

AUSTIN AFFORDABLE HOUSING CORPORATION



BOARD OF DIRECTORS Regular Meeting

**Thursday, August 15, 2024
1:00 PM**

HACA Central Office, 1124 S. Interstate Highway 35
To attend via Zoom: <https://bit.ly/3WxLBxs> Meeting ID: 884 5695 9964
Passcode: 216878
Austin, TX

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

**TO BE HELD AT
HACA Central Office, 1124 S. Interstate Highway 35
To attend via Zoom: <https://bit.ly/3WxLBxs> Meeting ID: 884 5695 9964 Passcode: 216878
Austin, TX
(512.477.4488)**

Thursday, August 15, 2024

1:00 PM

CALL TO ORDER, ROLL CALL

CERTIFICATION OF QUORUM

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

CONSENT AGENDA

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

CONSENT ITEMS

1. Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on June 20, 2024

ACTION ITEMS

2. Presentation, Discussion and Possible Action on Resolution No. 00250 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 Southpark Landing (the “Development”), which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s subsidiary limited partnership (the “Owner”) to own the Development; (iii) cause the Owner to enter into acquisition and development financing for the Development; and (iv) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein
3. Presentation, Discussion and Possible Action on Resolution No. 00253 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 participate in the housing tax credit application for Ovetta Rosedale.
4. Presentation, Discussion and Possible Action on Resolution No. 00254 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 Heritage Pointe 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 Heritage Pointe GP, LLC (the "General Partner") to execute an amended and restated agreement of limited partnership of 1950 Webberville Road (TX) Owner LP (the "Partnership") and other related documents; (iii) cause the Partnership to enter into development financing for the Project; and (iv) cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

5. Presentation, Discussion and Possible Action on Resolution No. 00255 by the Board of Directors of Austin Affordable Housing Corporation ("AAHC") authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the development of the Kingswood Apartments, which consists of affordable housing units and associated amenities to be developed upon property to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC's wholly owned, subsidiary limited liability company, AAHC Kingswood GP, LLC (the "General Partner") to execute an amended and restated agreement of limited partnership of LDG Kingswood, LP (the "Partnership") and other related documents; (iii) cause the Partnership to enter into development financing for the Project; and (iv) cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.
6. Presentation, Discussion and Possible Action on Resolution No. 00256 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) amend the ground lease for the site of the Urban East Apartments Phase I (the "Development"), which consists of multifamily housing units and associated amenities built upon land in Austin, Texas; (ii) cause AAHC's subsidiary limited liability company (the "Managing Member") to cause the limited liability company that owns the Development, Urban East Multifamily QOZB—Phase 1, LLC (the "Owner"), to enter into bridge financing for the Development; and (iii) cause AAHC and/or the Managing Member and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

EXECUTIVE SESSION

The Board may go into Executive Session (close its meeting to the public) Pursuant to:

- a. 551.071, Texas Gov't Code, consultations with Attorney regarding legal advice, pending or contemplated litigation; or a settlement offer;
- b. 551.072, Texas Gov't Code, discussion about the purchase, exchange, lease or value of real property;
- c. 551.074, Texas Gov't Code, discuss the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee.
- d. 551.087, Texas Gov't Code, discuss certain economic development negotiations.

OPEN SESSION

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

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

ADJOURNMENT

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

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

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

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

*The Housing Authority of the City of Austin (HACA) Board of Commissioners reserves the right to discuss and consider items out of order on the agenda on an as needed basis.

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

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

ITEM NO. 1.

MEETING DATE: August 15, 2024

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

ITEM TITLE: Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on June 20, 2024

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to review and approve the Board Minutes Summary for the Board Meeting held on June 20, 2024.

ATTACHMENTS:

- ▣ **20240620 AAHC Minutes Summary**

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

JUNE 20, 2024

SUMMARY OF MINUTES

THE AUSTIN AFFORDABLE HOUSING CORPORATION (AAHC) BOARD OF DIRECTORS REGULAR PUBLIC MEETING NOTICE WAS POSTED FOR 12:00 NOON ON THURSDAY, JUNE 20, 2024, AND WAS HELD AT THE HACA CENTRAL OFFICE, 1124 S. IH 35, AUSTIN, TX AND VIRTUALLY

CALL TO ORDER, ROLL CALL, CERTIFICATION OF QUORUM

The Board of Directors Regular Board Meeting of the Austin Affordable Housing Corporation, of June 20, 2024, was called to order by **Carl S. Richie, Jr.**, HACA Chairperson, at 12:09 pm. The meeting was held at the HACA Central Office, 1124 S. IH 35, Austin, TX and virtually.

Roll call certified a quorum was present.

MEMBERS PRESENT:

Edwina Carrington, Chairperson (via Zoom)
Charles Bailey, Vice-Chairperson (arrived at 1:35 pm via Zoom)
Mary Apostolou, 2nd Vice-Chairperson
Dr. Tyra Duncan-Hall, Director
Carl S. Richie, Jr., Director

MEMBER(S) ABSENT:

ALSO IN ATTENDANCE:

Lauren Aldredge, Cokinis Law Firm
Bill Walter, Coats Rose

STAFF PRESENT:

Barbara Chen, Gary Dinges, Jorge Vazquez, Keith Swenson, Kelly Crawford, Leilani Lim-Villegas, Lisa Garcia, Michael Gerber, Michael Roth, Nidia Hiroms, Ron Kowal, Suzanne Schwertner and Sylvia Blanco

PUBLIC COMMUNICATION – (3 minute time limit)

NONE

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

CONSENT ITEMS

APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS:

ITEM 1: Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Regular Board Meeting held on May 16, 2024

Director Duncan-Hall moved to Approve the Board Minutes Summary for the Regular Board Meeting held on May 16, 2024.

