

**AUSTIN AFFORDABLE  
PFC, INC.**

**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 PFC, INC.**

**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 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. 00115: authorizing the issuance, sale and delivery of Multifamily Housing Revenue Bonds (Heritage Pointe Apartments Apartments), Series 2024A and Multifamily Housing Revenue Bonds (Heritage Pointe Apartments), Series 2024B; authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily residential rental development; and containing other provisions relating to the subject.
3. Presentation, Discussion and Possible Action on Resolution No. 00116: authorizing the issuance, sale and delivery of Multifamily Housing Revenue Bonds (Kingswood Apartments), Series 2024; authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily residential rental development; and containing other provisions relating to the subject.

**EXECUTIVE SESSION**

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

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

**OPEN SESSION**

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

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

**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 PFC, INC.**

**BOARD ACTION REQUEST**

**ITEM NO. 1.**

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**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 AAPFC Minutes Summary**

**AUSTIN AFFORDABLE PFC, INC.  
BOARD OF DIRECTORS  
REGULAR BOARD MEETING**

**June 20, 2024**

**SUMMARY OF MINUTES**

**AUSTIN AFFORDABLE PFC, INC. (HACA) BOARD OF DIRECTORS REGULAR BOARD MEETING NOTICE WAS POSTED FOR 12:00 PM ON THURSDAY, JUNE 20, 2024, AND WAS HELD HACA CENTRAL OFFICE, 1124 S. IH 35, AUSTIN, TX AND VIRTUALLY**

**CALL TO ORDER, ROLL CALL, CERTIFICATION OF QUORUM**

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

Roll call certified a quorum was present on the call.

**MEMBERS PRESENT:**

Edwina Carrington, Chairperson (viz Zoom)  
Charles Bailey, Vice-Chairperson (joined at 1:35 via Zoom)  
Mary Apostolou, 2<sup>nd</sup> 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 during each item on the agenda. No one provided any communication during any of the items.

**CONSENT AGENDA**

**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 March 21, 2024**

**2<sup>nd</sup> Vice-Chairperson Apostolou** moved the Approval of the Board Minutes Summary for the Board Meeting held on March 21, 2024. **Director Duncan-Hall** seconded the motion. The motion Passed (4-Ayes and 0-Nays).

**Vice-Chairperson Bailey joined at 1:35 pm via Zoom**

**ACTION ITEMS**

**APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS**

**ITEM 2: Presentation, Discussion and Possible Action on Resolution No. 00113: Authorizing the issuance, sale and delivery of Multifamily Housing Revenue Bonds (Village at Collinwood Apartments), Series 2024A and Multifamily Housing Revenue Bonds (Village at Collinwood Apartments), Series 2024B; authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily containing other provisions relating to the subject**

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 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.

**Director Duncan-Hall** moved the Approval of Resolution No. 00113: Authorizing the issuance, sale and delivery of Multifamily Housing Revenue Bonds (Village at Collinwood Apartments), Series 2024A and Multifamily Housing Revenue Bonds (Village at Collinwood Apartments), Series 2024B; authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily containing other provisions relating to the subject in an amount not to exceed \$24,800,000. **2<sup>nd</sup> Vice-Chairperson Apostolou** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

**ITEM 3: Presentation, Discussion and Possible Action on Resolution No. 00114: Authorizing the issuance, sale and delivery of Multifamily Housing Revenue Bonds (Eagle's Landing Family Apartments), Series 2024A and Multifamily Housing Revenue Bonds (Eagle's Landing Family Apartments), Series 2024B; authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily containing other provisions relating to the subject**

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.

**2<sup>nd</sup> Vice-Chairperson Apostolou** moved the Approval of Resolution No. 00114: Authorizing the issuance, sale and delivery of Multifamily Housing Revenue Bonds (Eagle's Landing Family Apartments), Series 2024A and Multifamily Housing Revenue Bonds (Eagle's Landing Family Apartments), Series 2024B; authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily containing other provisions relating to the subject 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.

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

The meeting adjourned at 2:00 pm.

