



## **M E M O R A N D U M**

**City of Austin  
Financial Services Department  
Purchasing Office**

**DATE:** March 30, 2016

**TO:** Memo to File

**FROM:** Jonathan Dalchau, Senior Buyer Specialist

**RE:** MA 7200 NG160000028

This MA was created as a payment mechanism only. The original contract is administered, maintained, and located with Austin Housing Finance Corporation (AHFC).



# Austin Housing Finance Corporation

# MEMO

P.O. Box 1088, Austin, TX 78767-1088

**Sherry Cardino, Contract Compliance Specialist**

(512) 974-3153, Fax: (512) 974-3161, [sherry.cardino@ausintexas.gov](mailto:sherry.cardino@ausintexas.gov)

Date: February 25, 2016

To: Linda Lindsey, Finance

**MA REQUEST**

RE: ~~CT 7200 12041700841-1 Modification~~

**NEW MA REQUEST**



This memo is to request modification of an existing PO#, CT 7200 12041700841-1, needed in order to add additional funding to an existing loan agreement between **Chestnut Neighborhood Revitalization Corporation (CNRC)** and the **Austin Housing Finance Corporation**. The AHFC Board approved \$1,322,449 of additional funding on 10/1/15 (see RBA attached). The existing loan agreement has been modified to increase its total to \$3,962,717. See history below.

\$1,081,610.00	Contract Amount, 3/23/12
<u>\$1,023,224.86</u>	Total check amount provided for 3 closings, acquisition of six (6) properties
\$58,385.14	Remaining balance (G. O. Bond) – Set Up for disbursement (CT# Issued)
<b>\$293,658.00</b>	<b>Modification #1, 9/14/12</b>
\$1,375,268.00	Revised Contract Amount
<b>\$1,265,000.00</b>	<b>Modification #2, 12/5/13, CIP</b>
\$2,640,268.00	Revised Loan Amount
<b>\$1,322,449.00</b>	<b>Modification #3, 10/21/15, HTF</b>
<b>\$3,962,717.00</b>	Revised Loan Amount

Additional funding will be used for costs associated with development/construction of The Chicon (Chicon Corridor). The term of the agreement is from contract execution **March 23, 2012** through **December 31, 2018**. Using these funds, borrower shall complete development of thirty-three (33) newly-constructed residential units as part of a mixed-use development and sell the residential units to income-eligible homebuyers at or below 80% MFI.

Vendor ID: **CHE7151350**

**Chestnut Neighborhood Revitalization Corporation**

2211 East MLK Jr. Blvd

Austin, Texas 78702

Please find the following payment and funding information:

Additional Funding Amount:	Approved Funding Line:	Funding Source:
<b>\$1,322,449.00</b>	<b>7009 – 7200 – 0451 – 6830</b>	<b>HTF – Housing Trust Fund</b>

The CARR form and its attachments are included.

Please contact Sherry Cardino or David Potter should you have any questions. Thank you in advance for your assistance.



TRV

2016024400

6 PGS

ORIGINAL  
FILED FOR RECORD

**THIRD MODIFICATION AGREEMENT**  
**Modifying Promissory Note and Three Deeds of Trust**  
[Modified Loan Amount \$3,962,717.00]

Date:

10/21, 2015

Holder of Note and Lien:

AUSTIN HOUSING FINANCE CORPORATION, a Texas  
public, non-profit corporation

Holder's Mailing Address:

1000 East 11<sup>th</sup> Street, Suite 200  
Austin, Travis County, Texas 78702

Obligor:

CHESTNUT NEIGHBORHOOD REVITALIZATION  
CORPORATION, a Texas non-profit corporation

Obligor's Mailing Address:

2211 E. MLK, Jr. Blvd.  
Austin, Travis County, Texas 78702**Note**

Date:

March 23, 2012

Original principal amount:

US \$1,081,610.00

Borrower:

CHESTNUT NEIGHBORHOOD REVITALIZATION  
CORPORATION

Lender:

Austin Housing Finance Corporation

Maturity date:

March 31, 2017

Unpaid Principal and Interest on Note: US \$2,640,268.00

**Lien Documents:**

1. A Modification to a Note and Three Deeds of Trust dated September 14, 2012, and recorded in Document Number 2012158289, Official Public Records of Travis County, Texas.
2. A Modification to a Note and Three Deeds of Trust dated December 5, 2013, and recorded in Document Number 2013224768, Official Public Records of Travis County, Texas.