Director Apostolou seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ACTION ITEMS

ITEM 2: Presentation, Discussion and Possible Action on Resolution No. 00251 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 Village at Collinwood 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 Village at Collinwood GP, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of 1000 Collinwood West Drive (TX) Owner 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 the consummation of the transactions described herein

Austin Affordable Housing Corporation was presented with an opportunity to partner with April Housing on the acquisition and rehabilitation of an existing development located at 1000 Collinwood West Drive, Austin, Texas 78753 in the Austin city limits. This property was built using tax credits and has reached its 15-year compliance period expiration. The project (Village at Collinwood) consists of 174 senior apartment units serving residents at or below 60% Area Median Income. The board saw this

June 20, 2024

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project originally in September of 2023 for the bond inducement resolution and again in February 2024 for the tax credit application resolution.

AAHC is excited to partner with April Housing to preserve this very deep affordability in an existing property with senior units and provide much needed renovations and upgrades that will also provide relief in lower utility bills. With the new issuance of bonds and tax credits, the affordability term will begin anew.

The development will use a mix of 4% tax credits and bonds to finance the rehab. The development currently consists of 90 one bedroom/one bath units and 84 two bedroom/two bath units. As with all AAHC properties, all units will be marketed to HACA's Housing Choice Voucher families.

HACA, through its Public Facility Corporation, will issue tax-exempt bonds in an amount not to exceed \$24,800,000. PNC Bank, National Association will provide the construction loan and a bridge loan as well as the tax credit equity.

Rehab will include, but is not limited to accessibility modifications, repairs/upgrades to HVAC and water heaters, new flooring, updated finishes, plumbing upgrades, upgraded countertops, upgraded light fixtures, exterior paint, upgraded mailboxes, upgraded amenities, improved/additional exterior lighting, and an upgrade on the community building. Please see attached Scope of Work for more details.

Relocation services will be provided by Revival Development Services, LLC based out of Phoenix, Arizona. Relocation will be for an average of 7-10 days and if available, tenants will be relocated to units within the complex.

Director Duncan-Hall moved to Approve Resolution No. 00251 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 Village at Collinwood 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 Village at Collinwood GP, LLC (the "General Partner") to execute an amended and restated agreement of limited partnership of 1000 Collinwood West Drive (TX) Owner 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 the consummation of the transactions described herein in an amount not to exceed \$24,800,000. **2nd Vice-Chairperson Apostolou** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ITEM 3: Presentation, Discussion and Possible Action on Resolution No. 00252 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 Eagle's Landing 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 Eagle's Landing GP, LLC (the "General Partner") to execute an amended and restated agreement of limited partnership of 8000 Decker Lane (TX) Owner 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 April Housing on the acquisition and rehabilitation of an existing development located at 8000 Decker Lane, Austin, Texas 78724 in the Austin 2-mile extraterritorial jurisdiction (ETJ). This property was built using tax credits and has reached its 15-year compliance period expiration. The project (Eagle's Landing) consists of 240 family apartment units serving residents at or below 50% Area Median Income. It is located in the Manor ISD and the schools that will serve this property are: Decker Elementary, Decker Middle School, and Manor High School. The board saw this project originally in September of 2023 for the bond inducement resolution and again in February 2024 for the tax credit application resolution.

AAHC is excited to partner with April Housing to preserve this very deep affordability in an existing property with family units and provide much needed renovations and upgrades that will also provide relief in lower utility bills. With the new issuance of bonds and tax credits, the affordability term will begin anew.

The development will use a mix of 4% tax credits and bonds to finance the rehab. The development currently consists of 48 one bedroom/one bath units, 128 two bedroom/two bath units, and 64 three bedroom/two bath units. As with all AAHC properties, all units will be marketed to HACA's Housing Choice Voucher families.

HACA, through its Public Facility Corporation, will issue tax-exempt bonds in an amount not to exceed \$45,000,000. PNC Bank, National Association will provide the construction loan and a bridge loan as well as the tax credit equity.

Rehab will include, but is not limited to accessibility modifications, repairs/upgrades to HVAC and water heaters, new flooring,

updated finishes, plumbing upgrades, upgraded countertops, upgraded light fixtures, exterior paint, upgraded mailboxes, upgraded amenities, improved/additional exterior lighting, and an upgrade on the community building. Please see attached Scope of Work for more details.

Relocation services will be provided by Revival Development Services, LLC based out of Phoenix, Arizona. Relocation will be for an average of 7-10 days if available, tenants will be relocated to units within the complex.

2nd Vice-Chairperson Apostolou moved to Approve Resolution No. 00252 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 Eagle’s Landing 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 Eagle’s Landing GP, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of 8000 Decker Lane (TX) Owner 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 \$45,000,000. **Director Duncan-Hall** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

EXECUTIVE SESSION

The Board did not recess into Executive Session.

Director Duncan-Hall moved to adjourn the meeting. **2nd Vice-Chairperson Apostolou** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

The meeting adjourned at 2:02 pm.

Michael G. Gerber, Secretary

Chairperson

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00250

ITEM NO. 2.

