

NOTICE OF PUBLIC MEETING

Pursuant to the provisions of Chapter 551, V.T.C.A., Government Code, and the March 16, 2020 proclamation issued by Governor Greg Abbott suspending various provisions of Chapter 551, V.T.C.A., Government Code, notice is hereby given of a Meeting of the Arlington Housing Finance Corporation Board of Directors, to be held by telephone, accessible by calling toll free (833)268-8354 and entering conference ID 594-360-666#, in order to advance the public health goal of limiting face-to-face meetings (also called "social distancing") to slow the spread of COVID-19 on the 18th day of September, at 1:00 p.m. All members of the Board will join by phone. Members of the public who wish to speak on a listed agenda item will be asked for their comments at the appropriate time over the phone.

The subject of said meeting is contained in the agenda for said meeting which is attached hereto and made a part hereof.

This notice was posted by the 15th day of September, 2020, by 8:50 a.m.


Martha Garcia

Deputy City Secretary

ARLINGTON HOUSING FINANCE CORPORATION

AGENDA

TELEPHONE MEETING – ACCESSIBLE BY CALLING (833) 268-8354 AND ENTERING THE
CONFERENCE ID NUMBER: 594 360 666#

September 18, 2020
1:00 PM

I. CALL TO ORDER

II. APPROVAL OF MINUTES

III. EASEMENTS

- a. A resolution authorizing the execution and delivery of an easement agreement in conjunction with certain property owned by the Arlington Housing Finance Corporation and containing other provisions relating to the subject

IV. CONSIDERATION OF A DOWN PAYMENT ASSISTANCE PROGRAM

- a. A resolution establishing a down payment assistance program in conjunction with the Corporation's existing qualified Mortgage Credit Certificate program and authorizing all things necessary and incidental thereto in order to effectively implement and establish said down payment assistance program

V. FY 2021 BUDGET

- a. A resolution approving the FY2021 budget for the Arlington Housing Finance Corporation

VI. MISCELLANEOUS ITEMS

VII. ADJOURN

MINUTES

REGULAR MEETING ARLINGTON HOUSING FINANCE CORPORATION

August 25, 2020

The Arlington Housing Finance Corporation board meeting convened in open session at 11:36a.m. in the Arlington Conference Room A, Municipal Building, 101 West Abram, Arlington, Texas, notice of said meeting being posted as prescribed by Chapter 551, V.T.C.A., Government Code, with the following members present, to wit:

| | | |
|-----------------------|---|-----------------------|
| Ignacio Nunez | ~ | President |
| Andrew Piel | ~ | Vice President |
| Marvin Sutton | ~ | Treasurer |
| Victoria Farrar-Myers | ~ | Secretary |
| Scott Hobohm | ~ | Board Member |
| Jennifer Wichmann | ~ | City Manager's Office |
| Mindy Cochran | ~ | Housing |

I. Call to Order

Chair Ignacio Nunez called the meeting to order and stated the purpose of the meeting was to conduct the following items of business.

II. Approval of Minutes

Mindy Cochran provided the minutes from the meeting held December 10, 2019. Dr. Farrar-Myers made a motion to approve the minutes as amended. Marvin Sutton seconded the motion. The motion passed and the minutes were approved.

III. Project updates

Ms. Cochran provided the board with an update on the Arlington Housing Finance Corporation's two developments, The Elliot and Spanish Park, which is now known as the Paddock at Park Row. Ms. Cochran reported that The Elliot remains fully occupied and maintains a waiting list. She also shared that the project is current on payments due to the AHFC and that staff monitors the development through review of both financial and programmatic reports.

Ms. Cochran also gave an update on the Paddock at Park Row, noting that 235 units have been rehabbed, and the overall project is ahead of schedule. Through June, they achieved 6.35% M/WBE spend. The development is 100% affordable and will remain so when the rehabilitation is complete.

Mr. Piel inquired about outreach to the development community regarding City Council's desire to have redevelopment projects versus new construction. Ms. Cochran shared the outreach provided to developers and assured the board that these efforts would continue. It is difficult to find an older development to demolish and rebuild, because though dated, they are still providing strong cashflow, so too often it is cost prohibitive.

