director
Carl S. Richie, Jr., Director (arrived at 12:30 pm)

MEMBER(S) ABSENT:

ALSO IN ATTENDANCE:

Bill Walter, Coats Rose
Lauren Aldredge, Cokinis Law Firm

STAFF PRESENT:

Ann Gass, Barbara Chen, Gloria Morgan, Jorge Vazquez, Katie Richardson, Kelly Crawford, Ken Bodden, Laura Bodai, Leilani Lim-Villegas, Michael Gerber, Michael Roth, Nidia Hiroms, Ron Kowal, Suzanne Schwertner, Sylvia Calderon and Tiffany Tobler

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 December 18, 2025

Vice-Chairperson Apostolou moved to approve the Board Minutes Summary for the Board Meeting held on December 18, 2025. **Director Duncan-Hall** seconded the motion. The motion Passed (4-Ayes and 0-Nays).

ACTION ITEMS

ITEM 2: Presentation, Discussion and Possible Action on Resolution No. 00286 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 Cascades at Onion Creek (the “Development”), which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin (“HACA”); (ii) cause AAHC’s subsidiary limited partnership (the “Owner”) to own the Development; (iii) cause the Owner to enter into acquisition and development financing for the Development; and (iv) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein

Austin Affordable Housing Corporation (AAHC) was presented with an opportunity for a new partnership with Cadence Multifamily on a 358-unit multi-family rental property called Cascades at Onion Creek Apartments. The development is located at 2213 Cascades Avenue, Austin, Texas 78747. This is a Class A garden-style multifamily community located within a 200-acre master-planned development in South Central Austin.

Cadence Multifamily, led by Bob Ruggio and Curtis Davidson, is an Austin-based multifamily development group with properties located throughout the state of Texas. The group’s target markets have traditionally been situated along the I-35 corridor in the cities of Austin, San Antonio, and San Marcos. In 2020, the team developed and currently operates the 264-unit affordable apartment complex (4% LIHTC), Aspire at Onion Creek, located adjacent to the Subject property.

Robert “Bob” Ruggio is a 25-year real estate industry veteran with a background in construction, land acquisition, marketing, and sales. He has worked for some of the nation’s largest homebuilders, including Ryland Homes, Toll Brothers, and Capital Pacific Homes, where he served as Vice President of Sales and Marketing and Land Acquisition. During a 3-year period at CPH, Bob was directly involved with acquiring and developing over 1,000 home sites and over 960 home sales. Since joining Cadence in 2009, Bob has overseen many successful ventures, including several multifamily projects: 186-unit Blanco River Lodge in San Marcos, 168-unit The Ridge at Headwaters in Austin, 151-unit ArborView Circle C Ranch (62+) in Austin, and 264-unit Aspire at Onion Creek in Austin. Curtis Davidson has over 30 years of combined residential and commercial real estate experience. Curtis moved to Austin in 1993 to take the CFO position with a new startup homebuilding company called Clark Wilson Homes. In a two-year time frame, the company became one of the top ten homebuilders in the Austin Market. In 1994, Curtis started and operated a mortgage operation named Fairway Financial Corporation. In late 1994, Clark Wilson Homes and Fairway Financial Corporation were sold to Capital Pacific Homes. Curtis started a commercial division for Capital Pacific Holdings in February of 2000, named Makar Properties. In early 2001, the new commercial division purchased a 1,600-acre tract of land in Northern Hays County, Tx. Curtis had the overall responsibility to purchase, entitle, develop, and construct the 2,000 homes in the flagship Master Planned Community known as Belterra. In 2007, Curtis established Cadence Development. Over the next few years, Cadence Development developed and managed multiple residential developments that included a 15-acre, 246-unit, single-family development with trails, open space and an amenity center located in San Antonio, Texas. All lots were sold to regional or national homebuilders. Curtis developed a 36-acre infill project located in Austin, Texas, called Lake Creek. Lake Creek included 90 single-family lots and 60 multifamily units. He also managed the planning and entitlement of Stonehill, a 568-acre, 1,950-unit master planned community located in San Antonio, Texas, that includes multifamily and a small retail component.

