

AUSTIN AFFORDABLE HOUSING CORPORATION



BOARD OF DIRECTORS Regular Meeting

**Thursday, September 19, 2024
12:00 PM**

**HACA Central Office, 1124 S. Interstate Highway 35
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
Austin, TX
(512.477.4488)**

**Thursday, September 19, 2024
12:00 PM**

CALL TO ORDER, ROLL CALL

CERTIFICATION OF QUORUM

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

CONSENT AGENDA

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

CONSENT ITEMS

1. Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on August 15, 2024

ACTION ITEMS

2. Presentation, Discussion and Possible Action on Resolution No. 00257 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 Austin City Lights (the “Development”), which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s subsidiary limited liability company (the “Owner”) to own the Development; (iii) cause the Owner to enter into acquisition and development financing for the Development; and (iv) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.
3. Presentation, Discussion and Possible Action on Resolution No. 00258 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 Bridge at Treeline

EXECUTIVE SESSION

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

- a. 551.071, Texas Gov't Code, consultations with Attorney regarding legal advice, pending or contemplated litigation; or a settlement offer;

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

OPEN SESSION

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

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

ADJOURNMENT

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

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

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

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

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

The Housing Authority of the City of Austin is committed to compliance with the Americans with Disability Act. Reasonable modifications and equal access to the communications will be provided upon request. Meeting locations are planned with wheelchair access. If requiring Sign Language Interpreters or alternative formats, please give notice at least 2 days (48 hours) before the meeting date. Please call Nidia Hiroms at HACA at 512.477.4488, for additional information; 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: September 19, 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 August 15, 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 August 15, 2024.

ATTACHMENTS:

- ▣ **20240815 AAHC Minutes Summary**

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

AUGUST 15, 2024

SUMMARY OF MINUTES

THE AUSTIN AFFORDABLE HOUSING CORPORATION (AAHC) BOARD OF DIRECTORS REGULAR PUBLIC MEETING NOTICE WAS POSTED FOR 1:00 PM ON THURSDAY, AUGUST 15, 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 August 15, 2024, was called to order by **Carl S. Richie, Jr.**, HACA Chairperson, at 1:14 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
Charles Bailey, Vice-Chairperson
Mary Apostolou, 2nd Vice-Chairperson
Dr. Tyra Duncan-Hall, Director (via Zoom)
Carl S. Richie, Jr., Director

MEMBER(S) ABSENT:

ALSO IN ATTENDANCE:

Sarah Scott, Coats Rose

STAFF PRESENT:

Barbara Chen, Jorge Vazquez, Keith Swenson, Kelly Crawford, Leilani Lim-Villegas, Lisa Garcia, Michael Gerber, Michael Roth, Nidia Hiroms, Ron Kowal, Stephen Wolf, 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 June 20, 2024

2nd Vice-Chairperson Apostolou moved to Approve the Board Minutes Summary for the Regular Board Meeting held on June 20, 2024. Director Richie seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ACTION ITEMS

ITEM 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

Austin Affordable Housing Corporation (AAHC) was presented with 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. 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

August 15, 2024

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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 this part of Austin continues to displace persons needing affordable housing. This partnership will preserve this asset and add deeper affordability for our current voucher holders and the residents that reside in this area. Being so close to 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.

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 name for the property will be Bridge at Southpark Meadows Apartments.

Director Richie moved to Approve 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. **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. 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 n desirable to participate in the housing tax credit application for Ovetta Rosedale

Austin Affordable Housing Corporation was presented with an opportunity to partner with O-SDA Industries, LLC on a +/- .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.

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.

This approval will allow AAHC 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 progress and specifically any and all agreements and approvals.

2nd Vice-Chairperson Apostolou moved to Approve 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 n desirable to participate in the housing tax credit application for Ovetta Rosedale. **Director Richie** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ITEM 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

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 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.

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, 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.

Vice-Chairperson Bailey moved to Approve 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 in an amount not to exceed \$29,300,000. **2nd Vice-Chairperson Apostolou** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ITEM 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

Austin Affordable Housing Corporation was presented with an opportunity to partner with LDG Multifamily, LLC ("LDG") on a 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 have been new construction projects.

Kingswood was initially presented to the Board in 2020, however, we were unable to obtain a bond reservation at that time. Staff brought the property back to the board in February 2023 for approval to submit another bond application. The bond allocation was awarded on July 6, 2023. Unfortunately, we were unable to close before the bond allocation expired. Staff was able to resubmit for a bond allocation that carries a 3- year expiration. Staff has received approvals from the Austin City Council and the Travis County Commissioners to proceed with the project.

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.

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.

Director Richie moved to 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 in an amount not to exceed \$50,000,000 and a taxable tail not to exceed \$5,000,000. **2nd Vice-Chairperson Apostolou** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

DIRECTOR RICHIE LEFT THE ROOM AT 2:25.