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**Michael G. Gerber, Secretary**

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**Edwina Carrington, Chairperson**

**AUSTIN AFFORDABLE PFC, INC.**

**BOARD ACTION REQUEST**

**RESOLUTION NO. 00115**

**ITEM NO. 2.**

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**MEETING DATE:** August 15, 2024

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

**ITEM TITLE:** Presentation, Discussion and Possible Action on Resolution No. 00115: authorizing the issuance, sale and delivery of Multifamily Housing Revenue Bonds (Heritage Pointe Apartments Apartments), Series 2024A and Multifamily Housing Revenue Bonds (Heritage Pointe Apartments), Series 2024B; authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily residential rental development; and containing other provisions relating to the subject.

**BUDGETED ITEM:** N/A

**TOTAL COST:** N/A

**ACTION**

The Board is being asked to approve Resolution No. 00115: authorizing the issuance, sale and delivery of Multifamily Housing Revenue Bonds (Heritage Pointe Apartments Apartments), Series 2024A and Multifamily Housing Revenue Bonds (Heritage Pointe Apartments), Series 2024B; authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily residential rental development; and containing other provisions relating to the subject.

**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. 00115.

**ATTACHMENTS:**

- ▣ **EXHIBIT A HERITAGE POINTE RESOLUTION**

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**RESOLUTION NO. 00115**

**Resolution authorizing the issuance, sale and delivery of Multifamily Housing Revenue Bonds (Heritage Pointe Seniors Apartments), Series 2024A and Multifamily Housing Revenue Bonds (Heritage Pointe Seniors Apartments), Series 2024B; authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily residential rental development; and containing other provisions relating to the subject.**

**WHEREAS**, Austin Affordable PFC, Inc. (the “**Issuer**”) has been duly created and organized pursuant to and in accordance with the provisions of the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the “**Act**”), for the purpose of assisting the Housing Authority of the City of Austin (the “**Sponsor**”) in financing, refinancing or providing public facilities; and

**WHEREAS**, the Act authorizes the Issuer: (a) to make loans to any person to provide financing for rental residential developments located within the Sponsor’s jurisdiction, and intended to be occupied substantially (at least 90 percent) by persons of low and moderate income, as determined by the Issuer; (b) to issue its revenue bonds for the purpose of obtaining moneys to make such loans and provide such financing, to establish necessary reserve funds and to pay administrative costs and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues, receipts or resources of the Issuer, including the revenues and receipts to be received by the Issuer from or in connection with such loans, and to mortgage, pledge or grant security interests in such loans or other property of the Issuer in order to secure the payment of the principal or redemption price of and interest on such bonds; and

**WHEREAS**, the Board of Directors of the Issuer (the “**Board**”) has determined to authorize the issuance, sale and delivery of its Multifamily Housing Revenue Bonds (Fannie Mae MBS Secured) (Heritage Pointe Seniors Apartments), Series 2024A and its Multifamily Housing Revenue Bonds (Heritage Pointe Seniors Apartments), Series 2024B (collectively, the “**Bonds**”), pursuant to and in accordance with the terms of an Indenture of Trust, dated on or about September 1, 2024 (the “**Indenture**”), between the Issuer and Wilmington Trust, NA, as trustee (the “**Trustee**”), for the purpose of lending the proceeds thereof to 1950 Webberville Road (TX) Owner LP, a Texas limited partnership (the “**Borrower**”), to provide financing for the acquisition and rehabilitation of a multifamily housing residential rental development known as Heritage Pointe Seniors Apartments, located at approximately 1950 Webberville Road, Austin, Texas, 78721 and described more fully on Exhibit A attached hereto (the “**Project**”), all in accordance with the Constitution and laws of the State of Texas; and

**WHEREAS**, the Board, by resolution adopted on September 21, 2023, declared its intent to issue its revenue bonds to provide financing for the Project; and

**WHEREAS**, in order to assist in carrying out the acquisition, rehabilitation and equipping of the Project, the Board has determined that the Issuer shall enter into a Financing Agreement (the “**Agreement**”), with the Borrower, pursuant to which (i) the Issuer will agree to make a mortgage loan funded with the proceeds of the Bonds (the “**Mortgage Loan**”) to the Borrower to enable the Borrower to finance costs of the acquisition, rehabilitation and equipping of the Project and related costs, and (ii) the Borrower will execute and deliver promissory notes (the “**Notes**”) in an original principal amount equal to the original aggregate principal amount of the Bonds, and providing for payment of interest on such principal amount equal to the interest on the Bonds and to pay other costs described in the Agreement; and