Flournoy Properties Group currently manages Cascades. They are a boutique apartment management company based in Columbus, Georgia that specializes in high-quality multifamily properties in the Southeast and Texas. Their Texas portfolio is entirely in the Austin-Round Rock-San Marcos MSA. Their culture emphasizes trust, accountability, and excellence. They focus on collaboration, communication, and consistency to create exceptional experiences for residents. With over 55 years of experience, Flournoy’s team excels in multifamily management across the Southeast, MidAtlantic, and Midwest.

Cascades at Onion Creek Apartments was completed in 2024 and is currently in lease up. The property consists of two adjacent tracts (Phase I and Phase II) that are bisected by Mayall Trail and operate as a single multifamily complex. Phase I is located along the north side of Mayall Trail, is approximately 15.34 acres in size, and consists of 250 apartment units in 10 residential buildings, a clubhouse/leasing office building, and a maintenance building. Phase II is located along the south side of Mayall Trail, is approximately 11.47 acres in size, and consists of 108 apartment units in 3 residential buildings. The property is conveniently within 3 miles of the following Austin ISD education facilities: Blazier Elementary School, Blazier Intermediate School, Paredes Middle School, and Akins High School.

AAHC and Cadence Multifamily are committed to providing 10% of the affordable units at 60% AMI and 41% of the units below 80% AMI. U.S. Department of Housing and Urban Development (HUD) financing was used to construct the property. The proposed financing will also be a HUD loan via the 223(f) Refinance program. The financing will provide the asset with a fully amortizing and fixed interest rate over a 35-year (420-month) term. Mason Joseph, a current AAHC partner, handled the construction loan and will also act as lender on the refinance loan.

Vice-Chairperson Apostolou moved to approve Resolution No. 00286 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 Cascades at Onion Creek (the “Development”), which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin (“HACA”); (ii) cause AAHC’s subsidiary limited partnership (the “Owner”) to own the Development; (iii) cause the Owner to enter into acquisition and development financing for the Development; and (iv) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein. **Director Duncan-Hall** seconded the motion. The motion Passed (4-Ayes and 0-Nays).

EXECUTIVE SESSION

The Board did not recess into Executive Session.

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

The meeting adjourned at 1:10 pm

Michael G. Gerber, Secretary

Chairperson



AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RAD ITEM 2.

MEETING DATE: February 19, 2026
STAFF CONTACT: Ann Gass
ITEM TITLE: Presentation, Discussion, and Possible Action regarding Resolution No. 00287 by the Board of Commissioners of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: 1. Facilitate the bifurcation of Pathways of Santa Rita Courts in order to undertake the redevelopment of Pathways at Santa Rita Courts West, which consists of affordable housing units and associated amenities built upon land to be ground-leased from the Housing Authority of the City of Austin; 2. Cause AAHC’s wholly owned, subsidiary limited liability company, Pathways at Santa Rita Courts West GP, LLC (the “General Partner”) to execute an agreement of limited partnership of Pathways at Santa Rita Courts West, LP (the “Partnership”) and other related documents; 3. Cause the Partnership to enter into seller financing for the Project; and 4. Cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein

BUDGETED ITEM: N/A
TOTAL COST: N/A

ACTION

The Board is being asked to approve a resolution authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: 1. Facilitate the bifurcation of Pathways of Santa Rita Courts in order to undertake the redevelopment of Pathways at Santa Rita Courts West, which consists of affordable housing units and associated amenities built upon land to be ground-leased from the Housing Authority of the City of Austin; 2. Cause AAHC’s wholly owned, subsidiary limited liability company, Pathways at Santa Rita Courts West GP, LLC (the “General Partner”) to execute an agreement of limited partnership of Pathways at Santa Rita Courts West, LP (the “Partnership”) and other related documents; 3. Cause the Partnership to enter into seller financing for the Project; and 4. Cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

SUMMARY

Background:

In July 2025, the Texas Department of Housing and Community Affairs awarded 9% low income housing tax credits for the development of 96 units at Pathways at Santa Rita Courts West.

