

1 **RESOLUTION NO.**

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

7 **WHEREAS**, Chapter 22 of Texas Business Organization Code (Code)  
8 authorizes the creation and organization of nonprofit corporations which may act  
9 as a duly constituted affiliate of a Texas housing finance corporation to aid and  
10 assist the housing finance corporation in the performance of one or more of its  
11 functions; and

12 **WHEREAS**, AHFC desires to further its public purposes and functions by  
13 creating a related, affiliated, nonprofit corporation and instrumentality named  
14 AHFC Balcones Terrace Non-Profit Corporation (Non-Profit Corporation) to  
15 develop low-income housing, appointing and maintaining its board of directors,  
16 and otherwise exercising control over the Non-Profit Corporation, its dissolution,  
17 and its assets; and

18 **WHEREAS**, AHFC is creating the Non-Profit Corporation to purchase from  
19 FC Balcones Terrace Housing Corporation (“FCBTHC”), an affiliate of  
20 Foundation Communities, Inc., a hotel formerly known as the Townplace Suites  
21 located at 10024 North Capital of Texas Highway North, Austin, Texas 78759,  
22 which is in the process of being converted by FCBTHC to approximately 123  
23 efficiency apartments to be leased to individuals experiencing permanent chronic  
24 homelessness (Development); and

25 **WHEREAS**, the Non-Profit Corporation will lease the Development (both  
26 the land and the improvements) back to FCBTHC under the terms of a lease (the  
27 “Lease”) between AHFC and FCBTHC and under the terms thereof FCBTHC will  
28 continue to rehabilitate the Development and, following completion thereof, will

29 operate and maintain the Development and sublease its units to individuals  
30 experiencing permanent chronic homelessness; and

31 **WHEREAS**, the Non-Profit Corporation's purchase price for the  
32 Development will be equal to the initial rent payment paid by FCBTHC to the  
33 Non-Profit Corporation under the Master Lease; and

34 **WHEREAS**, AHFC desires that the Non-Profit Corporation have and  
35 exercise all of the powers prescribed by the Code; and

36 **WHEREAS**, AHFC desires that the Non-Profit Corporation's Certificate of  
37 Formation and By-Laws be in the form and be executed, approved, and filed in the  
38 manner prescribed by this Resolution; and

39 **WHEREAS**, the Board of Directors desires to authorize and approve the  
40 Certificate of Formation and By-Laws of the Non-Profit Corporation, appoint the  
41 board of directors and president of the Non-Profit Corporation, and take other  
42 action with respect to the Non-Profit Corporation; **NOW, THEREFORE,**

43 **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE**  
44 **AUSTIN HOUSING FINANCE CORPORATION:**

45 **Section 1.** The Board of Directors finds, determines, recites, and declares  
46 that it is wise, expedient, necessary, and advisable that the Non-Profit Corporation  
47 be formed. The Board of Directors therefore approves the creation and  
48 organization of the Non-Profit Corporation under the provisions of the Code as a  
49 duly constituted affiliate, nonprofit corporation, and instrumentality of AHFC. The  
50 Board of Directors authorizes the Non-Profit Corporation to develop housing for  
51 low-income individuals and families as a primary activity to promote community  
52 based revitalization for the City; to aid, assist, and act on its behalf and for the  
53 benefit of AHFC in the performance of its functions to acquire, rehabilitate,  
54 develop, manage, and operate affordable housing in City of Austin; to acquire to  
55 rehabilitate, develop, manage, and operate the Development; to promote, develop,  
56 and maintain the Development as decent, safe, and sanitary housing at affordable

57 rental rates; to ensure the Development helps to achieve the public purpose and  
58 functions of AHFC; and to perform the other purposes described in the Non-Profit  
59 Corporation's Certificate of Formation. The Board of Directors approves the  
60 purchase of the Development by the Non-Profit Corporation from FCBTHC and  
61 the lease of the Development by the Non-Profit Corporation to FCBTHC as  
62 described above and authorizes the Non-Profit Corporation to enter into all  
63 documents necessary to complete such transactions.

64 **Section 2.** The Board of Directors approves the Certificate of Formation of  
65 the Non-Profit Corporation in substantially the form attached as **Exhibit A** and  
66 authorizes the incorporator of the Non-Profit Corporation to file such Certificate of  
67 Formation with the Secretary of State of the State of Texas in the manner provided  
68 by law.

69 **Section 3.** The Board of Directors appoints the initial board of directors of  
70 the Non-Profit Corporation, with their terms of office to expire at the time  
71 indicated.

72 *Name*

73 J. Rodney Gonzales

74 Rosie Truelove

75 Mandy DeMayo

76 *Term Expires*

77 December 5, 2023

78 December 5, 2023

79 December 5, 2023

80 J. Rodney Gonzales is appointed as the President of the Non-Profit Corporation.  
81 Other officers will be appointed as provided in the By-Laws of the Non-Profit  
82 Corporation.

83 **Section 4.** The Board of Directors approves the By-Laws of the Non-Profit  
84 Corporation in substantially the form attached as **Exhibit B** and authorizes the

85 President of the Non-Profit Corporation to execute and file them in the corporate  
86 records in the manner provided by law.

87 **Section 5.** The Board of Directors finds, determines, recites, and declares  
88 that no note, bond, loan, debt, or other obligation of the Non-Profit Corporation is  
89 an indebtedness, liability, general or moral obligation or pledge of the faith or  
90 credit of the State of Texas, the City of Austin, AHFC, or any other political  
91 subdivision or governmental unit. In addition, no note, bond, loan, debt, or other  
92 obligation constitutes an indebtedness within the meaning of any constitutional or  
93 statutory debt limitation or restriction or an agreement, obligation, or indebtedness  
94 of AHFC, the City of Austin, the State of Texas within the meaning of AHFC's  
95 Articles of Incorporation, the City Charter, or of any constitutional or statutory  
96 provision whatsoever.

97 **Section 6.** The Board of Directors finds, determines, recites, and declares  
98 that it is the purpose, intent, and desire of AHFC in approving the creation of the  
99 Non-Profit Corporation and the form of its Certificate of Formation and By-Laws,  
100 that such actions and the Non-Profit Corporation hereby authorized comply with  
101 the requirements of the Internal Revenue Code of 1986, as amended, and the  
102 Treasury Regulations and Internal Revenue Service rulings promulgated  
103 thereunder and the rulings issued pursuant thereto, such that the Non-Profit  
104 Corporation is determined to be a constituted nonprofit corporation acting as an  
105 asset of AHFC pursuant to the provisions of the Code and Chapter 394 of the  
106 Texas Local Government Code.

107 **Section 7.** This Resolution takes effect immediately upon its passage and  
108 approval by the Board of Directors.

109

110

111 **ADOPTED:** \_\_\_\_\_, 2022

**ATTEST:** \_\_\_\_\_

112

Myrna Rios  
Secretary

113