

AGENDA

SAN ANTONIO HOUSING TRUST FINANCE CORPORATION

A MEETING OF THE OF THE SAN ANTONIO HOUSING TRUST FINANCE CORPORATION BOARD OF DIRECTORS WILL BE HELD VIA ZOOM:

<https://us02web.zoom.us/j/89286674175?pwd=dHpjd0NzK3hIOUINOHICMUdOY1lOQT09>

**OR DIAL IN 1 (346) 248-7799 MEETING ID: 892 8667 4175 PASSWORD: 517791 ON
WEDNESDAY, SEPTEMBER 30, 2020
AT 10:00 A.M., TO CONSIDER THE FOLLOWING MATTERS:**

Briefing and Possible Action on:

1. Approval of minutes
2. Public Comment
3. Resolution concerning the application of The Arbors at West Avenue, LP (an affiliate of Prospera Housing Community Services) relating to the proposed financing of up to \$25,000,000 of the costs of the acquisition, rehabilitation, construction, and equipping of the **Arbors at West Avenue**, to be located at approximately 3747 West Avenue; and other matters in connection therewith
4. Resolution concerning the application of Aspire at Vida, LP (an affiliate of Mission Development Group) relating to the proposed financing of up to \$30,000,000 of the costs of the acquisition, construction, and equipping of the **Aspire at Vida**, to be located on Jaguar Boulevard near University Way; and other matters in connection therewith
5. Resolution concerning the application of Franklin Brooks City Base, Ltd. (an affiliate of Franklin Development) relating to the proposed financing of up to \$20,000,000 of the costs of the acquisition, construction, and equipping of the **Brooks Seniors**, to be located at the corner of Inner Circle Drive and Louis Bauer; and other matters in connection therewith
6. Second Amended and Restated Resolution of Inducement relating to the proposed financing of up to \$20,000,000 of the costs of the acquisition, construction, and equipping the **Echo East Apartments** located at 301 Spriggdale; and other matters in connection therewith.
7. Resolution authorizing San Antonio Housing Trust Finance Corporation First Lien Multifamily Housing Revenue Bonds (Northview Apartments Project), Series 2020A and San Antonio Housing Trust Finance Corporation Second Lien Multifamily Housing Revenue Bonds (Northview Apartments Project), Series 2020B; and other matters in connection therewith.
8. Consideration and possible action to approve the Finance Corporation's annual budget and to authorize the expenditures contained therein, including providing \$500,000 in Finance Corporation funds to support the City of San Antonio's COVID-19 Emergency Housing Assistance Program.

Posted on: 9/25/2020 5:37PM

SAN ANTONIO HOUSING TRUST FINANCE CORPORATION BOARD MEMBERS:
Council Member Roberto C. Trevino (District 1), Council Member Rebecca J. Viagran
(District 3), Council Member Dr. Adriana Rocha Garcia (District 4), Council Member
Shirley Gonzales (District 5), Council Member John Courage (District 9)

San Antonio Housing Trust Finance Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 1

Agenda Date: 09-30-2020

In Control: San Antonio Housing Trust Finance Corporation

DEPARTMENT: San Antonio Housing Trust Finance Corporation

DEPARTMENT HEAD: Pedro Alanis

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Approval of minutes

SUMMARY:

This item includes the approval of minutes from the August 26, 2020 meeting

SAN ANTONIO HOUSING TRUST FINANCE CORPORATION
OFFICIAL MEETING MINUTES
August 26, 2020

- The Finance Corporation met in session at 11:02 a.m., via zoom
- The meeting was called to order by Councilwoman Rebecca Viagran and the roll was called by Maria Bradley.

**PRESENT: Councilwoman Rebecca Viagran, Councilwoman Shirley Gonzales,
Councilwoman Dr. Adriana Rocha Garcia and Councilman John Courage**

ABSENT: Councilman Roberto Treviño

Staff/Visitors Present:

Pedro Alanis- Interim Executive Director San Antonio Housing Trust Public Facility Corporation; Nicole Collazo- Assistant Director San Antonio Housing Trust Public Facility Corporation; JD Hernandez – Asset Manager San Antonio Housing Trust Public Facility Corporation; Sharon Jennings-Contract Officer San Antonio Housing Trust Public Facility Corporation; Maria Bradley - Administrative Assistant, San Antonio Housing Trust Public Facility Corporation; James Plummer-Bracewell LLP; Summer Greathouse-Bracewell LLC; Allison Shea, NHSD; Martza Carmiol, Creative Communications; Edward Mungia- D4, Jarrett Woods- Waypoint Development, Jean Latsha & Thomas Crow- Pedcor Investments; Ben Olivo-San Antonio Heron; Jennifer Gonzalez-Alamo Community Group; Jose Gonzalez-Alamo Community Group; Adam Smith- 3LB Equities

1. Approval of minutes July 29, 2020.

MINUTES COMMISSION ACTION:

The motion was made by Councilwoman Gonzales and seconded by Councilwoman Dr. Rocha Garcia to approve the meeting minutes from July 29, 2020.