Process:

Pursuant to the requirements of that award, the partnership committed to demonstrating legal authority over the project site through a ground lease from the Housing Authority of the City of Austin (HACA) to Pathways at Santa Rita Courts West, LP. This resolution allows HACA to take the necessary action to enter into that ground lease. As part of the bifurcation of the original site into two parcels, the existing HAP contract will be partially assigned to each of the new partnerships upon receipt of approval from HUD. In addition, HACA is extending seller financing to the West partnership equal to the value of the land and improvements being acquired, and may extend additional funds in advance of the full financial closing.

Staff Recommendation:

Staff recommends approval of the resolution.

ATTACHMENTS:

None

RESOLUTION NO. 00287

A Resolution by the Board of Commissioners of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to:

1. Facilitate the bifurcation of Pathways of Santa Rita Courts in order to undertake the redevelopment of Pathways at Santa Rita Courts West, which consists of affordable housing units and associated amenities built upon land to be ground-leased from the Housing Authority of the City of Austin;
2. Cause AAHC’s wholly owned, subsidiary limited liability company, Pathways at Santa Rita Courts West GP, LLC (the “General Partner”) to execute an agreement of limited partnership of Pathways at Santa Rita Courts West, LP (the “Partnership”) and other related documents;
3. Cause the Partnership to enter into seller financing for the Project; and
4. Cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

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

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

WHEREAS, the Partnership was formed for the purpose of owning, developing, managing, and otherwise dealing with the Pathways at Santa Rita Courts West (a portion of the development currently known as Pathways at Santa Rita Courts), a 96-unit apartment complex (the “Project”) consisting of existing buildings to be rehabilitated and new construction 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 Project, the Partnership desires to obtain site control of the Land from the Housing Authority of the City of Austin (“HACA”), by entering into a ground lease (“Ground Lease”) with HACA for the Project;

WHEREAS, AAHC and the General Partner desire to enter into a limited partnership agreement of the Partnership and other related documents contemplated thereby (collectively, the “Partnership Documents”);

WHEREAS, pursuant to approval of the United States Department of Housing and Urban Development (“HUD”) under the Rental Assistance Demonstration (“RAD”) Program, certain units within the Project have been designated and implemented as RAD units;

WHEREAS, HACA and the Partnership have submitted an application with the United States Department of Housing and Urban Development (“HUD”) for approval to (i) bifurcate the existing Pathways at Santa Rita Courts into two separate parcels, one of which will be the Project site, (ii) partially assign the existing Housing Assistance Payments Contract (“HAP Contract”)

benefitting the RAD Units to the Partnership (the “HAP Assignment”), and (iii) prepare and enter into a new HAP Contract in the Partnership’s name (collectively, the “HUD Approvals”) and with the receipt of HUD Approvals, HACA and the Partnership desire to implement the ownership change and HAP Assignment pursuant to certain documents including an Assignment, Assumption and Amendment of Housing Assistance Payments Contract, a new HAP Contract, amendments to and/or a termination of the existing Rental Assistance Demonstration Use Agreement, a new Rental Assistance Demonstration Use Agreement and/or any other documents reasonably required by HUD (collectively, the “RAD Documents”); and

WHEREAS, in connection with the transactions contemplated herein, the Partnership, General Partner and AAHC are required to enter into various documents which will evidence a seller loan from the HACA to the Partnership in a principal amount not to exceed \$3,000,000, including, but not limited to a note, deed of trust, and other security agreements, certificates, directions, approvals, waivers, notices, instruments, subordination agreements and other communications as may be required by the parties (the “Seller Loan Documents” and together with the Equity Partnership Documents, the Ground Lease, and the RAD Documents, the “Financing Documents”);