3. A Deed of Trust from the Borrower to the Holder of Note and Lien dated of even date with the Note, and recorded in Document Number 2012046781, Official Public Records of Travis County, Texas.
4. A Deed of Trust from the Borrower to the Holder of Note and Lien dated of even date with the Note, and recorded in Document Number 2012047694, Official Public Records of Travis County, Texas.
5. A Deed of Trust from the Borrower to the Holder of Note and Lien dated of even date with the Note, and recorded in Document Number 2012047253, Official Public Records of Travis County, Texas

**Property (including any improvements) Covered by the Lien (the "Property"):**

The certain real property described on Exhibit "A" attached to this Modification Agreement and by this reference incorporated in it, and all rights, titles and interests appurtenant thereto.

**Modified Terms:**

1. The Principal Amount is amended to be **Three Million Nine Hundred Sixty-two Thousand Seven Hundred Seventeen and 00/100 U. S. Dollars (\$3,962,717.00)**.
2. The Maturity Date is extended to **December 31, 2018**.

The Note is secured by liens against the Property. Whether Obligor is primarily liable on the Note or not, Obligor nevertheless agrees to pay the Note and comply with the obligations expressed in the Lien Documents.

For value received, Obligor renews the Note and promises to pay to the order of Holder of Note and Lien, according to the Modified Terms, the Unpaid Principal and Interest on Note. All unpaid amounts are due by the Extended Maturity Date of Note. Obligor also extends the liens and agrees to perform and comply with all covenants, conditions and obligations described in the Lien Documents.

The Note and the Lien Documents continue as written, except as provided in this agreement.


Obligor warrants to Holder of Note and Lien that the Note and the Lien Documents, as modified, are valid and enforceable and represents that they are not subject to rights of offset, rescission, or other claims.

When the context requires, singular nouns and pronouns include the plural.

**[Remainder of page intentionally left blank.]**

EXECUTED AND DELIVERED effective the date first above stated.

Holder of Note and Lien: AUSTIN HOUSING FINANCE CORPORATION

BY:   
NAME: BERT LUMBRERAS  
TITLE: AUTHORIZED REPRESENTATIVE

Obligor: CHESTNUT NEIGHBORHOOD REVITALIZATION CORPORATION

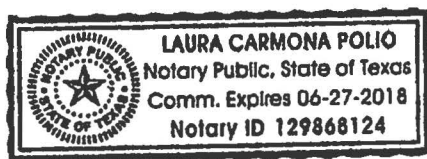
BY: \_\_\_\_\_  
NAME: SEAN GARRETSON  
TITLE: BOARD CHAIR


ATTACHED EXHIBIT A - Legal Description of Property

(Acknowledgments)

STATE OF TEXAS §  
COUNTY OF TRAVIS §

This instrument was acknowledged before me on February 10, 2016 by BERT LUMBRERAS, Authorized Representative, Austin Housing Finance Corporation, a Texas public, non-profit corporation, on behalf of said corporation.



  
Notary Public, State of Texas

STATE OF TEXAS §  
COUNTY OF TRAVIS §

This instrument was acknowledged before me on \_\_\_\_\_, 2016 by SEAN GARRETSON, Board Chair, Chestnut Neighborhood Revitalization Corporation, a Texas non-profit corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

**EXECUTED AND DELIVERED** effective the date first above stated.

**Holder of Note and Lien:** AUSTIN HOUSING FINANCE CORPORATION

BY: \_\_\_\_\_  
NAME: BERT LUMBRERAS  
TITLE: AUTHORIZED REPRESENTATIVE

**Obligor:** CHESTNUT NEIGHBORHOOD REVITALIZATION CORPORATION

BY: *Sean Garretson*  
NAME: SEAN GARRETSON  
TITLE: BOARD CHAIR

**ATTACHED EXHIBIT A - Legal Description of Property**

(Acknowledgments)

STATE OF TEXAS §  
COUNTY OF TRAVIS §

This instrument was acknowledged before me on \_\_\_\_\_, 2015 by BERT LUMBRERAS, Authorized Representative, Austin Housing Finance Corporation, a Texas public, non-profit corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

STATE OF TEXAS §  
COUNTY OF TRAVIS §

This instrument was acknowledged before me on October 21st, 2015 by SEAN GARRETSON, Board Chair, Chestnut Neighborhood Revitalization Corporation, a Texas non-profit corporation, on behalf of said corporation.



