

City of Austin



Recommendation for Action

File #: 25-0029, **Agenda Item #:** 2.

1/30/2025

Posting Language

Approve a resolution authorizing an amendment to the Certificate of Formation of AHFC Drowsy Willow Non-Profit Corporation, a Texas nonprofit corporation and instrumentality of the Austin Housing Finance Corporation; approving the form of its certificate of amendment and amended and restated Bylaws; authorizing a ground lease; and authorizing AHFC Drowsy Willow Non-Profit Corporation to act as managing member of a limited liability company, or the general partner of a limited partnership that will construct, finance, manage, and sell approximately 38 affordable, ownership units as part of a Community Land Trust located at or near 5901 Drowsy Willow Trail, Austin, Texas 78744. Funding: This item has no fiscal impact.

Lead Department

Austin Housing Finance Corporation.

Fiscal Note

This item has no fiscal impact.

For More Information:

Mandy DeMayo, Treasurer Austin Housing Finance Corporation, 512-974-1091

Council Committee, Boards and Commission Action:

July 18, 2024: Austin Housing Finance Corporation (AHFC) approved the formation of AHFC Drowsy Willow Non-Profit Corporation, a Texas nonprofit corporation and instrumentality of the Austin Housing Finance Corporation; approved its certificate of formation and bylaws; appointed its board of directors and president; authorized a ground lease; and authorized AHFC Drowsy Willow Non-Profit Corporation to construct, finance, manage, and sell approximately 42 affordable, ownership units as part of a new Community Land Trust located development located at or near 5901 Drowsy Willow Trail, Austin, Texas 78744.

November 30, 2023: AHFC authorized negotiation and execution of all necessary agreements and instruments with Industry ATX, or other qualified applicant, to develop affordable housing on approximately 2.7 acres located at or near 5901 Drowsy Willow Trail, Austin, Texas 78744. District(s) Affected: District 2.

August 26, 2021: AHFC authorized the negotiation and execution of all documents and instruments necessary or desirable to acquire approximately 5.30 acres for affordable housing purposes located at or near 5900 South Pleasant Valley Road and 5901 Drowsy Willow Trail, in an amount not to exceed \$2,050,000, including closing costs. District(s) Affected: District 2.

Additional Backup Information:

This item requests AHFC to amend the Certificate of Formation and Bylaws for AHFC Drowsy Willow Non-Profit Corporation (the Nonprofit Corporation) to allow the Nonprofit Corporation to act as the managing member of a limited liability company (LLC), or general partner or a limited partnership (LP), to be formed with Industry ATX, LLC, or its affiliate, and to authorize a ground lease with the LLC or LP.

AHFC will own the fee estate in the land, and the land and development will be a Community Land Trust (CLT).

It was originally intended for the ownership units to be constructed, financed, managed, and sold by the Nonprofit Corporation and for Industry ATX to serve as the developer consultant.

However, after several discussions, staff and Industry ATX determined that forming a partnership through an LLC or LP would be better suited to meet the development's timeline and goals. The LLC or LP will construct, finance, manage, and sell the units in the CLT, will be the borrower in future financing applications, and will be the tenant under the ground lease with AHFC, or an AHFC affiliate. In addition, the Nonprofit Corporation may serve as the general contractor for the construction of the development.

The CLT will be governed by a condominium association. Once the condominium association has been created, the LLC or LP will assign the ground lease to the condominium association. AHFC will remain the landlord.

The proposed Certificate of Amendment and Amended and Restated Bylaws for the Nonprofit Corporation are attached as Exhibits A and B to the resolution.

The Board of Directors of the Nonprofit Corporation will serve for terms stated in the resolution. The requested Director appointments are:

Director: Veronica Briseño

Director: Mandy DeMayo

Director: James May

The requested appointment for President of the Nonprofit Corporation is Veronica Briseño. The President serves for the term stated in the Bylaws. The remaining officers of the Nonprofit Corporation will be appointed by the Nonprofit Corporation's Board of Directors.