NOW, THEREFORE, BE IT RESOLVED, that all of the documents, instruments, or other writing executed by AAHC (both individually and in a representative capacity as identified in these resolutions), in consummation of the transactions herein described (both individually and in a representative capacity as identified in these resolutions), including, but not limited to, (i) the Financing Documents and (ii) any and all such additional documents executed to consummate the transactions contemplated herein (collectively, the “Transaction Documents”) shall be in form and substance approved by the Executing Officer (as such term is hereinafter defined), both individually and in a representative capacity as identified in these resolutions, his/her approval of each such instrument to be conclusively evidenced by his execution thereof; and it is further,

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

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

RESOLVED, that any officer of AAHC (each an “Executing Officer”), acting alone without the joinder of any other officer, is hereby authorized and directed for and on behalf, and as the act and deed of AAHC and/or General Partner and/or the Partnership, to execute and deliver all other documents and other writings of every nature whatsoever in connection with the development of the Project, including but not limited to, the Transaction Documents, as the Executing Officer

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

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

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

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

PASSED, APPROVED AND ADOPTED this 19th day of February, 2026.

Michael G. Gerber, Secretary

Chairperson



AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RAD ITEM 3.

MEETING DATE: February 19, 2026

STAFF CONTACT: Ann Gass

ITEM TITLE: Presentation, Discussion, and Possible Action regarding Resolution No. 00288 by the Board of Commissioners of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: 1. Facilitate the bifurcation of Pathways of Santa Rita Courts in order to undertake the redevelopment of Pathways at Santa Rita Courts East, which consists of affordable housing units and associated amenities built upon land to be ground-leased from the Housing Authority of the City of Austin; 2. Cause AAHC’s wholly owned, subsidiary limited liability company, Pathways at Santa Rita Courts East GP, LLC (the “General Partner”) to execute an agreement of limited partnership of Pathways at Santa Rita Courts East, LP (the “Partnership”) and other related documents; 3. Cause the Partnership to enter into seller financing for the Project; and 4. Cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to approve a resolution authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: 1. Facilitate the bifurcation of Pathways of Santa Rita Courts in order to undertake the redevelopment of Pathways at Santa Rita Courts East, which consists of affordable housing units and associated amenities built upon land to be ground-leased from the Housing Authority of the City of Austin; 2. Cause AAHC’s wholly owned, subsidiary limited liability company, Pathways at Santa Rita Courts East GP, LLC (the “General Partner”) to execute an agreement of limited partnership of Pathways at Santa Rita Courts East, LP (the “Partnership”) and other related documents; 3. Cause the Partnership to enter into seller financing for the Project; and 4. Cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

SUMMARY

Background:

In July 2025, the Texas Department of Housing and Community Affairs awarded 9% low income housing tax credits for the development of 96 units at Pathways at Santa Rita Courts West. In the coming year, AAHC expects to submit another application for tax credits to pursue the redevelopment of the other portion of the site - Pathways at Santa Rita Courts East.

Process:

These actions require the current Pathways at Santa Rita Courts to be divided into two projects; and each ownership entity to enter into a ground lease with the Housing Authority of the City of Austin. This is being done now, prior to the main closing, in order to meet the deadline imposed as part of the 9% tax credit award for Pathways at Santa Rita Courts West for the project owner to demonstrate legal authority over the project site. As part of the bifurcation of the original site into two parcels, the existing HAP contract will be partially assigned to each of the new partnerships upon receipt of approval from HUD. In addition, HACA is extending seller financing to the East partnership equal to the value of the land and improvements being acquired, and may extend additional funds in advance of the full financial closing.

Staff Recommendation:

Staff recommends approval of the resolution.