MEETING DATE: August 15, 2024

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

ITEM TITLE: Presentation, Discussion and Possible Action on Resolution No. 00250 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 Southpark Landing (the “Development”), which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s subsidiary limited partnership (the “Owner”) to own the Development; (iii) cause the Owner to enter into acquisition and development financing for the Development; and (iv) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to approve Resolution No. 00250: 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 Southpark Landing (the “Development”), which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s subsidiary limited partnership (the “Owner”) to own the Development; (iii) cause the Owner to enter into acquisition and development financing for the Development; and (iv) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein

SUMMARY

Background:

Austin Affordable Housing Corporation (AAHC) has been presented an opportunity to partner with Belveron Partners to purchase a 308-unit multi-family rental property called Cortland Southpark Meadows Apartments. The development is located at 420 Slaughter Lane, Austin, Texas 78748. This would be the nineteenth (19th) asset AAHC and Belveron Corporation have purchased together. This asset is located within walking distance of the popular Southpark Meadows, South Austin’s premiere retail hub. The property brings exceptionally large residences averaging 989 square feet with a significant percentage of two- and three-bedroom floorplans.

AAHC’s proposed partner, Belveron Corporation prides itself on long term preservation of workforce housing. Located out of San Francisco, Belveron is a privately held investment firm with a current portfolio of more than 30,000 units across the United States. Founded in 2006, Belveron has invested in more than 220 properties in 32 states. AAHC works with the Managing Partner, Paul Odland, and Senior Portfolio Manager, Josh Plattner.

The Southpark Meadows Apartments were built in 2007 and sits on 16.31 acres. Some of the property amenities include a resort-style swimming pool with lounge seating and cabanas, elegant clubhouse with gathering spaces and full conference room, full kitchen, a billiards lounge and coffee bar, and business center. Residents also enjoy the expansive fitness center, a large pet park with washing station, walking trails and additional covered parking. The property feeds into the Austin Independent School District and Williams Elementary School, Bedicheck Middle School, and Crocket 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 the area, AAHC and Belveron can provide some stable and affordable housing to those stakeholders that are threatened with rising rent costs. Because of the large style units, this property is home to many families who work in and around the area with no current affordability in place.

Below is a breakdown of the many variations of unit sizes. The property is currently 96% occupied and rents currently range from \$1,528 for a one bedroom to \$2,343 for a three bedroom.

114	1 bedroom/1 bath	690-840 square feet
36	2 bedroom/1 bath	918 square feet
116	2 bedroom/2 bath	1,096 to 1,133 square feet
42	3 bedroom/2 bath	1,362 square feet

Process:

The purchase price for the Southpark meadows Apartments is \$71,000,000. Belveron will be investing approximately \$20,000,000 as a down payment. In addition, \$4,000,000.00 for future capital needs will also be set aside. Bellwether will be providing a Fannie Mae permanent loan with a not to exceed loan amount of \$56,800,000 at a rate of approximately 5.40% 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 Southpark Meadows Apartments.

Staff Recommendation:

Staff recommends approval of Resolution No. 00250.

RESOLUTION NO. 00250

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 of the Bridge at Southpark Landing (the “Development”), which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s subsidiary limited partnership (the “Owner”) to own the Development; (iii) cause the owner to enter into acquisition and development financing for the Development; and (iv) cause AAHC and/or the owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

WHEREAS, AAHC is contemplating the acquisition of the Development;

WHEREAS, SPL Apartments Borrower, LP, a Delaware limited partnership (the “**Owner**”), will act as the owner of the Development;

WHEREAS, AAHC desires to form AAHC SPL Apartments MM, LLC, a Texas limited liability company (the “**Managing Member**”), which entity will serve as managing member of SPL Apartments, LLC, a Delaware limited liability company (the “**Borrower Principal**”), and the Borrower Principal will be the sole owner of the general partner of the Owner, SPL Apartments Borrower GP, LLC, a Delaware limited liability company (the “**General Partner**”);

WHEREAS, as sole member of the Managing Member, AAHC will cause the Managing Member to enter into an operating agreement of the Borrower Principal (the “**Operating Agreement**”);

WHEREAS, AAHC will cause the General Partner to enter into an agreement of limited partnership of the Owner (the “**Partnership Agreement**”);

WHEREAS, in connection with the acquisition and operation of the Development, the Owner desires to obtain ownership of the improvements comprising the Development pursuant to a bill of sale and to obtain site control of the land comprising the site of the Development in Austin, Texas (the “**Land**”) from the Housing Authority of the City of Austin (“**HACA**”) by entering into a ground lease (“**Ground Lease**”) with HACA for the Land;

WHEREAS, the Owner desires to enter into a loan with Bellwether Enterprise Mortgage Investments, LLC (or an affiliate thereof), as lender, whereby the Owner will borrow a sum not to exceed \$56,800,000.00 (“**Loan**”), in order to finance the acquisition and rehabilitation of the Development;

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

NOW, BE IT RESOLVED, that all of the documents, instruments, or other writing executed by AAHC, the Managing Member, the Borrower Principal, the General Partner and/or the Owner (both individually and in a representative capacity as identified in these resolutions), in consummation of the transactions herein described (both individually and in a representative capacity as identified in these resolutions), including, but not limited to, (i) the Ground Lease and Loan Documents, (ii) the Operating Agreement, (iii) the Partnership Agreement, and (iv) any and all such additional documents executed to consummate the transactions contemplated herein (collectively, the "**Transaction Documents**") shall be in form and substance approved by the Executing Officer (as such term is hereinafter defined), both individually and in a representative capacity as identified in these resolutions, his/her approval of each such instrument to be conclusively evidenced by his execution thereof; and it is further,