*Tiva Lewis*  
Notary Public, State of Texas

**AFTER RECORDING RETURN TO:**

Austin Housing Finance Corporation  
ATTN: RHDA Program  
1000 East 11<sup>th</sup> Street, Suite 200  
Austin, Texas 78702

**PREPARED IN THE LAW OFFICE OF:**

City of Austin  
Law Department

**EXHIBIT A**  
**Legal Description of the Property**

The legal description of the Property referred to in this instrument is described as follows:

Tract 1: Being 0.1806 of an acre of land, more or less, out of Lot 5, Block 4, C. R. JOHNS SUBDIVISION OF OUTLOT 36, DIVISION "B", according to the map or plat thereof, recorded in Volume 1, Page 3, Plat Records, Travis County, Texas, being the same tract of land conveyed to Calavan Family Partnership by Deed recorded in Document No. 2005025042, Official Public Records, Travis County, Texas, and being more particularly described by metes and bounds in Exhibit "A-1" attached hereto and made a part hereof, commonly known as 1212 Chicon Street.

Tract 2: Being 0.1804 of an acre of land, more or less, out of Lots 5 and 6, Block 4, C. R. JOHNS SUBDIVISION OF OUTLOT 36, DIVISION "B", according to the map or plat thereof, recorded in Volume 1, Page 3, Plat Records, Travis County, Texas, being the same tract of land conveyed to Calavan Family Partnership by Deed recorded in Document No. 2006014940, Official Public Records, Travis County, Texas, and being more particularly described by metes and bounds in Exhibit "A-2" attached hereto and made a part hereof, commonly known as 1807 East 13<sup>th</sup> Street.

Tract 3: The South ½ of the South ½ of Lots 1 and 2, Block 8, OUTLOT 34, DIVISION "B", IN THE ORIGINAL CITY OF AUSTIN, according to the map or plat thereof, recorded in Volume 1, Page 42, Plat Records of Travis County, Texas, more commonly known as 1301 Chicon Street.

Tract 4: The North 72.5 feet or the North One-half of Lots 1 and 2, Block 8, of the subdivision of OUTLOT 34, DIVISION "B", OF THE ORIGINAL CITY OF AUSTIN, according to the map or plat thereof, recorded in Volume 1, Page 42, Plat Records, Travis County, Texas, more commonly known as 1305 Chicon Street.

Tract 5: Lots 9 and 10, Block 8, of the subdivision of OUTLOT 34, DIVISION "B", OF THE ORIGINAL CITY OF AUSTIN, according to the map or plat thereof, recorded in Volume 1, Page 42, Plat Records, Travis County, Texas, more commonly known as 1309 Chicon Street.

**FILED AND RECORDED**

OFFICIAL PUBLIC RECORDS

*Dana DeBeauvoir*

Feb 22, 2016 09:50 AM 2016024400

RODRIGUEZA: \$46.00

Dana DeBeauvoir, County Clerk

Travis County TEXAS



**Davis-Thompson Neighborhood Association**

January 08, 2012

Chicon Corridor ADP Funding Application  
NPA-2011-0009.02 (plan amendment)  
Re: C14-2011-0149.SH (zoning change)

Dear Planning Commissioners, Mayor, Mayor Pro-Tem, Councilmembers, and NHCD Staff:

We are writing to express our support for the funding of the Chestnut Neighborhood Revitalization Corporation's ("CNRC") application for funding of a homeownership and mixed use project to be located along Chicon Street in between E. 12<sup>th</sup> Street and E. 14<sup>th</sup> Street (the "Chicon Corridor Project").