IV. Request for easement

Ms. Cochran presented a request from Banyan Court Capital for two easements through the Paddock at Park Row. One is a utility easement and the second is an emergency access easement that would be used exclusively for fire. The easement would be conditioned on two items: the Banyan Court Capital project would pay a negotiated fee to the Paddock at Park Row and the Paddock Park Row would not have a net loss in parking. Board members requested additional information about the project before consideration of granting the easements.

V. Mortgage Credit Certificate (MCC) program update

Ms. Cochran provided an update about the 2019 MCC program, noting that it was underutilized due to two competing MCC programs that provide down payment assistance along with the MCC. The AHFC wasn't generating significant revenue historically, and therefore, didn't consider a down payment assistance program when the MCC program was initially created. However, after closing two multifamily development deals, the AHFC is now generating revenue to support a down payment assistance program. The board asked staff to bring back options for a down payment assistance component, exploring both a forgivable and repayable option. Dr. Nunez noted that this could be tool to encourage recent college graduates to stay in Arlington and purchase their first home here.

VI. 2021 Budget

Ms. Cochran reviewed 2021 anticipated revenues and a list of proposed expenditures for the board's review. The board was supportive of the proposed budget, and Ms. Cochran indicated that the board would receive a resolution at the next meeting to approve the budget.

VII. Assistant Secretary Report

Ms. Cochran summarized the process used by both City Council and the AHFC board to review development proposals seeking a partnership with the AHFC. Depending upon the development, there could be variations to the process and approvals.

Ms. Cochran noted the development known as the Reserve at Mayfield, an affordable, senior housing development, has submitted a request for a resolution of no objection to City Council, and if approved, would apply to the AHFC for a partnership. The development would become property tax exempt but would make a payment in lieu of taxes to the AHFC. The committee was supportive of the Reserve at Mayfield. Ms. Cochran provided additional detail about the development and the outreach the developer has undertaken. She also foreshadowed three additional potential proposals that may make their way to the AHFC for further consideration.

The meeting was adjourned at approximately 11:22 a.m.

NOTE: Taped recordings and minutes of all City Council subcommittee meetings are a matter of public record and are kept on file in the City Manager's Office, 101 W. Abram Street, Arlington, Texas. Any committee member or interested party has the right to review these tapes and minutes at the City Manager's Office.

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN EASEMENT AGREEMENT IN CONJUNCTION WITH CERTAIN PROPERTY OWNED BY THE ARLINGTON HOUSING FINANCE CORPORATION AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Arlington Housing Finance Corporation (the "Corporation ") has been duly created and organized by the City of Arlington, Texas (the "City"), pursuant to and in accordance with the provisions of the Texas Housing Finance Corporations Act, Chapter 394, 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 Corporation previously has issued its Arlington Housing Finance Corporation Multifamily Housing Mortgage Revenue Note (Spanish Park Apartments) Series 2019 (the "Note") for the benefit of Spanish Park Apartments Preservation, L.P., a Texas limited partnership (the "Partnership"), in order to finance acquisition and renovation of a 350-unit multifamily development in the City located at 420 W. Park Row, Arlington, Texas 76010 (the "Development");

WHEREAS, in conjunction with the issuance of the Note title to the fee interest in the land on which the Development is located (the "Land") was transferred to the Corporation;

WHEREAS, the Corporation has entered into a ground lease with the Partnership, as ground lessee, which is the owner of the leasehold interest in the Land, as well as the buildings and other improvements located on the Land; and

WHEREAS, the Partnership has informed the Corporation that there is a request by an independent third party for an easement across the Land; and

WHEREAS, the Corporation intends, with the consent of the Partnership, to execute the appropriate documents to effectuate such easement.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF ARLINGTON HOUSING FINANCE CORPORATION, THAT:

Section 1. Authorization of the Execution and Delivery of Documents. The officers of the Corporation are each hereby authorized separately to consent to, accept, and execute such agreements as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution predicated on the consent of the Partnership and the payment of acceptable fees to the Corporation, as such documents and fees are approved by the officer of the Corporation executing such agreements..

Section 2. Public Purposes. The Board of Directors hereby finds, determines, recites, and declares that the approval of the foregoing and the implementation of the same will help promote the public purposes of the Corporation.