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

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

RESOLVED, that any officer of AAHC (each an "**Executing Officer**"), acting alone without the joinder of any other officer, is hereby authorized and directed for and on behalf, and as the act and deed of AAHC, the Managing Member, the Borrower Principal, the General Partner and/or the Owner, to execute and deliver all other documents and other writings of every nature whatsoever in connection with the development of the Development, including but not limited to, the Transaction Documents, as the Executing Officer deems necessary in order to carry into effect the intent and purposes of these resolutions, and any

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

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

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

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

[End of Resolution]

PASSED, APPROVED AND ADOPTED this 15th day of August, 2024.

EDWINA CARRINGTON, CHAIRPERSON

ATTEST:

SECRETARY

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00253

ITEM NO. 3.

MEETING DATE: August 15, 2024

STAFF CONTACT: Suzanne Schwertner, Director of Development

ITEM TITLE: Presentation, Discussion and Possible Action on Resolution No. 00253 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 participate in the housing tax credit application for Ovetta Rosedale.

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to approve Resolution No. 00253: authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to participate in the housing tax credit application for Ovetta Rosedale.

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 month (July 2024). It will finance the property with mainly equity from the tax credit award and minimal debt. The total project cost will be approximately \$28,000,000. The project is located in a high opportunity area and will be near a high concentration of jobs and services related to the medical industry. The development will also provide a High-Quality Pre-K program located on the first floor of the building.

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. This approval will allow our partners to submit an amended tax credit application to include AAHC as General Partner. Staff will be presenting back to the Board in the future months on the progress and specifically any and all agreements and approvals.

Staff Recommendation:

Staff recommends approval of Resolution No. 00253.

RESOLUTION NO. 00253

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 participate in the housing tax credit application for Ovetta Rosedale.

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

WHEREAS, the AAHC MM shall be the sole managing member of Ovetta MM, LLC, a Texas limited liability company (the “**Managing Member**”), which in turn shall serve as the sole managing member of Ovetta Rosedale, LLC, a Texas limited liability company (the “**Company**”);

WHEREAS, the Company was formed for the purpose of owning, developing, managing, and otherwise dealing with Ovetta Rosedale, a multifamily affordable apartment complex containing approximately 70 units (the “**Project**”) to be developed on a parcel of land located at approximately 4202-4210 Medical Parkway in Austin, Travis County, Texas (the “**Land**”), and intended as affordable housing for rental to persons of low and moderate income;

WHEREAS, in connection with the development of the Project, the Company has submitted a 9% housing tax credit application to the Texas Department of Housing and Community Affairs (“**TDHCA**”) and the Company has submitted or plans to submit an amendment to such 9% housing tax credit application to TDHCA (collectively, the “**Application**”); and

WHEREAS, in connection with the Company’s preparation and submission of the Application, AAHC desires to participate as nonprofit sponsor, developer, and as sole member of the managing member of the managing member of the Company;

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 Application and (ii) any and all such additional documents executed to consummate the transactions contemplated herein (collectively, the “**Application 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 the authorization of AAHC, the AAHC MM, the Managing Member

and/or the Company, as applicable, to enter into the Application 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 Application Documents, in the form as so executed and delivered is hereby approved, ratified and confirmed; and it is further

RESOLVED, that Ron Kowal, Vice President of AAHC, and any other officer of AAHC (each an “**Executing Officer**”), acting alone without the joinder of any other officer, is hereby authorized and directed for and on behalf, and as the act and deed of AAHC, the 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 Project, including but not limited to, the Application 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 and acting individually), 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 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 or 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 15th day of August, 2024.

EDWINA CARRINGTON, CHAIRPERSON

ATTEST:

SECRETARY

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00254

ITEM NO. 4.

MEETING DATE: August 15, 2024

STAFF CONTACT: Suzanne Schwertner, Director of Development

ITEM TITLE: Presentation, Discussion and Possible Action on Resolution No. 00254 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 Heritage Pointe 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 Heritage Pointe GP, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of 1950 Webberville Road (TX) Owner LP (the “Partnership”) and other related documents; (iii) cause the Partnership to enter into development financing for the Project; and (iv) cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to approve Resolution No. 00254: 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 Heritage Pointe 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 Heritage Pointe GP, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of 1950 Webberville Road (TX) Owner LP (the “Partnership”) and other related documents; (iii) cause the Partnership to enter into development financing for the Project; and (iv) cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

SUMMARY

Background:

Austin Affordable Housing Corporation was presented an opportunity to partner with April Housing on the acquisition and rehabilitation of an existing development located at 1950 Webberville Road, Austin, Texas

78721 in the Austin city limits. This property was built using tax credits and has reached its 15-year compliance period expiration. The project (Heritage Pointe Seniors Apartments) consists of 240 senior apartment units serving residents at 30%, 40%, 50%, 60% and 80% Area Median Incomes. The board saw this project originally in September of 2023 for the bond inducement resolution and again in February 2024 for the tax credit application resolution.

AAHC is excited to partner with April Housing to preserve this very deep affordability in an existing property with senior units and provide much needed renovations and upgrades that will also provide relief in lower utility bills. With the new issuance of bonds and tax credits, the affordability term will begin anew.

