



RBA:
CITY OF AUSTIN
RECOMMENDATION FOR BOARD ACTION

AGENDA ITEM NO: 4
AGENDA DATE: 12/07/06
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SUBJECT: Approve a resolution authorizing the negotiation and execution of the assumption of regulatory agreement and consent to transfer the ownership of Stassney Woods Apartments, a bond financed project, from Mid-America Apartments of Texas, L P. to Mid-America Apartments, L.P.

AMOUNT & SOURCE OF FUNDING: All fees will be paid by the requestor. Austin Housing Finance Corporation will receive a fee of \$10,000 at execution of documents.

FISCAL NOTE: N/A

REQUESTING
DEPARTMENT: Austin Housing Finance Corporation

DIRECTOR'S
AUTHORIZATION: _____

FOR MORE INFORMATION CONTACT: Paul Hilgers, Executive Director, Austin Housing Finance Corporation, 974-3108

PRIOR BOARD ACTION: Original bond issue, August, 1984. The Board approved a similar resolution to restructure ownership on June 25, 1997, and approved issuance of refinancing bonds in March 2004.

PRIOR COUNCIL ACTION:

By this action, the Board authorizes the negotiation and execution of the assumption of regulatory agreement, consent to transfer the ownership of Stassney Woods Apartments from Mid-America Apartments of Texas, L P. to Mid-America Apartments, L P., and authorizes the General Manager or her designee to execute all needed documents to carry out the purpose of this resolution. The applicant wants to replace the current owner with the parent entity, which will assume all obligations of the bonds and regulatory agreements for the Stassney Woods Apartments.

The mission of the Austin Housing Finance Corporation (AHFC) is to generate and implement strategic financing housing solutions for the benefit of low and moderate-income residents of Austin. Since 1982, AHFC has issued 23 series of multi-family housing revenue bonds totaling \$212 million. These multi-family bonds have financed 31 multi-family properties creating 6,252 low and moderate-income rental units.

Executive Summary

Stassney Woods Apartments

Location:	1800 East Stassney Lane, Austin, Texas 78744
Owner:	Mid-America Apartments of Texas, L. P
Proposed Owner:	Mid-America Apartments L. P.
Original Bond Issue.	\$13,300,000 issued August 1984,
Current Refinancing Bond Issue:	\$4, 125,000 issued March 2004
Set Aside	90% of units for families with incomes below 80% MFI
No. of Units:	288 Units with 120 one bedroom units and 168 two bedroom units
Rent Range:	\$539-\$759

AHFC RESOLUTION NO. _____

RESOLUTION CONSENTING TO THE TRANSFER OF THE STASSNEY WOODS APARTMENTS PROJECT FROM MID-AMERICA APARTMENTS OF TEXAS, L.P. TO MID-AMERICA APARTMENTS, L.P.

WHEREAS, the Austin Housing Finance Corporation (the "Corporation") has been duly created and organized by action of the City Council of the City of Austin, Texas (the "Sponsoring Governmental Unit") under the provisions of the Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code, as amended (the "Act"), for the purpose of providing a means of financing the costs of residential ownership and development that will provide decent, safe and sanitary housing for persons of low and moderate income at prices they can afford; and

WHEREAS, the Act authorizes the Corporation to issue bonds to defray, in whole or in part, the development costs of a residential development; and

WHEREAS, the Board of Directors of the Corporation (the "Board") authorized the issuance of the Austin Housing Finance Corporation Multifamily

Housing Revenue Refunding Bonds (Stassney Woods Apartments Project) Series 1994 (the "Bonds"), in the aggregate principal amount of \$5,160,000, pursuant to and in accordance with the terms of a Indenture of Trust, dated as of April 1, 1994 (the "Indenture"), by and between the Corporation and First Bank, National Association, as Trustee (the "Trustee"), for the purpose of obtaining funds to refund the Project (defined below), all under and in accordance with the Constitution and laws of the State of Texas; and

WHEREAS, the Corporation loaned the proceeds of the Bonds to America First Austin REIT, Inc., a Texas Corporation (the "Borrower"), in order to refinance the costs of acquisition, construction and equipping of the residential rental project (the "Project") located within the State of Texas, a portion of the units in which were required pursuant to Section 142(d) of the Code to be occupied by persons and families of low and families of moderate income; and

WHEREAS, the Corporation, the Trustee and the Borrower executed and delivered a Loan Agreement, dated as of April 1, 1994 (the "Loan Agreement"), pursuant to which the Corporation agreed to lend funds to the

Borrower to enable the Borrower to refinance the Project; and

WHEREAS, on October 1, 1997, the Corporation, the Borrower, the Trustee and Mid-America Apartments of Texas, L.P. (successor to Mid-America Stassney Woods Limited Partnership) (the "1997 Borrower"), entered into the Modification, Assignment and Assumption Agreement (the "Modification Agreement") to transfer to the 1997 Borrower all of the Borrower's right, title and interest in and to the Project and the Loan Documents (as defined in the Modification Agreement); and

WHEREAS, the Board authorized the issuance of the Austin Housing Finance Corporation Multifamily Housing Revenue Refunding Bonds (Stassney Woods Apartments Project) Series 2004 (the "Refunding Bonds"), in the aggregate principal amount of \$4,050,000, pursuant to and in accordance with the terms of a Trust Indenture, dated as of February 1, 2004 (the "New Indenture"), by and between the Corporation and The Bank of New York Trust Company, N.A., as Trustee (the "New Trustee"), for the purpose of obtaining funds to refund the Bonds, all under and in accordance with the Constitution and laws of the State of Texas; and

WHEREAS, the 1997 Borrower has requested the Issuer consent and execute all necessary documents required to effectuate the transfer of the Project from the 1997 Borrower to Mid-America Apartments, L.P. (the ATransferee@); and

WHEREAS, in connection with the transfer, the Transferee and 1997 Borrower are required to comply with the transfer provisions set forth in the Financing Agreement, dated as of February 1, 2004, by and among the Corporation, the New Trustee and the 1997 Borrower, and the Land Use and Restriction Agreement, dated April 7, 1994, as amended by the First Amendment to Land Use and Restriction Agreement, dated February 1, 2004, by and among the Corporation, the New Trustee and the 1997 Borrower.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF THE AUSTIN HOUSING FINANCE CORPORATION:

Section 1.1 - Approval, Execution and Delivery of the Supplemental Indenture. That the transfer set forth in the recitals above is hereby approved and that the authorized representatives of the Corporation named in this Resolution each are authorized hereby to execute, attest and affix the

Corporation's seal to all documents necessary to effectuate the transfer.

Section 1.2 - Power to Revise Form of Documents. That, notwithstanding any other provisions of this Resolution, the authorized representatives of the Corporation named in this Resolution each are authorized hereby to make or approve such revisions in the form of the documents attached hereto as exhibits as, in the judgment of such authorized representative or authorized representatives, and in the opinion of McCall, Parkhurst & Horton L.L.P. Bond Counsel to the Corporation, may be necessary or convenient to carry out or assist in carrying out the purpose of this Resolution, such approval to be evidenced by the execution of such documents by the authorized representatives of the Corporation named in this Resolution.

Section 1.3 - Authorized Representatives. That the President, Vice President, Secretary and General Manager are hereby named as authorized representatives of the Corporation for purposes of executing, attesting, affixing the Corporation's seal to, and delivering the documents and instruments referred to herein.

ADOPTED: _____, 2006

ATTEST: _____

Shirley A. Gentry
Assistant Secretary

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