Section 3. Severability. If any section, paragraph, clause, or provision of this Resolution shall for any reason be held to be invalid, or unenforceable, the invalidity or

unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

Section 4. Effective Date. This Resolution shall be in full force and effect from and upon its passage.

Section 5. Public Meeting. It is hereby found and determined that advance notice of the time, place, and purpose of the meeting at which this Resolution was adopted was given to each member of this Board of Directors and that said meeting and deliberation of the aforesaid public business was open to the public and written notice of the meeting, including the subject of this Resolution, was posted and given in advance in compliance with the provisions of Chapter 551, Government Code, as amended.

PASSED AND APPROVED this September 18, 2020.

ARLINGTON HOUSING FINANCE CORPORATION

President

ATTEST:

Secretary

ARLINGTON HOUSING FINANCE CORPORATION

MORTGAGE CREDIT CERTIFICATE PROGRAM: DOWN PAYMENT ASSISTANCE

Decision point 1: Fixed or variable amount of assistance?

| Fixed Amount | Variable Amount |
|-------------------------------------|---|
| Fixed amount: 7,500 | Percentage of mortgage: \$6,750-\$15K |
| Known budget: 7,500 x20 = \$187,500 | Unknown budget or unknown number served |
| Simple | Complex |
| Competitive | Competitive |
| Equitable assistance for all buyers | More assistance for higher-end buyers |

Decision point 2: Repayable, forgivable, or both?

| Repayable | Forgivable |
|--|---|
| Recycles funds for additional future uses | One – time use of funds |
| May encourage investment in the home | May encourage investment in the home |
| Interest free capital; no monthly payments | Program is more competitive |
| Repayment options: Paid withing 36 months: \$7,500 Paid within 72 months: \$8,000 Paid at sale of home or 30 years: \$8,500 | Option: Forgivable for households under 80% AMI; repayable for all others |

PLAN OPTIONS

| Option # | Fixed / Variable | Amount | Type | # Served |
|----------|------------------|---------|--|--------------------------|
| 1 | Fixed | \$7,500 | Forgivable | 20 |
| 2 | Fixed | \$7,500 | Repayable | 20 |
| 3 | Variable | Varies | Forgivable | Until funds are depleted |
| 4 | Variable | Varies | Repayable | Until funds are depleted |
| 5 | Fixed | \$7,500 | Mixed | 20 |
| 6 | Variable | Varies | Mixed | Until funds are depleted |
| 7 | Fixed | \$7,500 | Forgivable <80% AMI Repayable > 80% AMI | 20 |

A RESOLUTION ESTABLISHING A DOWN PAYMENT ASSISTANCE PROGRAM IN CONJUNCTION WITH THE CORPORATION'S EXISTING QUALIFIED MORTGAGE CREDIT CERTIFICATE PROGRAM AND AUTHORIZING ALL THINGS NECESSARY AND INCIDENTAL THERETO IN ORDER TO EFFECTIVELY IMPLEMENT AND ESTABLISH SAID DOWN PAYMENT ASSISTANCE PROGRAM

WHEREAS, the Arlington Housing Finance Corporation (the "Corporation ") has been duly created and organized by the City of Arlington, Texas (the "City"), pursuant to and in accordance with 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 Corporation previously has determined to establish a program (the "Program") to issue mortgage credit certificates pursuant to section 25 of the Internal Revenue Code of 1986, as amended; and

WHEREAS, Hilltop Securities Inc. previously has been established as the Program Administrator for the Program; and

WHEREAS, the Board of Directors of the Corporation has determined that it is appropriate at this time to establish a down payment assistance program to be utilized in conjunction with the Program.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ARLINGTON HOUSING FINANCE CORPORATION, AS FOLLOWS:

Section 1. Declaration of Public Purpose. It is hereby found, determined, and declared that the purpose of this Resolution is to take steps designed to reduce the cost of financing for the acquisition of principal residence housing located within the City in order to provide decent, safe, and sanitary housing for qualifying persons of low and moderate income. The foregoing is hereby declared and determined to be a public purpose and function of the Corporation.

Section 2. Establishment Down Payment Assistance Program. In order to establish a down payment assistance program to be utilized in conjunction with the Program the Board of Directors has directed the Assistant Secretary to provide the parameters for said down payment assistance program which parameters are attached hereto as Exhibit A and which parameters are hereby approved.