Process:

The development will use a mix of 4% tax credits and bonds to finance the rehab. The development currently consists of 200 one bedroom/one bath units and 40 two bedroom/one and half bath units. As with all AAHC properties, all units will be marketed to HACA’s Housing Choice Voucher families.

HACA, through its Public Facility Corporation, will issue tax-exempt bonds in an amount not to exceed \$29,300,000. PNC Bank, National Association will provide the construction loan in an amount not to exceed \$25,000,000 and a bridge loan in an amount not to exceed \$22,000,000. April Housing will provide a seller loan in an amount not to exceed \$20,000,000. PNC Bank will also provide the tax credit equity.

Rehab will include, but is not limited to accessibility modifications, repairs/upgrades to HVAC and water heaters, new flooring, updated finishes, plumbing upgrades, upgraded countertops, upgraded light fixtures, exterior paint, upgraded mailboxes, upgraded amenities, improved/additional exterior lighting, and an upgrade on the community building. Please see attached Scope of Work for more details.

Unit Breakdown:

# Bedrooms	30% AMI	40% AMI	50% AMI	60% AMI	80% AMI
1 bedroom	16	63	64	17	40
2 bedrooms	4	14	13	2	7

Staff Recommendation:

Staff recommends approval of Resolution No. 00254.

RESOLUTION NO. 00254

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

- 1. Facilitate the development of Heritage Pointe Seniors Apartments, which consists of affordable housing units and associated amenities to be developed upon property to be ground-leased from the Housing Authority of the City of Austin;**
- 2. Cause AAHC’s wholly owned, subsidiary limited liability company, AAHC Heritage Pointe GP, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of 1950 Webberville Road (TX) Owner LP (the “Partnership”) and other related documents;**
- 3. Cause the Partnership to enter into development financing for the Project; and**
- 4. Cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.**

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

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

WHEREAS, the Partnership was formed for the purpose of owning, developing, managing, and otherwise dealing with Heritage Pointe Seniors Apartments, a 240-unit apartment complex (the “**Project**”) under development 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, the General Partner and Partnership desire to enter into certain equity documents related to the transaction with PNC Bank, National Association (“**PNC**”) or its affiliate, including an amended and restated agreement of limited partnership admitting one or more affiliates of PNC to the Partnership as limited partners (collectively, the “**Investor Parties**”) and 1950 Webberville Road (TX) SLP LLC as the class B limited partner, a development agreement, a right of first refusal agreement, if any, a guaranty and other related documents contemplated thereby (collectively, the “**Equity Documents**”);

WHEREAS, in connection with the proceedings relating to the issuance and delivery by Austin Affordable PFC, Inc. (the “**Issuer**”) of its Multifamily Housing Revenue Bonds (Fannie Mae MBS Secured) (Heritage Pointe Seniors Apartments), Series 2024A and Multifamily Housing Revenue Bonds (Heritage Pointe Seniors Apartments), Series 2024B in an original aggregate principal amount not to exceed \$29,300,000 and pursuant to promissory notes in the same amount loan the associated bond proceeds to the Partnership (the “**Bond Loans**”);

WHEREAS, the Bond Loans will be subject to the terms of an Indenture of Trust (the “**Indenture**”) by and between the Issuer and the trustee named therein, a Financing Agreement (the “**Financing Agreement**”) by and between the Partnership and Issuer, fee and leasehold deed of trust by the Partnership and HACA in favor of the trustee named therein (“**Deed of Trust**”), a Regulatory Agreement and Declaration of Restrictive Covenants by and among the Issuer, the Partnership, and the trustee named therein (“**Regulatory Agreement**”), and the Bond Loans shall be additionally secured by UCC financing statements, certificates, affidavits, directions, amendments, indemnifications, notices, requests, demands, waivers, agreements and any other assurances, instruments, or other communications executed in the name of and on behalf of the Partnership as may be deemed to be necessary or advisable in order to carry into effect or to comply with the requirements of the instruments approved or authorized by these resolutions in connection with the Bond Loans (collectively, the “**Bond Documents**”);

WHEREAS, in connection with the transactions contemplated herein, the Partnership, General Partner and AAHC are required to enter into various documents which will evidence a construction loan from PNC to the Partnership in a principal amount not to exceed approximately \$25,000,000 (the “**Construction Loan**”), an equity bridge loan from PNC to the Partnership in a principal amount not to exceed approximately \$22,000,000 (the “**Bridge Loan**”), and a forward-committed Fannie Mae loan originated from PNC to the Partnership in a principal amount not to exceed approximately \$25,000,000 (the “**Permanent Loan**,” and together with the Construction Loan and Bridge Loan, the “**PNC Loans**”), including, but not limited to one or more notes, a deed of trust, and other security agreements, certificates, directions, approvals, waivers, notices, instruments and other communications as may be required by the parties (collectively, the “**PNC Loan Documents**”);

WHEREAS, in connection with the transactions contemplated herein, the Partnership, General Partner and AAHC are required to enter into various documents which will evidence an acquisition loan from Eagle’s Point Housing Partners, Ltd. to the Partnership in a principal amount not to exceed approximately \$20,000,000 (the “**Seller Loan**”), including, but not limited to, one or more notes, a deed of trust, and other security agreements, certificates, directions, approvals, waivers, notices, instruments and other communications as may be required by the parties (collectively, the “**Seller Loan 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

the same, including, but not limited to the Ground Lease, Equity Documents, Bond Documents, PNC Loan Documents, Seller Loan Documents, and other security agreements, fixture filing statements, indemnity agreements, guaranties, development agreements, certificates, directions, approvals, waivers, notices, instruments and other communications as may be required by the parties (all of such documents collectively, the "**Financing Documents**");

