

**HATC Action Item 6C**  
**December 7, 2017**

**Resolution No. HATC- 2017-27:** To Authorize and Approve the creation of the HATC Foundation.

**WHEREAS**, in order to further the HATC's public purpose and mission, it is in the best interest of the HATC to acknowledge, approve, and support the formation of a Texas nonprofit corporation called "The HATC Foundation" (or such other similar name as HATC staff or officers may determine appropriate) (the "Corporation") in order to lessen the burdens of government, prevent community decay and reduce neighborhood tensions by assisting the Housing Authority of Travis County, Texas, and its political subdivisions and instrumentalities, to (i) provide decent, safe and sanitary housing at affordable prices for low and moderate income residents of Travis County, Texas; (ii) preserve and develop affordable housing and vibrant communities which enhance the quality of life for all; and (iii) take other actions to benefit, perform the functions of, or to carry out the purpose of the Housing Authority of Travis County, Texas, and its political subdivisions and instrumentalities; and

**WHEREAS**, the initial board of directors of the Corporation would consist of the members of the HATC Board of Commissioners.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Commissioners of HATC hereby:

1. Approves Resolution No. HATC-2017-27,
2. Authorizes the CEO/Executive Director to execute all necessary documents and extensions and authorizes the CEO/Executive Director and HATC staff to take all other actions related to the creation of the Corporation, including engaging legal counsel to assist with such actions.
3. Acknowledges and agrees to the creation of the Corporation.

**Passed and approved the 7th day of December 2017.**

  
John Hernandez, Chair, Board of Commissioners

**Attested and approved as to form:**



Patrick B. Howard, CEO/Executive Director

**HATC Action Item 6C**  
**December 7, 2017**

**Subject: Resolution No. HATC- 2017-27: To Authorize and Approve the creation of The HATC Foundation.**

**Background Information:**

Consistent with the goals of HATC's adopted Five-Year Strategic Plan, staff has been charged with the development of partnerships and the leveraging of resources in order to strengthen and expand the agency's resident empowerment, capacity building, and self-sufficiency initiatives. Toward that end, the establishment of an affiliate Texas nonprofit corporation and 501c3 tax-exempt corporation has been advised by others in this industry.

The purpose/mission of the proposed *HATC Foundation* is support the improvement of quality of life for HATC's residents and Voucher holders. The Foundation would provide HATC clients with a myriad of tools to aid in their personal and professional growth via scholarships, support for post-secondary education, skill building, capacity building, workforce training, and the like. This would be accomplished primarily via the acceptance of grants and contributions from individuals and organizations.

Similar to other HATC affiliates, the *Foundation* would be supported via HATC staff, and governed by a board of directors consisting of the HATC's Commissioners.

**Recommended Action:**

Consideration and appropriate action regarding Resolution No. HATC-2017-27: To Authorize and Approve the creation of The HATC Foundation.

**Alternate Option:**

The Board of Commissioners could elect to Not Authorize and Approve the HATC Foundation.

**Fiscal Impact:**

TBD

**Attachments:**

Proposed draft of a Certificate of Formation of The HATC Foundation.

**Prepared and Approved by:**

Patrick Howard

Patrick B. Howard, CEO/Executive Director

**Form 202  
(Revised 05/11)**

Submit in duplicate to:  
Secretary of State  
P.O. Box 13697  
Austin, TX 78711-3697  
512 463-5555  
FAX: 512/463-5709

**Filing Fee: \$25**



This space reserved for office use.

**Certificate of Formation  
Nonprofit Corporation**

**Article 1 – Entity Name and Type**

The filing entity being formed is a nonprofit corporation. The name of the entity is:

The HATC Foundation

**Article 2 – Registered Agent and Registered Office**

(See instructions. Select and complete either A or B and complete C.)