**WHEREAS**, in order to assure compliance with Section 142(d) of the Internal Revenue Code of 1986, as amended (the “**Code**”), the Issuer will require the Borrower to enter into a Regulatory Agreement and Declaration of Restrictive Covenants, dated on or about September 1, 2024 (the “**Regulatory Agreement**”) with respect to the Project; and

**WHEREAS**, the Board desires to ratify certain other actions heretofore taken with respect to the Bonds; and

**WHEREAS**, the Issuer desires to authorize the Trustee to invest and reinvest the proceeds of the Bonds and

all other funds received and held under the Agreement; and

**WHEREAS**, Section 147(f) of the Code requires that the Bonds be approved by the “applicable elected representative” (the “AER”) and the host jurisdiction after a public hearing following reasonable public notice; and

**WHEREAS**, with respect to bonds issued by the Issuer, the AER for issuer approval is the Mayor of the City of Austin (“City”); and

**WHEREAS**, notice of public hearing with respect to the Bonds and the Project held on behalf of the Issuer on May 10, 2024, was published no less than 7 days before such date in a newspaper of general circulation available to residents within the City; and

**WHEREAS**, the Board held such public hearing on the date and at the time and place set out in such published notice, and conducted such hearing in a manner that provided a reasonable opportunity for persons with differing views on the issuance of the Bonds and the Project to be heard; and

**WHEREAS**, the Board has determined to provide financing for the Project in accordance with the Agreement, the Bonds, the Regulatory Agreement (all documents in such form as approved by the officers of the Issuer and its advisors), by authorizing the issuance of the Bonds, the execution and delivery or acceptance, as appropriate, of such documents and the taking of such other actions as may be necessary or convenient;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF AUSTIN AFFORDABLE PFC, INC. THAT:**

Section 1.--Public Hearing. The Board hereby finds, determines, recites and declares that a public hearing with respect to the Bonds and the Project was held on May 10, 2024; that notice of such public hearing was published no less than 7 days before such date in a newspaper of general circulation available to residents within the City; that such notice included the date, time and place of the public hearing, the location, general nature and the initial owner of the Project and the maximum aggregate principal amount of the Bonds; and that all comments from interested persons were taken at such public hearing and were provided to the AER and the host jurisdiction.

Section 2.--Issuance, Execution, Sale and Delivery of the Bonds. The issuance of the Bonds is hereby authorized, according to the conditions set forth herein and in the Agreement, and upon execution and delivery of the Agreement, the President or Vice President or the Secretary of the Issuer are each hereby authorized to execute, attest and affix the Issuer’s seal (if any) to the Bonds and to deliver the Bonds to the Attorney General of the State of Texas for approval, the Comptroller of Public Accounts of the State of Texas for registration and the Trustee for authentication (to the extent required in the Indenture), and thereafter to sell the Bonds to the purchaser thereof as provided in the Indenture and deliver the Bonds as provided in the Indenture.

Section 3.--Interest Rate, Principal Amount, Maturity and Price. The officers of the Issuer are hereby authorized to fix and determine the interest rate, principal amount, maturity and price of the Bonds, all of which determinations shall be conclusively evidenced by the execution and delivery by such officers of the Indenture and the Bonds; provided, however, that: (i) the interest on the Bonds shall initially not exceed 9%; (ii) the aggregate principal amount of the Multifamily Housing Revenue Bonds (Fannie Mae MBS Secured) (Heritage Pointe Seniors Apartments), Series 2024A and the Multifamily Housing Revenue Bonds (Heritage Pointe Seniors Apartments) Series 2024B shall not exceed \$29,300,000; (iii) the final maturity of the Bonds shall occur not later than September 1, 2064; and (iv) the price at which the Bonds are sold shall not exceed the principal amount thereof, plus any applicable premium.

Section 4.--Approval, Execution and Delivery of the Indenture and the Agreement. The officers of the Issuer are each hereby authorized to execute the Indenture and the Agreement in form and substance approved by such officers, with such changes or additions thereto as may be approved by any officer of the Issuer (upon advice of bond counsel to the Issuer), as evidenced by the execution and delivery of the Indenture and the Agreement.