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

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

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

RESOLVED, that any officer of AAHC (each an "**Executing Officer**"), acting alone without the joinder of any other officer, is hereby authorized and directed for and on behalf, and as the act and deed of AAHC and/or General Partner and/or the Partnership, to execute and deliver all other documents and other writings of every nature whatsoever in connection with the development of the Project, including but not limited to, the Transaction Documents, as the Executing Officer deems necessary in order to carry into effect the intent and purposes of these resolutions, and any other instruments approved by the Executing Officer (acting in a representative capacity as identified in these resolutions, acting individually and on behalf of the General Partner), executing same, his/her approval of each such instrument to be conclusively evidenced by his/her execution thereof, and to take such other action in the consummation of the transactions herein contemplated as the Executing Officer acting shall deem to be necessary or advisable, without the necessity of attestation by the secretary or other officer or director, and any and all acts heretofore taken by the Executing Officer to

such end are hereby expressly ratified and confirmed as the acts and deeds of AAHC and/or General Partner and/or Partnership, effective as of the date such action was taken; and it is further

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

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

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

PASSED, APPROVED AND ADOPTED this 15th day of August, 2024.

EDWINA CARRINGTON, CHAIRPERSON

ATTEST:

SECRETARY

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00255

ITEM NO. 5.

MEETING DATE: August 15, 2024

STAFF CONTACT: Suzanne Schwertner, Director of Development

ITEM TITLE: Presentation, Discussion and Possible Action on Resolution No. 00255 by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the development of the Kingswood Apartments, which consists of affordable housing units and associated amenities to be developed upon property to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s wholly owned, subsidiary limited liability company, AAHC Kingswood GP, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of LDG Kingswood, LP (the “Partnership”) and other related documents; (iii) cause the Partnership to enter into development financing for the Project; and (iv) cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to approve Resolution No. 00255: authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the development of the Kingswood Apartments, which consists of affordable housing units and associated amenities to be developed upon property to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s wholly owned, subsidiary limited liability company, AAHC Kingswood GP, LLC (the “General Partner”) to execute an amended and restated agreement of limited partnership of LDG Kingswood, LP (the “Partnership”) and other related documents; (iii) cause the Partnership to enter into development financing for the Project; and (iv) cause AAHC and/or the General Partner and/or the Partnership to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

SUMMARY

Background:

Austin Affordable Housing Corporation is being presented with an opportunity to partner with LDG Multifamily, LLC (“LDG”) on a certain 23.054-acre tract of land located at the southeast corner of FM Road 812 and Burklund Farms Road, Austin, Texas 78617 in the Austin extraterritorial jurisdiction (ETJ). The project (“Kingswood”) will consist of 328 family apartment units serving tenants at or below 60% of median

family income. The nearest properties in AAHC’s current portfolio are Pointe and Villages of Ben White to the northwest. This will be our 17th 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. Unfortunately, we were unable to close before the bond allocation expired. We were however able to resubmit for a bond allocation that carries a 3-year expiration. 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 September.

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.

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 \$5,000,000. Merchants Capital will provide both construction period and permanent mortgage financing. AAHC and LDG Development, LLC will both provide gap funding from fees earned on this transaction not to exceed \$1,500,000 each. Merchants Capital will also provide equity at \$.84 per credit, which would be an estimated \$37,000,000 in total equity and an equity bridge loan not to exceed \$35,000,000.

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. 00255.

RESOLUTION NO. 00255

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

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

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

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

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

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

WHEREAS, AAHC, the General Partner and Partnership desire to enter into certain equity documents for the purpose of admitting MCI Kingswood, LLC, its successors, assigns and/or affiliates thereof (collectively, the “**Merchants Parties**”), as limited partners to the Partnership, including a first amended and restated agreement of limited partnership, a development agreement, a guaranty and other related documents contemplated thereby (collectively, the “**Equity Documents**”);

WHEREAS, in connection with the proceedings relating to the issuance and delivery by Austin Affordable PFC, Inc. (the “**Governmental Lender**”) of its Multifamily Housing Revenue Bonds (Kingswood Apartments), Series 2024A in an original principal amount not to exceed \$50,000,000 and pursuant to a promissory note in the same amount (the “**2024 Bond Note**”) loan the associated bond proceeds to the Partnership (the “**2024 Bond Loan**”);

WHEREAS, the Governmental Lender has agreed to issue its Multifamily Housing Revenue Bonds (Kingswood Apartments), Taxable Series 2024B in an aggregate principal amount not to exceed \$5,000,000 (the “**Taxable Bonds**”), and pursuant to a promissory note in the same amount (the “**Taxable Bond Note**”) loan the associated bond proceeds to the Partnership (the “**Taxable Bond Loan**”, and together with the 2024 Bond Loan, the “**Bond Loans**”);