We are also writing to express our conditioned support of CNRC's applications for a zoning change to CS-MU-NP and neighborhood plan amendment for 1807 E. 13<sup>th</sup> Street and 1212 Chicon Street, which are part of the Chicon Corridor Project (see above referenced case numbers). We are conditioning our support on two things: (i) that the City provides the funding for CNRC to purchase these properties and (ii) that the following are prohibited uses for this property (see attached list).

Thank you for your service to the City of Austin, and we look forward to this project becoming a reality and helping us improve our neighborhood while creating an opportunity for affordable home ownership within close proximity to Downtown.

Sincerely yours,

Davis-Thompson Neighborhood Association

cc. Stanton Strickland, President, OCEAN

Prohibited uses (consistent with East 12<sup>th</sup> Street NCCD / ORDINANCE NO. 20080228-087)

1. Adult-Oriented Businesses
2. Automotive Rental
3. Automotive Repair
- 4 Automotive Sales
- 5 Automotive Washing
- 6 Bail Bond Services
- 7 Campground
8. Carriage Stable
9. Cocktail Lounge
10. Laundry Service
11. Commercial Plasma Center
12. Convenience Storage
13. Drop-off recycling Collection Facility
14. Drive Through Services as an accessory use to a restaurant
- 15 Equipment Repair Services
16. Equipment Sales
17. Exterminating Services
18. Kennels
19. Liquor Sales
- 20 Pawn Shop Services
21. Outdoor Entertainment
22. Outdoor Recreation
23. Service Stations
24. Telecommunication Tower (if sited on ground)
25. Vehicle Storage
- 26 Veterinary Services

The Rosewood Neighborhood Contact Team  
1000 Glen Oaks Court, Austin, TX 78702  
(512) 477-2352

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January 15, 2012

To Whom It May Concern:

The Rosewood Neighborhood Contact Team supports funding of the Chestnut Neighborhood Revitalization Corporation's ("CNRC") application for funding of a project to be located along Chicon Street between E. 12<sup>th</sup> Street and E. 14<sup>th</sup> Street (called the "Chicon Corridor Project"). We believe this project is a positive and direct response to a continuing need to clean up unwanted and illegal activities carried out in the immediate area, i.e. the corner of E. 12<sup>th</sup> and Chicon. CNRC believes, and has evidence from other communities around the country, that building homes populated by owners who want to see a safe, attractive, and thriving community is the only really effective way to change the character of an area. RNCT has worked for years in other, ongoing efforts to turn this area around, so we strongly support and wholeheartedly recommend funding this project.

RNCT also expresses our support of CNRC's applications for a zoning change and neighborhood plan amendment for 1807 E. 13<sup>th</sup> Street and 1212 Chicon Street conditioned as follows:

- The City provides the funding for CNRC to purchase these properties, and
- That the uses for the properties be restricted to the attached list of uses.

We look forward to seeing this exciting new project coming to fruition.

Sincerely,



Jane Rivera, Chair

## CS-MU General Commercial Services-Mixed Use

General Commercial Services district is intended predominately for commercial and industrial activities of a service nature having operating characteristics or traffic service requirements generally incompatible with residential environments.

