

RESOLUTION NO.

WHEREAS, the City of Austin (City) created the Austin Housing Finance Corporation (AHFC) in accordance with Chapter 394 of the Texas Local Government Code (Code) for the public purpose and function, among others, of providing a means to finance the cost of residential developments that will provide decent, safe, and sanitary housing at affordable prices for residents of the City; and

WHEREAS, the Texas Legislature has determined that residential ownership and development:

- (1) promotes the public health, safety, morals, and welfare;
 - (2) relieves conditions of unemployment and encourages the increase of industry, commercial activity, and other economic development to reduce the adverse effects of unemployment;
 - (3) provides for efficient and well-planned urban growth and development, including the elimination and prevention of potential urban blight and the proper coordination of industrial facilities with public services, mass transportation, and residential development;
 - (4) assists persons of low and moderate income to acquire and own decent, safe, sanitary, and affordable housing; and
 - (5) preserves and increases the ad valorem tax bases of local governments;
- and

23 **WHEREAS**, the Texas Legislature has further determined that:

- 24 (1) the creation of AHFC is for the benefit of the people of the state,
25 improves the public health and welfare, and promotes the economy;
26 (2) those purposes are public purposes; and
27 (3) AHFC, as a public instrumentality and nonprofit corporation,
28 performs an essential governmental function on behalf of and
29 for the benefit of the general public, the City of Austin, and the
30 State of Texas; and

31 **WHEREAS**, AHFC will acquire the land located at 8413 Southwest
32 Parkway, Austin, Texas 78735 (Land) and has authorized the execution of a
33 ground lease; and

34 **WHEREAS**, the Land will be separated into phase one and phase two; and

35 **WHEREAS**, AHFC has authorized the creation of a nonprofit corporation,
36 AHFC Sunset Ridge Nonprofit Corporation (Nonprofit Corporation), to act as
37 general partner, or managing member, of an entity (Owner) that will own, operate,
38 and manage a multifamily rental development to be newly constructed and located
39 on the Land; and

40 **WHEREAS**, the Nonprofit Corporation will be a member of a
41 public/private entity that will construct phase one of the multifamily residential
42 development, Sunset Ridge Apartments, on the Land (Development); and

43 **WHEREAS**, the Land and Development are located within the area in
44 which AHFC is authorized to own real property and engage in residential
45 development; and
46

47 **WHEREAS**, prior to the meeting in which this Resolution is considered by
48 AHFC, AHFC conducted, or obtained from a professional entity that has
49 experience in underwriting affordable residential developments and who does not
50 have a financial interest in AHFC, the Land, the Development, the developer, or
51 investors, an underwriting assessment of the Development that is dated not earlier
52 than 180 days before the date of this resolution; and

53 **WHEREAS**, AHFC has reviewed the underwriting assessment and has
54 determined in good faith that the total amount of annual rent reduction applicable
55 to the Development, as defined in Section 394.9026(a) of the Code, will not be less
56 than 50 percent of the amount of estimated ad valorem taxes that would be imposed
57 on the property in the same tax year if the Development did not receive an
58 exemption from those taxes under Section 394.905 of the Code for each of the first,
59 second, and third tax years after the tax year in which the Development first
60 achieves an occupancy rate of 90 percent, and AHFC has posted the underwriting
61 assessment on its website; **NOW, THEREFORE**,

62 **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE AUSTIN**
63 **HOUSING FINANCE CORPORATION:**

64
65 **Section 1.** The Board of Directors approves AHFC's ownership in the Land
66 and the Development as a multifamily residential development, Sunset Ridge
67 Apartments, to be located within the boundaries of the City of Austin, Texas, for
68 the purpose of the exemption of ad valorem and sales and uses taxes under Section
69 394.905 of the Code.

70 **Section 2.** Prior to the approval of this Resolution, the Board of Directors
71 conducted, or obtained from a professional entity that has experience in

underwriting affordable residential developments and who does not have a financial interest in AHFC, the Land, the Development, the developer, or investors, an underwriting assessment of the Development that is dated not earlier than 180 days before the date of this Resolution.

Section 3. The Board of Directors determines in good faith based on the underwriting assessment that the total amount of annual rent reduction applicable to the Development, as defined in Section 394.9026(a) of the Code, will not be less than 50 percent of the amount of estimated ad valorem taxes that would be imposed on the property in the same tax year if the Development did not receive an exemption from those taxes under Section 394.905 of the Code for each of the first, second, and third tax years after the tax year in which the Development first achieves an occupancy rate of 90 percent.

Section 4. The Board of Directors has caused the underwriting assessment reviewed by the Board of Directors for this Development to be published on the City and AHFC's website.

Section 5. The Board of Directors further orders that AHFC submit to the Texas Department of Housing and Community Affairs and to the Chief Appraiser of the Travis County Appraisal District an exemption application.

Section 6. This Resolution takes effect immediately upon its passage and approval by the Board of Directors.

ADOPTED: _____, 2025

ATTEST: _____

Erika Brady
Secretary