WHEREAS, the 2024 Bond Loan and the Taxable Bond Loan will be subject to the terms of an Indenture of Trust (the “**Indenture**”) by and between the Governmental Lender and the trustee named therein, a Loan Agreement (the “**Loan Agreement**”) by and between the Partnership and Governmental Lender, leasehold deed of trust by the Partnership in favor of the trustee named therein (“**Deed of Trust**”), a Regulatory Agreement and Declaration of Restrictive Covenants by and among the Governmental Lender, the Partnership, and the trustee named therein (“**Regulatory Agreement**”), and the Bond Loans shall be additionally secured by UCC financing statements, certificates, affidavits, directions, amendments, indemnifications, notices, requests, demands, waivers, agreements and any other assurances, instruments, or other communications executed in the name of and on behalf of the Partnership as may be deemed to be necessary or advisable in order to carry into effect or to comply with the requirements of the instruments approved or authorized by these resolutions in connection with the Bond Loans (collectively, along with the 2024 Bond Note and the Taxable Bond Note, the “**Bond Documents**”);

WHEREAS, the Partnership desires to obtain an equity bridge loan in an amount not to exceed \$35,000,000 (the “**Bridge Loan**”) from Merchants Bank of Indiana (“**Merchants**”) in order to finance the construction of the Project;

WHEREAS, in connection with the Bridge Loan, the Partnership will execute a promissory note in the amount of the Bridge Loan and certain other documents evidencing, governing and/or securing the Partnership’s obligations with respect to the Bridge Loan (collectively, the “**Bridge Loan Documents**”);

WHEREAS, in connection with the construction of the Project, the Partnership and AAHC are required to enter into various documents which will evidence a gap financing loan from AAHC to the Partnership in a principal amount not to exceed \$1,500,000 (the “**AAHC Loan**”), including, but not limited to a note, deed of trust, and other security agreements, certificates, directions, approvals, waivers, notices, instruments and other communications as may be required by the parties (the “**AAHC Loan Documents**”);

WHEREAS, in connection with the construction of the Project, the Partnership is required to

enter into various documents which will evidence a gap financing loan from LDG Multifamily, LLC, or its affiliate, to the Partnership in a principal amount not to exceed 1,500,000 (the “**LDG Loan**”), including, but not limited to a note, deed of trust, and other security agreements, certificates, directions, approvals, waivers, notices, instruments and other communications as may be required by the parties (the “**LDG Loan Documents**”);

WHEREAS, in connection with the transactions contemplated herein, the Partnership, General Partner and AAHC are required to enter into various documents which will evidence the same, including, but not limited to the Ground Lease, Equity Documents, Bond Documents, Bridge Loan Documents, AAHC Loan Documents, LDG Loan Documents, and other security agreements, fixture filing statements, indemnity agreements, guaranties, development agreements, certificates, directions, approvals, waivers, notices, instruments and other communications as may be required by the parties (all of such documents collectively, the “**Financing Documents**”);

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

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

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

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

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

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

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

RESOLVED, that the Partnership be promptly notified in writing by the Secretary or any other officer of AAHC or any change in these resolutions, and until it has actually received such notice in writing, the Partnership is authorized to act in pursuance of these resolutions. **PASSED, APPROVED AND ADOPTED** this 15th day of August, 2024.

EDWINA CARRINGTON, CHAIRPERSON

ATTEST:

SECRETARY

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00256

ITEM NO. 6.

MEETING DATE: August 15, 2024

STAFF CONTACT: Suzanne Schwertner, Director of Development

ITEM TITLE: Presentation, Discussion and Possible Action on Resolution No. 00256 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) amend the ground lease for the site of the Urban East Apartments Phase I (the “Development”), which consists of multifamily housing units and associated amenities built upon land in Austin, Texas; (ii) cause AAHC’s subsidiary limited liability company (the “Managing Member”) to cause the limited liability company that owns the Development, Urban East Multifamily QOZB—Phase 1, LLC (the “Owner”), to enter into bridge financing for the Development; and (iii) cause AAHC and/or the Managing Member 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. 00256: authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) amend the ground lease for the site of the Urban East Apartments Phase I (the “Development”), which consists of multifamily housing units and associated amenities built upon land in Austin, Texas; (ii) cause AAHC’s subsidiary limited liability company (the “Managing Member”) to cause the limited liability company that owns the Development, Urban East Multifamily QOZB—Phase 1, LLC (the “Owner”), to enter into bridge financing for the Development; and (iii) cause AAHC and/or the Managing Member 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 partnered with River City Capital Partners (RCCP) and LDG Multifamily on a certain 7.34 acre tract of land located at 6400 E. Riverside Drive, Austin, TX 78741. This project (Urban East) consists of 381 family apartment units. Fifty percent of the units will be affordable to tenants earning less than 80% median family income (MFI) and 50% will be affordable to tenants earning at or greater than 80% MFI.

This was our first time partnering with RCCP. Since the original closing, we have partnered with RCCP on 3 additional properties and with LDG on 17 properties.

Process:

RCCP originally purchased the site because of its Opportunity Zone status. Real estate investments within Opportunity Zones stand to provide investors with meaningful federal and state tax incentives, as a result of the Tax Cuts and Jobs Act of 2017. This parcel was attractive due to the appetite by equity firms to invest in Opportunity Zones.

The land was sold at construction closing to the Housing Authority of the City of Austin (HACA). Due to the fact that we are developing two phases of the apartment complex, the parcel was condominiumized into two units, HACA leased one unit to the Phase I partnership and the other unit to the Phase II partnership. These two phases are separate in every aspect including debt and equity.