A. The initial registered agent is an organization (cannot be entity named above) by the name of:

**OR**

B. The initial registered agent is an individual resident of the state whose name is set forth below:

|                   |             |                  |               |
|-------------------|-------------|------------------|---------------|
| Patrick           |             | Howard           |               |
| <i>First Name</i> | <i>M.I.</i> | <i>Last Name</i> | <i>Suffix</i> |

C. The business address of the registered agent and the registered office address is:

|   |             |              |                 |
|---|-------------|--------------|-----------------|
| 502 E. Highland Mall Blvd., Suite 106-B | Austin      | TX           | 78752           |
| <i>Street Address</i>                   | <i>City</i> | <i>State</i> | <i>Zip Code</i> |

**Article 3 – Management**

The management of the affairs of the corporation is vested in the board of directors. The number of directors constituting the initial board of directors and the names and addresses of the persons who are to serve as directors until the first annual meeting of members or until their successors are elected and qualified are as follows:

*A minimum of three directors is required.*

| Director 1                              |             |                  |                 |                 |
|---|-------------|------------------|-----------------|-----------------|
| <i>First Name</i>                       | <i>M.I.</i> | <i>Last Name</i> | <i>State</i>    | <i>Zip Code</i> |
| John                                    |             | Hernandez        | TX              | 78752           |
| 502 E. Highland Mall Blvd., Suite 106-B | Austin      | TX               | 78752           | USA             |
| <i>Street or Mailing Address</i>        | <i>City</i> | <i>State</i>     | <i>Zip Code</i> | <i>Country</i>  |

|  |             |                  |                              |                |
|--|-------------|------------------|------------------------------|----------------|
| Director 2                             |             |                  |                              |                |
| Ann                                    |             | Denton           |                              |                |
| <i>First Name</i>                      | <i>M.I.</i> | <i>Last Name</i> |                              | <i>Suffix</i>  |
| 502 E. Highland Mall Blvd, Suite 106-B | Austin      |                  | TX 78752                     | USA            |
| <i>Street or Mailing Address</i>       | <i>City</i> |                  | <i>State</i> <i>Zip Code</i> | <i>Country</i> |

|   |             |                  |                              |                |
|---|-------------|------------------|------------------------------|----------------|
| Director 3                              |             |                  |                              |                |
| Wilmer                                  |             | Roberts          |                              |                |
| <i>First Name</i>                       | <i>M.I.</i> | <i>Last Name</i> |                              | <i>Suffix</i>  |
| 502 E. Highland Mall Blvd., Suite 106-B | Austin      |                  | TX 78752                     | USA            |
| <i>Street or Mailing Address</i>        | <i>City</i> |                  | <i>State</i> <i>Zip Code</i> | <i>Country</i> |

**OR**

The management of the affairs of the corporation is to be vested in the nonprofit corporation's members.

**Article 4 – Membership**

(See instructions. Do not select statement B if the corporation is to be managed by its members.)

A. The nonprofit corporation shall have members.

B. The nonprofit corporation will have no members.

**Article 5 – Purpose**

(See instructions. This form does not contain language needed to obtain a tax-exempt status on the state or federal level.)

The nonprofit corporation is organized for the following purpose or purposes:

See attachment.

*The following text area may be used to include any additional language or provisions that may be needed to obtain tax-exempt status.*

The additional provisions contained in the attachment are hereby incorporated into this Certificate of Formation.

The following persons will also serve as initial directors of the nonprofit corporation's Board of Directors:

Director 4

Eddie Karam, 502 E. Highland Mall Blvd., Suite 106-B, Austin, Texas 78752 USA

Director 5

Robbye Meyer, 502 E. Highland Mall Blvd., Suite 106-B, Austin, Texas 78752 USA

**Supplemental Provisions/Information**

(See instructions.)

Text Area: [The attached addendum, if any, is incorporated herein by reference.]

See attached.

**Organizer**

The name and address of the organizer:

Cliff Blount

*Name*

8310 N. Capital of Texas Hwy., Suite 490

Austin

TX

78731

*Street or Mailing Address*

*City*

*State*

*Zip Code*

**Effectiveness of Filing** (Select either A, B, or C.)

- A.  This document becomes effective when the document is filed by the secretary of state.
- B.  This document becomes effective at a later date, which is not more than ninety (90) days from the date of signing. The delayed effective date is: \_\_\_\_\_
- C.  This document takes effect upon the occurrence of a future event or fact, other than the passage of time. The 90<sup>th</sup> day after the date of signing is: \_\_\_\_\_

The following event or fact will cause the document to take effect in the manner described below:

**Execution**

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized to execute the filing instrument.