- Bed and Breakfast Residential (Group 1)
- Bed and Breakfast Residential (Group 2)
- Club or Lodge (c)
- College and University Facilities
- Communication Service Facilities
- Community Events
- Community Recreation—Private
- Community Recreation—Public
- Congregate Living
- Counseling Services
- Cultural Services
- Day Care Services—Commercial Day Care Services—General
- Day Care Services—Limited Family Home
- Group Home Class I—General
- Group Home Class I—Limited
- Group Home Class II
- Guidance Services
- Hospital Service—Limited
- Hospital Services—General (c)
- Local Utility Services
- Maintenance and Service Facilities
- Private Primary Educational Services
- Private Secondary Educational Services
- Public Primary Educational Services
- Public Secondary Educational Services
- Religious Assembly
- Residential Treatment Safety Services
- Transitional Housing
- Transportation Terminal
- Administrative and Business Offices
- Adult-Oriented Business
- Agricultural Sales and Services
- Art Gallery
- Art Workshop Automotive Rentals
- Automotive Repair Services
- Automotive Sales
- Automotive Washing—of any type
- Bail Bond Services
- Building Maintenance Services
- Business or Trade School
- Business Support Services
- Campground
- Commercial Blood Plasma Center
- Commercial Off-Street Parking
- Communications Services
- Construction Sales and Services
- Consumer Convenience Services
- Consumer Repair Services
- Convenience Storage
- Drop-Off Recycling Collection Facilities
- Electronic Prototype Assembly Electronic Testing
- Employee Recreation
- Equipment Repair Services
- Equipment Sales
- Exterminating Services
- Food Preparation
- Food Sales
- Funeral Services
- Financial Services
- General Retail Sales—Convenience
- General Retail Sales—General
- Hotel/Motel
- Indoor Entertainment
- Indoor Sports and Recreation
- Kennels
- Laundry Services
- Medical Offices—not exceeding 5,000 sq/ft of gross floor space
- Medical Offices—exceeding 5,000 sq/ft of gross floor space
- Monument Retail Sales
- Off-Site Accessory Parking
- Outdoor Entertainment
- Outdoor Sports and Recreation
- Pawn Shop Services
- Personal Improvement Services
- Personal Services
- Pet Services
- Plant Nursery
- Printing and Publishing Services Professional Office
- Research Services Restaurant—Limited
- Restaurant—General
- Service Station
- Software Development
- Theater
- Vehicle Storage
- Veterinary Services
- Custom Manufacturing
- Limited Warehousing and Distr

**Chestnut Neighborhood Plan Contact Team**

November 6, 2012

City of Austin Planning Commission  
505 Barton Springs Rd.  
Austin, Texas 78704

Dear Planning Commission,

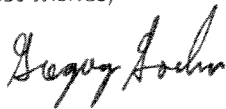
I am writing to express the support of the Chestnut Neighborhood Plan Contact Team for the Chestnut Neighborhood Revitalization Corporation's application to request the following variances:

- 1.) A Planning Commission variance from the Parking and Driveway Setback: LDC 25-2-1067 (H)
  - a. Reducing the parking and driveway setback to 5' adjacent to the SF-3 zoning.
- 2.) A Planning Commission variance from the building setbacks on 13th and 14th Street: LDC 25-2-1064
  - a. Reducing the compatibility building setback from 25' to 5' from the right of way line.

The Chestnut Neighborhood Revitalization Corporation intends to build owner-occupied housing on these sites that will be sold to mixed-income households. The site will also have some commercial space for offices and retail enterprises.

The Chestnut NPCT has a high priority for affordable housing within its plan area. The CNRC's planned development works towards increasing affordable housing in a manner which is consistent with our neighborhood character.

Best wishes,



Greg Goeken  
Chair  
Chestnut NPCT  
830-613-5553



# AUSTIN HOUSING FINANCE CORPORATION

## BOARD OF DIRECTORS' MEETING

### AUSTIN HOUSING FINANCE CORPORATION

TUESDAY, OCTOBER 1, 2015

Board of Directors:  
Steve Adler, President  
Kathie Tovo, Vice President  
Ora Houston, Director  
Delia Garza, Director  
Sabino Renteria, Director  
Greg Casar, Director  
Ann Kitchen, Director  
Don Zimmerman, Director  
Leslie Pool, Director  
Ellen Troxclair, Director  
Sheri Gallo, Director  
Marc A. Ott, General Manager  
Jannette Goodall, Secretary  
Elizabeth A. Spencer, Treasurer  
Karen Kennard, General Counsel

The Board of Directors of the Austin Housing Finance Corporation (AHFC) was convened on Thursday, October 1, 2015 in the Council Chambers of City Hall, 301 W. 2<sup>nd</sup> Street, Austin, Texas. The following were the AHFC items considered by the Austin Housing Finance Corporation's Board of Directors.

President Adler called the meeting to order at 6:42 p.m.

#### CONSENT AGENDA

The following items were acted on in a combined motion.