ITEM 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

Austin Affordable Housing Corporation partnered with River City Capital Partners (RCCP) and LDG Multifamily on a 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.

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 consists 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 perm debt product. The Board will see this property again when we are ready to approve the permanent debt.

2nd Vice-Chairperson Apostolou moved to 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. **Vice-Chairperson Bailey** seconded the motion. The motion Passed (4-Ayes and 0-Nays).

EXECUTIVE SESSION

The Board did not recess into Executive Session.

2nd Vice-Chairperson Apostolou moved to adjourn the meeting. **Vice-Chairperson Bailey** seconded the motion. The motion Passed (4-Ayes and 0-Nays).

The meeting adjourned at 2:26 pm.

Michael G. Gerber, Secretary

Chairperson

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00257

ITEM NO. 2.

MEETING DATE: September 19, 2024

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

ITEM TITLE: Presentation, Discussion and Possible Action on Resolution No. 00257 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 Austin City Lights (the “Development”), which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s subsidiary limited liability company (the “Owner”) to own the Development; (iii) cause the Owner to enter into acquisition and development financing for the Development; and (iv) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to approve Resolution No. 00257 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 Austin City Lights (the “Development”), which consists of multifamily housing units and associated amenities in Austin, Texas to be ground-leased from the Housing Authority of the City of Austin; (ii) cause AAHC’s subsidiary limited liability company (the “Owner”) to own the Development; (iii) cause the Owner to enter into acquisition and development financing for the Development; and (iv) cause AAHC and/or the Owner to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

SUMMARY

Background:

Austin Affordable Housing Corporation (AAHC) is considering a partnership with Christopher Investment Company on a 352-unit multi-family rental property, Austin City Lights Apartments, located at 501 E. Stassney Lane, Austin, Texas 78745. This property offers convenient access to the Central Business District, South Congress, South First, and Southpark Meadows areas. The property features exceptionally large residences, averaging 1,020 square feet, with nearly half of the units comprising two and three-bedroom floorplans.

Christopher Investment Company, a local Austin firm dedicated to preserving workforce housing, is a

privately held, family-run company with a portfolio exceeding 1,600 apartment units in Austin and its surrounding areas. Founded in 1975, the company has historically focused on residential investments. AAHC will collaborate with the founder, Gregory Christopher, and its President, Brad Gates.

Constructed in 2006 on approximately 17.91 acres, Austin City Lights Apartments underwent extensive renovations by Christopher Investment Company between 2018 and 2022. These renovations included upgrades to swimming pools, all interior units, roof replacement, and the addition of a dog park. The property amenities include a resort-style swimming pool with lounge seating, an elegant clubhouse with gathering spaces, a billiards lounge and coffee bar, a business center, an expansive fitness center, a yoga studio, a large pet park with a washing station, and both garage and additional covered parking spaces. The property is served by the Austin Independent School District, including Pleasant Elementary School, Bedicheck Middle School, and Crocket High School.

This transaction is significant for HACA and AAHC, as it addresses the displacement of affordable housing in this part of Austin. The partnership aims to preserve this asset and enhance affordability for current voucher holders and residents in the area. Given its proximity to major employers, AAHC and Christopher Investment Company will provide stable and affordable housing to stakeholders facing rising rent costs. The large units make this property ideal for families working in the area, where affordable housing options are currently limited.

The property is currently 94% occupied, with monthly rents ranging from \$1,240 for a one-bedroom unit to \$2,055 for a three-bedroom unit. The unit mix is as follows:

- 180 one-bedroom/one-bath units, ranging from 735 to 1,038 square feet
- 140 two-bedroom/two-bath units, ranging from 1,195 to 1,260 square feet
- 32 three-bedroom/two-bath units, each 1,431 square feet

Process:

The valuation for Austin City Lights Apartments is \$84,030,000, subject to change based on appraisal. Christopher Investment Company will retain approximately \$30,256,000 in equity in the deal. Bellwether will provide a Freddie Mac permanent loan with a maximum loan amount of \$60,000,000 at an approximate rate of 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 94% occupied. AAHC and Christopher Investment Company are committed to providing 10% of the affordable units at 60% AMI, 40% of the units at 80% AMI, and marketing all units to voucher holders.

Christopher Investment Company will continue to manage the property, which will be rebranded the Bridge at Austin City Lights.

Staff Recommendation:

Staff recommends approval of Resolution No. 00257.

RESOLUTION NO. 00257

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

WHEREAS, AAHC is contemplating the acquisition of the Development;

WHEREAS, CLA Apts LLC, a Delaware limited liability company (the “Owner”), will act as the owner of the Development;

WHEREAS, AAHC desires to form AAHC Austin City Lights MM, LLC, a Texas limited liability company (the “Managing Member”), which entity will serve as managing member of the Owner;

WHEREAS, as sole member of the Managing Member, AAHC will cause the Managing Member to enter into an operating agreement of the Owner (the “Operating 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 \$60,000,000.00 (“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, 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, and (iii) any and all such additional documents executed to consummate the transactions contemplated herein (collectively, the "**Transaction Documents**") shall be in form and substance approved by the Executing Officer (as such term is hereinafter defined), both individually and in a representative capacity as identified in these resolutions, his/her approval of each such instrument to be conclusively evidenced by his execution thereof; and it is further,

RESOLVED, that AAHC, the Managing Member, 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, 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 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, 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, 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, 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 19th day of September, 2024.