ATTACHMENTS:

None

RESOLUTION NO. 00288

A Resolution by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to:

1. Facilitate the bifurcation of Pathways of Santa Rita Courts in order to undertake the redevelopment of Pathways at Santa Rita Courts East, which consists of affordable housing units and associated amenities built upon land to be ground-leased from the Housing Authority of the City of Austin;
2. Cause AAHC’s wholly owned, subsidiary limited liability company, Pathways at Santa Rita Courts East GP, LLC (the “General Partner”) to execute an agreement of limited partnership of Pathways at Santa Rita Courts East, LP (the “Partnership”) and other related documents;
3. Cause the Partnership to enter into seller financing for the Project; and
4. Cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

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

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

WHEREAS, the Partnership was formed for the purpose of owning, developing, managing, and otherwise dealing with the Pathways at Santa Rita Courts East (a portion of the development currently known as Pathways at Santa Rita Courts), a 104-unit apartment complex (the “Project”) consisting of existing buildings to be rehabilitated and new construction 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 Project, the Partnership desires to obtain site control of the Land from the Housing Authority of the City of Austin (“HACA”), by entering into a ground lease (“Ground Lease”) with HACA for the Project;

WHEREAS, AAHC and the General Partner desire to enter into a limited partnership agreement of the Partnership and other related documents contemplated thereby (collectively, the “Partnership Documents”);

WHEREAS, pursuant to approval of the United States Department of Housing and Urban Development (“HUD”) under the Rental Assistance Demonstration (“RAD”) Program, certain units within the Project have been designated and implemented as RAD units;

WHEREAS, HACA and the Partnership have submitted an application with the United States Department of Housing and Urban Development (“HUD”) for approval to (i) bifurcate the existing Pathways at Santa Rita Courts into two separate parcels, one of which will be the Project site, (ii) partially assign the existing Housing Assistance Payments Contract (“HAP Contract”)

benefitting the RAD Units to the Partnership (the “HAP Assignment”), and (iii) prepare and enter into a new HAP Contract in the Partnership’s name (collectively, the “HUD Approvals”) and with the receipt of HUD Approvals, HACA and the Partnership desire to implement the ownership change and HAP Assignment pursuant to certain documents including an Assignment, Assumption and Amendment of Housing Assistance Payments Contract, a new HAP Contract, amendments to and/or a termination of the existing Rental Assistance Demonstration Use Agreement, a new Rental Assistance Demonstration Use Agreement and/or any other documents reasonably required by HUD (collectively, the “RAD Documents”); and

WHEREAS, in connection with the transactions contemplated herein, the Partnership, General Partner and AAHC are required to enter into various documents which will evidence a seller loan from the HACA to the Partnership in a principal amount not to exceed \$4,000,000, including, but not limited to a note, deed of trust, and other security agreements, certificates, directions, approvals, waivers, notices, instruments, subordination agreements and other communications as may be required by the parties (the “Seller Loan Documents” and together with the Equity Partnership Documents, the Ground Lease, and the RAD Documents, the “Financing Documents”);

NOW, BE IT RESOLVED, that all of the documents, instruments, or other writing executed by AAHC (both individually and in a representative capacity as identified in these resolutions), in consummation of the transactions herein described (both individually and in a representative capacity as identified in these resolutions), including, but not limited to, (i) the Financing Documents and (ii) any and all such additional documents executed to consummate the transactions contemplated herein (collectively, the “Transaction Documents”) shall be in form and substance approved by the Executing Officer (as such term is hereinafter defined), both individually and in a representative capacity as identified in these resolutions, his/her approval of each such instrument to be conclusively evidenced by his execution thereof; and it is further,

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

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

RESOLVED, that any officer of AAHC (each an “Executing Officer”), acting alone without the joinder of any other officer, is hereby authorized and directed for and on behalf, and as the act and deed of AAHC and/or General Partner and/or the Partnership, to execute and deliver all other documents and other writings of every nature whatsoever in connection with the development of the Project, including but not limited to, the Transaction Documents, as the Executing Officer

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

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

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

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

PASSED, APPROVED AND ADOPTED this 19th day of February, 2026.

[End of Resolution.]

Michael G. Gerber, Secretary

Chairperson