Section 5.--Approval, Execution and Delivery of the Regulatory Agreement. The officers of the Issuer are each hereby authorized to execute the Regulatory Agreement in form and substance approved by such officers, with such changes or additions thereto as may be approved by any officer of the Issuer (upon advice of bond counsel to the Issuer), as evidenced by their execution and delivery and to deliver the Regulatory Agreement.

Section 6.--Determination of Moderate Income. The Board has heretofore determined and hereby confirms, in accordance with the Act, for purposes of the Project, until revised by the Board, that the maximum amount constituting moderate income shall be 140% of area median income, as established by the Issuer.

Section 7.--Execution and Delivery of Other Documents. The officers of the Issuer are each hereby authorized to execute, attest and affix the Issuer's seal (if any) to and deliver such other agreements, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 8.--Power to Revise Form of Documents. Notwithstanding any other provision of this Resolution, the officers of the Issuer are each hereby authorized to make or approve such revisions in the form of the documents hereby approved, in the opinion of bond counsel, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution; and approval of such changes by the Issuer shall be indicated by such officers' execution of the documents.

Section 9.--Incorporation of Preamble. The recitals in the preamble of this Resolution are true, correct and complete and each and all of such recitals and the findings therein are hereby incorporated by reference to the same extent as if set forth herein in full.

Section 10.--Submission to the Attorney General of Texas. The Board hereby authorizes the submission by bond counsel to the Attorney General of Texas, for approval as required under Chapter 1202, Texas Government Code, of a transcript of legal proceedings relating to the issuance, sale and delivery of the Bonds.

Section 11.--Purposes of Resolution. The Board has expressly determined and hereby confirms that the issuance of the Bonds to assist in the financing of the Project will promote the public purposes set forth in Chapter 392 and Section 394.002 of the Texas Local Government Code and will accomplish a valid public purpose of the Issuer by assisting persons of low and moderate income to obtain decent, safe and sanitary housing at affordable prices.

Section 12.--Limited Obligations. The Bonds and the interest thereon shall be limited obligations of the Issuer payable solely from the revenues, funds and assets pledged under the Agreement to secure payment of the Bonds and under no circumstances shall the Bonds be payable from any other revenues, funds, assets or income of the Issuer. The Bonds shall not constitute an indebtedness, liability, general, special or moral obligation or a pledge or loan of the faith or credit or taxing power, within the meaning of any constitutional or statutory provision whatsoever, of the United States of America or any agency or instrumentality thereof, the State of Texas, the City, the Sponsor or any other political subdivision or governmental unit.

Section 13.--Ratification of Certain Prior Actions. All other prior actions taken for or on behalf of the Issuer in connection with the Bonds are hereby ratified, confirmed and approved.

Section 14.--Approval Conditions. The actions and obligations authorized in this Resolution shall be subject to and conditioned upon receipt by the Issuer on the date of delivery of the Bonds of the appropriate opinions of tax counsel with respect to the Bonds.

Section 15.--Information Return for Tax Exempt Private Activity Bonds. The Board further directs that an officer of the Issuer submit or cause to be submitted to the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Bonds is issued, a statement containing the information required by Section 149(e) of the Code.

Section 16.--Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

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

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EDWINA CARRINGTON, CHAIRPERSON

ATTEST:

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SECRETARY

*[End of Resolution.]*

## Exhibit A

### PROJECT AND BORROWER

Borrower: 1950 Webberville Road (TX) Owner LP, a Texas limited partnership

Project: 240-unit multifamily residential rental development to be known as Heritage Pointe Seniors Apartments

The Project will be located at approximately 1950 Webberville Road, Austin, Texas, 78721. It will consist of one residential apartment building with approximately 203,720 net rentable square feet. The one-bedroom units have a unit size of approximately 798 square feet and the two-bedroom units have a unit size of approximately 1,103 square feet. The unit mix will consist of:

200	one-bedroom/one-bath units
40	two-bedroom/two-bath units
240	Total Units

**AUSTIN AFFORDABLE PFC, INC.**

**BOARD ACTION REQUEST**

**RESOLUTION NO. 00116**

**ITEM NO. 3.**

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**MEETING DATE:** August 15, 2024

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

**ITEM TITLE:** Presentation, Discussion and Possible Action on Resolution No. 00116: authorizing the issuance, sale and delivery of Multifamily Housing Revenue Bonds (Kingswood Apartments), Series 2024; authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily residential rental development; and containing other provisions relating to the subject.