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of organizer

Cliff Blount

\_\_\_\_\_  
Printed or typed name of organizer

**ATTACHMENT TO  
CERTIFICATE OF FORMATION NONPROFIT CORPORATION  
OF  
THE HATC FOUNDATION**

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**Article 5.** The nonprofit corporation is organized for the following purposes:

1. To operate exclusively for charitable, educational, religious, or scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any future United States internal revenue law) (the "Code");

2. To operate under Section 509(a)(3) of the Code (or the corresponding provision of any future United States internal revenue law) exclusively for the benefit of, to perform the functions of, or to carry out the purposes of the Housing Authority of Travis County, Texas, and its political subdivisions and instrumentalities; and

3. Subject to and within the limits of above purposes, the corporation will lessen the burdens of government, prevent community decay and reduce neighborhood tensions by assisting the Housing Authority of Travis County, Texas, and its political subdivisions and instrumentalities, to (i) provide decent, safe and sanitary housing at affordable prices for low and moderate income residents of Travis County, Texas; (ii) to preserve and develop affordable housing and vibrant communities which enhance the quality of life for all; and (iii) take other actions to benefit, perform the functions of, or to carry out the purpose of the Housing Authority of Travis County, Texas, and its political subdivisions and instrumentalities.

Notwithstanding any other provision of this Certificate of Formation, the corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by any organization exempt from taxation under Section 501(c)(3) of the Code and its Regulations as they now exist or as they may hereafter be amended, or by any organization, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended. In addition, the corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by a supporting organization under Section 509(a)(3).

The corporation shall function as an organization qualifying under Sections 501(c)(3) and 509(a)(3) of the Code.

The corporation is not empowered to support or benefit any organization other than the Housing Authority of Travis County, Texas, and its political subdivisions and instrumentalities.

**Supplemental Provisions/Information**

- A. Provisions for the regulation of the internal affairs of the corporation, except as provided in the Articles, shall be determined and fixed by the Bylaws as adopted by the Board of Directors. If the Bylaws so provide, the Board of Directors may, by resolution or resolutions passed by a majority of the whole Board of Directors, designate two or more of the directors to serve as a committee, which, to the extent provided in such resolution, or resolutions and to the extent consistent with law, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the corporation, and may have power to authorize the seal of the corporation to be affixed to all papers which may require it.

B. At all times, and notwithstanding merger, consolidation, reorganization, termination, dissolution or winding up of the corporation, voluntarily or involuntarily, or by operation of law or any other provision hereof:

1. The corporation shall neither have nor exercise any power, nor shall it directly or indirectly engage in any activity, that would (a) prevent it from obtaining an exemption from Federal income taxation as a corporation described in Section 501(c)(3) of the Code, or (b) cause the corporation to lose such exempt status.
2. The corporation shall not be operated for the purpose of carrying on a trade or business for profit.
3. No part of the income of the corporation shall inure to the benefit of any director or officer of the corporation or any private individual, except that reasonable compensation may be paid for services rendered on behalf of the corporation, and no director or officer of the corporation or any private individual shall be entitled to share in any distribution of any of the assets of the corporation upon its dissolution.
4. No substantial part of the activities of the corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation except as may otherwise be permitted in accordance with an election pursuant to Section 501(h) of the Code; nor shall it in any manner or to any extent participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office; nor shall the corporation engage in any activities that are unlawful under applicable Federal, state, or local laws.
5. The corporation shall not engage in any activity which would be an "excess benefit transaction" as defined in Section 4958 of the Code.
6. If for any period the corporation is a private foundation as defined in Section 509 of the Code, then during such period, the corporation shall be subject to the following restrictions and prohibitions:
  - (a) The corporation shall not engage in any act of self-dealing as defined in Section 4941(d) of the Code.
  - (b) The corporation shall distribute its income for each taxable year at such time and in such manner so as not to become subject to the tax on undistributed income imposed by Section 4942 of the Code.
  - (c) The corporation shall not retain any excess business holdings as defined in Section 4943(c) of the Code.
  - (d) The corporation shall not make any investments in such manner as to subject it to tax under Section 4944 of the Code.
  - (e) The corporation shall not make any taxable expenditures as defined in Section 4945(d) of the Code.

C. Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provisions for the payment of all the liabilities of the corporation, distribute the assets of the

corporation exclusively to the Housing Authority of Travis County, Texas, or if the Housing Authority of Travis County, Texas shall not then exist, then the assets shall be distributed exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under section 501(c)(3) of the Code, as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by a court of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as such court shall determine, which are organized and operated exclusively for such purposes.