Urban East Phase I used debt financing originated by Texas Capital Bank and equity from a combination of RCCP and Battery Global Advisors (BGA) out of Boston, MA. BGA uses a wide variety of private funds to invest in projects in Opportunity Zones. A large number of their investors are family investors. The total development cost is estimated at \$96,000,000. The equity provided is an estimated \$43,000,000 which is about 45% of the total cost. The development consist of 12 studio and one bath units, 292 one bedroom and one bath units, 73 two bedroom and two bath units, and 4 three bedroom and two bath units.

The project includes 2 resort-style swimming pools, sun decks, fully equipped gym, outdoor grills, dog park, yoga-fitness studio, wi-fi coffee bar and a media conference room. The site is bordered by Montopolis Drive, Riverside Drive and Vargas Road. Upon completion of the light rail, there will be a stop at the intersection of Riverside Drive and Montopolis Drive. All finished units are being marketed to HACA’s Housing Choice Voucher residents.

Unfortunately, when the project was 99% complete and about to receive final Certificates of Occupancy, there was a failure in the boiler system which caused a flood of one entire building consisting of 100 units. Even though this circumstance will be covered by insurance, we will need extra time to refinish these damaged units. Because our construction financing is maturing, we went out to bid for a bridge loan to cover the time period it will take to rebuild since Texas Capital Bank would not extend the construction loan with favorable terms.

Goldman Sachs Bank USA will be the bridge loan lender. The bridge loan will be in the amount not to exceed of \$56,000,000. This loan will have an initial period of two years with three one-year extension options. This will allow us time to build back the units and stabilize the project so we can refinance into a permanent debt product. The Board will see this property again when we are ready to approve the permanent debt.

Unit Breakdown:

# Bedrooms	Bedroom Size	Square Footage
12	Studio	531-585
292	1	716-961
73	2	994-1,437
4	3	1,534

Staff Recommendation:

Staff recommends approval of Resolution No. 00256.

RESOLUTION NO. 00256

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) amend the ground lease for the site of the Urban East Apartments Phase I (the “Development”), which consists of multifamily housing units and associated amenities to be built upon land in Austin, Texas; (ii) cause AAHC’s subsidiary limited liability company (the “Managing Member”) to cause the limited liability company that owns the Development, Urban East Multifamily QOZB—Phase 1, LLC (the “Owner”), to enter into bridge financing for the Development; and (iii) cause AAHC and/or the Managing Member 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 participating in the ownership and construction of the Development;

WHEREAS, as part of the ownership structure for the Development, AAHC has formed AAHC Urban East, LLC, a Texas limited liability company (the “**Managing Member**”), which serves as the managing member of Urban East Multifamily QOZB LLC, a Texas limited liability company which entity is the sole member of the Owner (the “**Sole Member**”), and AAHC serves as the sole member of the Managing Member;

WHEREAS, in connection with the acquisition and construction of the Development, the Owner entered into a ground lease (the “**Ground Lease**”) covering the land comprising the site for the Development (the “**Land**”) with the Housing Authority of the City of Austin (“**HACA**”);

WHEREAS, in connection with the construction completion and stabilization of the Development, the Owner and HACA desire to amend the Ground Lease to add terms related to the Owner’s proposed financing pursuant to an amendment to the ground lease (the “**Ground Lease Amendment**”);

WHEREAS, the Land is subject to a condominium declaration (the “**Declaration**”), and the Owner, together with HACA and such other owners within the condominium regime, may desire to amend the Declaration and/or the condominium association’s bylaws pursuant to one or more amendments (collectively, the “**Condominium Amendments**”);

WHEREAS, the Owner desires to enter into a bridge loan with Goldman Sachs Bank USA, a New York State chartered bank (the “**Lender**”), whereby the Owner will borrow a sum not to exceed \$56,000,000 (“**Loan**”), in order to complete construction and stabilization of the Development;

WHEREAS, the Loan will be made pursuant to a loan agreement, evidenced by a promissory note to be secured, *inter alia*, by a deed of trust encumbering Owner's leasehold interest in the Land and fee interests in the Development, as well as such other documents and instruments (including, without limitation, assignments, consents, estoppels, subordinations, guarantees, security agreements, UCC financing statements, certificates, affidavits, directions, amendments, indemnifications, notices, requests, demands and 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 writings 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 Ground Lease Amendment, the Condominium Amendments, and the Loan Documents, and (ii) any and all such additional documents executed to consummate the transactions contemplated herein (collectively, the "**Transaction Documents**") shall be in form and substance approved by the Executing Officer (as such term is hereinafter defined), both individually and in a representative capacity as identified in these resolutions, his/her approval of each such instrument to be conclusively evidenced by his/her execution thereof; and it is further,

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

RESOLVED that the authorization of AAHC and/or Managing Member and/or Sole Member and/or Owner to enter into the Transaction Documents and that execution and delivery in the name and on behalf of AAHC and/or Managing Member and/or Sole 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 Sole Member and/or Owner 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 AAHC, the Managing Member, the Sole 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 Sole Member and/or Owner, effective as of the date such action was taken; and it is further

RESOLVED, that action by any Executing Officer 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 Sole 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 and Lender be promptly notified in writing by the Secretary or any other officer of AAHC of any change in these resolutions, and until they have actually received such notice in writing, the Owner and Lender are authorized to act in reliance on and pursuance of these resolutions.

[End of Resolution]

PASSED, APPROVED AND ADOPTED this 15th day of August, 2024.

EDWINA CARRINGTON, CHAIRPERSON

ATTEST:

SECRETARY