**BUDGETED ITEM:** N/A

**TOTAL COST:** N/A

**ACTION**

The Board is being asked to approve Resolution No. 00116: authorizing the issuance, sale and delivery of Multifamily Housing Revenue Bonds (Kingswood Apartments), Series 2024; authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily residential rental development; and containing other provisions relating to the subject.

**SUMMARY**

***Background:***

Austin Affordable Housing Corporation is being presented with an opportunity to partner with LDG Multifamily, LLC (“LDG”) on a certain 23.054-acre tract of land located at the southeast corner of FM Road 812 and Burklund Farms Road, Austin, Texas 78617 in the Austin extraterritorial jurisdiction (ETJ). The project (“Kingswood”) will consist of 328 family apartment units serving tenants at or below 60% of median family income. The nearest properties in AAHC’s current portfolio are Pointe and Villages of Ben White to the northwest. This will be our 17<sup>th</sup> property in partnership with LDG; all new construction projects.

Kingswood was initially presented to the Board in 2020, but we were unable to obtain a bond reservation at that time. We brought the property back to the board in February 2023 for approval to submit another bond application. The bond allocation was awarded to us on July 6, 2023. 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. 00116.

**ATTACHMENTS:**

- ▣ **EXHIBIT A TO THE RESOLUTION**



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**RESOLUTION NO. 00116**

**Resolution authorizing the issuance, sale and delivery of Multifamily Housing Revenue Bonds (Kingswood Apartments), Series 2024; authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily residential rental development; and containing other provisions relating to the subject**

**WHEREAS**, Austin Affordable PFC, Inc. (the “**Issuer**”) has been duly created and organized pursuant to and in accordance with the provisions of the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the “**Act**”), for the purpose of assisting the Housing Authority of the City of Austin (the “**Sponsor**”) in financing, refinancing or providing public facilities; and

**WHEREAS**, the Act authorizes the Issuer: (a) to make loans to any person to provide financing for rental residential developments located within the Sponsor’s jurisdiction, and intended to be occupied substantially (at least 90 percent) by persons of low and moderate income, as determined by the Issuer; (b) to issue its revenue bonds for the purpose of obtaining moneys to make such loans and provide such financing, to establish necessary reserve funds and to pay administrative costs and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues, receipts or resources of the Issuer, including the revenues and receipts to be received by the Issuer from or in connection with such loans, and to mortgage, pledge or grant security interests in such loans or other property of the Issuer in order to secure the payment of the principal or redemption price of and interest on such bonds; and

**WHEREAS**, the Board of Directors of the Issuer (the “**Board**”) has determined to authorize the issuance, sale and delivery of its Multifamily Housing Revenue Bonds (Kingswood Apartments), Series 2024A and its Multifamily Housing Revenue Bonds (Kingswood Apartments), Taxable Series 2024B (collectively, the “**Bonds**”), pursuant to and in accordance with the terms of an Indenture of Trust, dated on or about of September 1, 2024 (the “**Indenture**”), between the Issuer and BOKF, NA, as trustee (the “**Trustee**”), for the purpose of lending the proceeds thereof to LDG Kingswood, LP, a Texas limited partnership (the “**Borrower**”), to provide financing for the acquisition and construction of a multifamily housing residential rental development known as the Kingswood Apartments, located at approximately the southeast corner of FM Road 812 and Burklund Farms Road, Austin, Travis County, Texas 78617 and described more fully on Exhibit A attached hereto (the “**Project**”), all in accordance with the Constitution and laws of the State of Texas; and

**WHEREAS**, the Board, by resolution adopted on February 16, 2023, declared its intent to issue its revenue bonds to provide financing for the Project; and

**WHEREAS**, in order to assist in carrying out the acquisition, construction and equipping of the Project, the Board has determined that the Issuer shall enter into a Loan Agreement (the “**Agreement**”), with the Borrower, pursuant to which (i) the Issuer will agree to make a mortgage loan funded with the proceeds of the Bonds (the “**Mortgage Loan**”) to the Borrower to enable the Borrower to finance costs of the acquisition, construction and equipping of the Project and related costs, and (ii) the Borrower will execute and deliver promissory notes (the “**Notes**”) in an original principal amount equal to the original aggregate principal amount of the Bonds, and providing for payment of interest on such principal amount equal to the interest on the Bonds and to pay other costs described in the Agreement; and