Section 3. Program Administrator. The Program Administrator is hereby directed to take the appropriate steps to aid in establishing, implementing, and managing the down payment assistance program.

Section 4. Execution and Delivery of Documents. The officers of the Corporation are each hereby authorized to execute and attest such agreements, documents, instruments, and other papers as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 5. Power to Revise Parameters and Forms of Documents. Notwithstanding any other provision of this Resolution, the officers of the Corporation are each hereby authorized to make or approve such revisions from time to time in the parameters and the forms of the documents approved hereby (the execution thereof being conclusive evidence of their approval of such revisions) as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 6. Severability. If any section, paragraph, clause, or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

Section 7. Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

Section 8. Public Meeting. It is hereby found and determined that advance notice of the time, place, and purpose of the meeting at which this Resolution was adopted was given to each member of this Board of Directors and that said meeting and deliberation of the aforesaid public business was open to the public and written notice of the meeting, including the subject of this Resolution, was posted and given in advance in compliance with the provisions of Chapter 551, Government Code, as amended.

PASSED AND APPROVED this September 18, 2020.

ARLINGTON HOUSING FINANCE CORPORATION

By: _____
President

ATTEST:

By: _____
Secretary

A RESOLUTION APPROVING A 2021 ANNUAL BUDGET FOR THE ARLINGTON HOUSING FINANCE CORPORATION AND CONTAINING OTHER PROVISIONS RELATING THERETO

WHEREAS, the Arlington Housing Finance Corporation (the "Corporation") has been duly created and organized by the City of Arlington, Texas, pursuant to and in accordance with the provisions of the Texas Housing Finance Corporations Act, Chapter 394, Local Government Code, as amended (the "Act"); and

WHEREAS, the Board of Directors of the Corporation has determined to establish an annual budget for fiscal year 2021.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ARLINGTON HOUSING FINANCE CORPORATION, THAT:

Section 1. Approval of Annual Budget. The Board of Directors hereby approves an annual budget for fiscal year 2021 for the Corporation in the form attached hereto as Exhibit A.

Section 2. Amendments. The Board of Directors hereby retains the ability to amend said annual budget as necessary and appropriate during fiscal year 2021.

Section 3. Public Purposes. The Board of Directors hereby finds, determines, recites, and declares that the approval of the foregoing and the implementation of the same will help promote the public purposes of the Corporation.

Section 4. Severability. If any section, paragraph, clause, or provision of this Resolution shall for any reason be held to be invalid, or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

Section 5. Conflicting Prior Actions. All orders, resolutions, or any actions or parts thereof of the Board of Directors in conflict herewith are hereby expressly repealed to the extent of any such conflict.

Section 6. Effective Date. This Resolution shall be in full force and effect from and upon its passage.

Section 7. Public Meeting. It is hereby found and determined that advance notice of the time, place, and purpose of the meeting at which this Resolution was adopted was given to each member of this Board of Directors and that said meeting and deliberation of the aforesaid public business was open to the public and written notice of the meeting, including the subject of this Resolution, was posted and given in advance in compliance with the provisions of Chapter 551, Government Code, as amended.

PASSED AND APPROVED this September 18, 2020.

ARLINGTON HOUSING FINANCE CORPORATION

President

ATTEST:

Secretary

Exhibit A

**Arlington Housing Finance Corporation
FY21 Budget**

Revenue

| | |
|-----------------------|-------------------|
| MCC program revenue | 30,000 |
| PILOTs | 44,076 |
| Developer fee revenue | 682,439 |
| TOTAL REVENUES | \$ 756,515 |

Expenses

| | |
|---------------------------------|-------------------|
| Memberships | 7,250 |
| Travel / training | 9,950 |
| DPA program | 150,000 |
| CPA services | 5,000 |
| Support staff salary allocation | 15,000 |
| City services | 5,000 |
| EnVision Center | 10,000 |
| Shelter support | 10,000 |
| Neighborhood initiatives | 200,000 |
| TOTAL EXPENSES | \$ 412,200 |

| | |
|---------------------------------|-------------------|
| Contribution to reserves | \$ 344,315 |
|---------------------------------|-------------------|