Michael G. Gerber, Secretary

Chairperson

AUSTIN AFFORDABLE HOUSING CORPORATION

BOARD ACTION REQUEST

RESOLUTION NO. 00258

ITEM NO. 3.

MEETING DATE: September 19, 2024

STAFF CONTACT: Suzanne Schwertner, Director of Development

ITEM TITLE: Presentation, Discussion and Possible Action on Resolution No. 00258 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 Bridge at Treeline

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to approve Resolution No. 00258 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 Bridge at Treeline.

SUMMARY

Background:

Austin Affordable Housing Corporation is being presented with an opportunity to partner with JCI Residential on a certain 11.33 acre tract of land located at 12201 Heatherly Drive, Austin, Texas 78747. This would be the eighth (8th) asset AAHC and JCI have partnered on together. Two of the eight are also LIHTC/Bond projects successfully constructed and completed: Bridge at Granada and Bridge at Turtle Creek.

AAHC’s proposed partner, JCI Residential has a proven record of accomplishment with numerous projects completed in and around the Austin area. JCI has an experienced development team in place and has been an excellent partner on our previous transactions. JCI is a privately held development firm with a significant current development pipeline. AAHC works with the Managing Partner, Sam Kumar, and President, Kurt Goll. JCI Residential will also manage the property.

The project (Bridge at Treeline) will consist of 294 family units. The units will be set aside as follows: 120 units at 50% MFI, 60 units at 60% MFI and 114 units at 70% MFI. This site sits just a few minutes from South of downtown with quick access to major thoroughfares IH35 and SH 45. The property feeds into the Austin Independent School District and Blazier Elementary School, Paredes Middle School and Akins High School. This is an important transaction to HACA and AAHC as we have seen this part of Austin continue to displace those needing affordable housing. This partnership will add deeper affordability for our current voucher holders and the residents that reside in this area. Being so close to many major employers in and around this location, AAHC and JCI can provide some stable and affordable housing to those stakeholders that are threatened with

rising rent costs. This property will provide a home to many individuals and families who work in and around the area with no current affordability in place. The nearest property in AAHC’s current portfolio is Bridge at Three Hills right next door. This is also a partnership between AAHC and JCI as a workforce housing property.

Process:

The development will use a mixture of 4% tax credits and bonds to finance the development with a total project cost of approximately \$70,700,000. HACA, through its Public Facility Corporation will issue tax-exempt bonds in an amount not to exceed \$40,000,000.

The planned development will consist of 55 studio units, 32 one bedroom and one bath units, 121 two bedroom and one bath units, and 86 two bedroom and two bath units. All units will be marketed to HACA’s Housing Choice Voucher residents. This approval will begin the initial process to submit applications for tax credit and bond approval. Staff will be presenting back to the Board in future months on the progress and specifically any and all agreements and approvals.

Unit Breakdown with proposed AMIs:

Area Median Income	Studios	1 Bdrm/1 Bath	2 Bdrm/1 Bath	2 Bdrm/2 Bath	Total
	<i>550 sq. ft.</i>	<i>625 sq. ft.</i>	<i>900 sq. ft.</i>	<i>950 sq. ft.</i>	
50%	22	13	48	34	117
60%	12	7	27	19	65
70%	21	12	46	33	112
Total	55	32	121	86	294

Staff Recommendation:

Staff recommends approval of Resolution No. 00258.

RESOLUTION NO. 00258

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 Bridge at Treeline

WHEREAS, AAHC will be the sole member of AAHC Treeline GP, LLC, a Texas limited liability company (the “**General Partner**”);

WHEREAS, the General Partner shall be the sole general partner of Bridge at Treeline, LP, a Texas limited partnership (the “**Partnership**”);

WHEREAS, the Partnership will be formed for the purpose of owning, developing, managing, and otherwise dealing with Bridge at Treeline Apartments, a multifamily affordable apartment complex containing approximately 324 units (the “**Project**”) to be developed on a parcel of land located at approximately 12201 Heatherly Drive in Austin, Travis County, Texas 78747 (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 Partnership plans to submit or has submitted a 4% housing tax credit application to the Texas Department of Housing and Community Affairs (the “**Application**”);

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

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, Partnership and/or General Partner to enter into the Application 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

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 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 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, 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 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.

[End of Resolution]

PASSED, APPROVED AND ADOPTED this 19th day of September, 2024.

EDWINA CARRINGTON, CHAIRPERSON

ATTEST:

SECRETARY