**WHEREAS**, in order to assure compliance with Section 142(d) of the Internal Revenue Code of 1986, as amended (the “**Code**”), the Issuer will require the Borrower to enter into a Regulatory Agreement and Declaration of Restrictive Covenants, dated on or about September 1, 2024 (the “**Regulatory Agreement**”) with respect to the Project; and

**WHEREAS**, the Board desires to ratify certain other actions heretofore taken with respect to the Bonds; and

**WHEREAS**, the Issuer desires to authorize the Trustee to invest and reinvest the proceeds of the Bonds and all other funds received and held under the Agreement; and

**WHEREAS**, Section 147(f) of the Code requires that the Bonds be approved by the “applicable elected representative” (the “AER”) and the host jurisdiction after a public hearing following reasonable public notice; and

**WHEREAS**, with respect to bonds issued by the Issuer, the AER is the Mayor of the City of Austin (“City”); and

**WHEREAS**, notices of public hearings with respect to the Bonds and the Project held by the Issuer on July 15, 2024, were published no less than 7 days before such date in a newspaper of general circulation available to residents within the City and the host jurisdiction; and

**WHEREAS**, the public hearings were held on the date and at the time and place set out in such published notices, and were conducted in a manner that provided a reasonable opportunity for persons with differing views on the issuance of the Bonds and the Project to be heard; and

**WHEREAS**, the Board has determined to provide financing for the Project in accordance with the Agreement, the Bonds, the Regulatory Agreement (all documents in such form as approved by the officers of the Issuer and its advisors), by authorizing the issuance of the Bonds, the execution and delivery or acceptance, as appropriate, of such documents and the taking of such other actions as may be necessary or convenient;

**NOW, THEREFORE**, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF AUSTIN AFFORDABLE PFC, INC. THAT:

Section 1.--Public Hearings. The Board hereby finds, determines, recites and declares that public hearings with respect to the Bonds and the Project were held on July 15, 2024; that notices of such public hearings were published no less than 7 days before such date in a newspaper of general circulation available to residents within the City and the host jurisdiction; that such notices included the date, time and place of the public hearings, the location, general nature and the initial owner of the Project and the maximum aggregate principal amount of the Bonds; and that all comments from interested persons were taken at such public hearings and were provided to the AER, as applicable.

Section 2.--Issuance, Execution, Sale and Delivery of the Bonds. The issuance of the Bonds is hereby authorized, according to the conditions set forth herein and in the Agreement, and upon execution and delivery of the Agreement, the President or Vice President or the Secretary of the Issuer are each hereby authorized to execute, attest and affix the Issuer’s seal (if any) to the Bonds and to deliver the Bonds to the Attorney General of the State of Texas for approval, the Comptroller of Public Accounts of the State of Texas for registration and the Trustee for authentication (to the extent required in the Indenture), and thereafter to sell the Bonds to the purchaser thereof as provided in the Indenture and deliver the Bonds as provided in the Indenture.

Section 3.--Interest Rate, Principal Amount, Maturity and Price. The officers of the Issuer are hereby authorized to fix and determine the interest rate, principal amount, maturity and price of the Bonds, all of which determinations shall be conclusively evidenced by the execution and delivery by such officers of the Indenture and the Bonds; provided, however, that: (i) the interest on the Bonds shall initially not exceed 10%, as subject to the terms of the Indenture; (ii) the aggregate principal amount of the Multifamily Housing Revenue Bonds (Kingswood Apartments) Series 2024A shall not exceed \$50,000,000 and the aggregate principal amount of the Multifamily Housing Revenue Bonds (Kingswood Apartments) Taxable Series 2024B shall not exceed \$5,000,000; (iii) the final maturity of the Bonds shall occur not later than September 1, 2064; and (iv) the price at which the Bonds are sold shall not exceed the principal amount thereof.