1. Authorize award, negotiation and execution of five 24-month contracts for a combined amount not to exceed \$1,200,000 with INTERFAITH ACTION OF CENTRAL TEXAS, MEALS ON WHEELS AND MORE, INC., EASTER SEALS – CENTRAL TEXAS, INC., AUSTIN HABITAT FOR HUMANITY, INC., AUSTIN AREA URBAN LEAGUE, INC., and REBUILDING AUSTIN TOGETHER for repair of homes eligible through the Holly Good Neighbor program.  
The motion authorizing the award the negotiation and execution of five contracts with Interfaith Action of Central Texas, Meals on Wheels and More, Inc., Easter Seals – Central Texas, Inc., Austin Habitat for Humanity, Inc., Austin Area Urban League, Inc. and Rebuilding Austin Together was approved on Director Pool's motion, Vice-President Tovo's second on a 10-1 vote. Council Member Zimmerman voted nay.
2. Approve a resolution authorizing the issuance of Austin Housing Finance Corporation Multi-family Housing Revenue Bonds, in an aggregate principal amount not to exceed \$8 million; approving related documents, in substantially the form attached to the resolution, to provide financing for the acquisition and rehabilitation of the Timbers Apartments, 1034 Clayton Lane, to be owned and operated by Timbers Clayton 104 Apartments, LP, a Texas limited partnership; and authorizing specific named representatives of the Austin Housing Finance Corporation to execute the documents relating to issuance of the bonds and closing the transaction.  
Resolution 20151001-AHFC002 was approved on Director Pool's motion, Vice-President Tovo's second on a 10-1 vote. Council Member Zimmerman voted nay.
3. Approve a resolution authorizing the issuance of Austin Housing Finance Corporation Multi-family Housing Revenue Bonds, in an aggregate principal amount not to exceed \$25 million; approving related documents, in substantially the form attached to the resolution, to provide

financing for the acquisition and construction of the Aldrich 51 Apartments, 2604 Aldrich Street, to be owned and operated by Austin DMA Housing II, LLC, a Texas limited liability company; and authorizing specific named representatives of the Austin Housing Finance Corporation to execute the documents relating to issuance of the bonds and closing the transaction.

**Resolution 20151001-AHFC003 was approved on Director Pool's motion, Vice-President Tovo's second on a 10-1 vote. Council Member Zimmerman voted nay.**

4. Approve a resolution amending the Fiscal Year 2015-2016 Austin Housing Finance Corporation Grant Operating Budget to appropriate \$1,351,401 from the Housing Trust Fund for housing programs.

**Resolution 20151001-AHFC004 was approved on Director Pool's motion, Vice-President Tovo's second on a 10-1 vote. Council Member Zimmerman voted nay.**

5. Authorize negotiation and execution of Amendment No. 1 to the Fiscal Year 2015-2016 Service Agreement with the City of Austin by increasing funding for the Housing Trust Fund in the amount of \$1,351,401, for a total contract amount not to exceed \$18,476,973.

**The motion authorizing the negotiation and execution of amendment number one to the Fiscal Year 2015-2016 Service Agreement with the City of Austin was approved on Director Pool's motion, Vice-President Tovo's second on a 10-1 vote. Council Member Zimmerman voted nay.**

6. Authorize an increase to a loan of up to \$2,000,000 for a total loan amount not to exceed \$4,000,000 to Austin DMA Housing II, LLC, for Aldrich 51 Apartments, located at 2604 Aldrich Street in the Robert Mueller Municipal Airport redevelopment site.

**The motion authorizing an increase to a loan was approved on Director Pool's motion, Vice-President Tovo's second on a 10-1 vote. Council Member Zimmerman voted nay.**

7. Authorize an increase of \$1,322,449 to the existing loan with CHESTNUT NEIGHBORHOOD REVITALIZATION CORPORATION, for the purpose of developing affordable ownership housing at 1212, 1301, and 1309 Chicon Street, for a total loan amount not to exceed \$3,962,717.

**The motion authorizing an increase to the existing loan with Chestnut Neighborhood Revitalization Corporation was approved on Director Pool's motion, Vice-President Tovo's second on a 10-1 vote. Council Member Zimmerman voted nay.**

**President Adler adjourned the meeting at 7:09 p.m. without objection.**

**The minutes were approved on this the 15<sup>th</sup> day of October 2015 on Board Member Pool's motion, Board Member Renteria's second on a 9-1 vote. Board Member Zimmerman voted nay. Board Member Kitchen was off the dais.**