Section 4.--Approval, Execution and Delivery of the Indenture and the Agreement. The officers of the Issuer are each hereby authorized to execute the Indenture and the Agreement in form and substance approved by such officers, with such changes or additions thereto as may be approved by any officer of the Issuer (upon advice of bond counsel to the Issuer), as evidenced by the execution and delivery of the Indenture and the Agreement.

Section 5.--Approval, Execution and Delivery of the Regulatory Agreement. The officers of the Issuer are each hereby authorized to execute the Regulatory Agreement in form and substance approved by such officers, with such changes or additions thereto as may be approved by any officer of the Issuer (upon advice of bond counsel to the Issuer), as evidenced by their execution and delivery and to deliver the Regulatory Agreement.

Section 6.--Determination of Moderate Income. The Board has heretofore determined and hereby confirms, in

accordance with the Act, for purposes of the Project, until revised by the Board, that the maximum amount constituting moderate income shall be 120% of area median income, as established by the Issuer.

Section 7.--Execution and Delivery of Other Documents. The officers of the Issuer are each hereby authorized to execute, attest and affix the Issuer's seal (if any) to and deliver such other agreements, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 8.--Power to Revise Form of Documents. Notwithstanding any other provision of this Resolution, the officers of the Issuer are each hereby authorized to make or approve such revisions in the form of the documents hereby approved, in the opinion of bond counsel, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution; and approval of such changes by the Issuer shall be indicated by such officers' execution of the documents.

Section 9.--Incorporation of Preamble. The recitals in the preamble of this Resolution are true, correct and complete and each and all of such recitals and the findings therein are hereby incorporated by reference to the same extent as if set forth herein in full.

Section 10.--Submission to the Attorney General of Texas. The Board hereby authorizes the submission by bond counsel to the Attorney General of Texas, for approval as required under Chapter 1202, Texas Government Code, of a transcript of legal proceedings relating to the issuance, sale and delivery of the Bonds.

Section 11.--Purposes of Resolution. The Board has expressly determined and hereby confirms that the issuance of the Bonds to assist in the financing of the Project will promote the public purposes set forth in Chapter 392 and Section 394.002 of the Texas Local Government Code and will accomplish a valid public purpose of the Issuer by assisting persons of low and moderate income to obtain decent, safe and sanitary housing at affordable prices.

Section 12.--Limited Obligations. The Bonds and the interest thereon shall be limited obligations of the Issuer payable solely from the revenues, funds and assets pledged under the Agreement to secure payment of the Bonds and under no circumstances shall the Bonds be payable from any other revenues, funds, assets or income of the Issuer. The Bonds shall not constitute an indebtedness, liability, general, special or moral obligation or a pledge or loan of the faith or credit or taxing power, within the meaning of any constitutional or statutory provision whatsoever, of the United States of America or any agency or instrumentality thereof, the State of Texas, the City, the Sponsor or any other political subdivision or governmental unit.

Section 13.--Ratification of Certain Prior Actions. All other prior actions taken for or on behalf of the Issuer in connection with the Bonds are hereby ratified, confirmed and approved.

Section 14.--Approval Conditions. The actions and obligations authorized in this Resolution shall be subject to and conditioned upon receipt by the Issuer on the date of delivery of the Bonds of the appropriate opinions of tax counsel with respect to the Bonds.

Section 15.--Information Return for Tax Exempt Private Activity Bonds. The Board further directs that an officer of the Issuer submit or cause to be submitted to the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Bonds is issued, a statement containing the information required by Section 149(e) of the Code.

Section 16.--Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

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

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EDWINA CARRINGTON, CHAIRPERSON

ATTEST:

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SECRETARY

**Exhibit A**

**PROJECT AND BORROWER**

Borrower: LDG Kingswood, LP, a Texas limited partnership

Project: 328-unit multifamily residential rental development to be known as the Kingswood Apartments

The Project will be at approximately the southeast corner of FM Road 812 and Burklund Farms Road, Austin, Travis County, Texas 78617. It will consist of 13 multi-story residential apartment buildings with approximately 380,656 net rentable square feet and an average unit size of approximately 1,161 square feet. The unit mix will consist of:

<u>48</u>	one-bedroom/one-bath units
<u>132</u>	two-bedroom/two-bath units
<u>124</u>	three-bedroom/two-bath units
<u>24</u>	four-bedroom/two-bath units
328	Total Units