AYES: 4

NAYS: 0

ABSTAIN: 0

THE MOTION CARRIED.

2. Public Comment-

NONE.

3. Amended and Restated Resolution authorizing San Antonio Housing Trust Finance Corporation Multifamily Housing Revenue Bonds (Greenline North Apartments), Series 2020; and other matters in connection therewith

Pete Alanis mentioned the project Greenline North Apartments was closing today. There needs to be an Amended and restated agreement to correct interest rate. It increased from 3.6% to 3.8% and to allow the construction rate to be variable. No other changes were made to the Resolution the Board of Directors approved in July and the amount of bonds requested would remain the same.

COMMISSION ACTION:

The motion was made by Councilwoman Gonzales and seconded by Councilwoman Dr. Rocha Garcia to approve the amended and restated agreement.

AYES:4

NAYS: 0

ABSTAIN: 0

THE MOTION CARRIED.

Adjournment

The meeting was adjourned by Councilwoman Viagran at 11:09 a.m.

San Antonio Housing Trust Finance Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 2

Agenda Date: 09-30-2020

In Control: San Antonio Housing Trust Finance Corporation

DEPARTMENT: San Antonio Housing Trust Finance Corporation

DEPARTMENT HEAD: Pedro Alanis

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Public Comment

SUMMARY:

This item will allow 3 minutes each for interested speakers to address the Board

San Antonio Housing Trust Finance Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 3

Agenda Date: 09-30-2020

In Control: San Antonio Housing Trust Finance Corporation

DEPARTMENT: San Antonio Housing Trust Finance Corporation

DEPARTMENT HEAD: Pedro Alanis

COUNCIL DISTRICTS IMPACTED: District 1

SUBJECT:

Briefing and possible action regarding an inducement resolution for the Arbors at West Avenue Project (the "Project").

SUMMARY:

This item includes a briefing and possible action regarding a nonbinding Resolution concerning the application of Prospera Housing Community Services ("Prospera") relating to the proposed financing of up to \$25,000,000 of the costs of the acquisition, rehabilitation, construction, and equipping of the Arbors at West Avenue, to be located at 3747 West Avenue, San Antonio, Texas 78213; and other matters in connection therewith.

ISSUE:

he Project is a 234-unit multifamily, tax credit project in District 1 located at 3747 West Avenue, which consists of 150 existing units at West Avenue Apartments to be rehabilitated and an additional 84 units at Arbor Place to be demolished and reconstructed.

All units will be rented to individuals whose incomes average at or below 60% of median family income, including 110 units that will be rented to individuals whose incomes are at or below 50% of median family income. The Project will retain 43 Section 8 units through a new 20-year HUD contract.

The West Avenue has had improvements over the years however this rehabilitation will provide for exterior improvements; roof and insulation improvements; new energy star windows; new water lines; and newly designed foyers. Remaining renovations will be completed as part of the renovation scope of work in an amount approximating \$50,000 per unit.

The Arbor Place apartments has not seen significant renovations since its construction in 1973. ADA accessible units for 3-4-bedroom units cannot be retrofitted on the West Avenue property, so reconstruction of the Arbor Place will provide the necessary ADA units for the entire new complex.

The census tract where the property is located has median household annual income ranging between \$39k and \$59k. The area west of West Avenue has a high percentage of single-family homes whereas east of West Avenue is high percentage single family rental units. The area is along west avenues to access to existing retail and is 1 mile away from both IH-10 and Loop 410.

The property is located in NEISD and would be serviced by 2019 Overall B-Rated Jackson Middle School; 2019 Overall B-Rated L.E.E High School; and by 2019 Overall B-Rated Dellview and West Avenue Elementary Schools.

The two closest affordable multi-family projects are SAHA's Escondida Apartments (1 mile) and 87-unit Westminster Square (1 mile)

Prospera, a charitable non-profit developer with approximately 4,300 units in 50 properties across South Texas, will act as developer and will seek a nonbinding resolution of inducement with the Public Facility Corporation. The Project is expected to cost approximately \$41.1 million and it is expected to require \$25,000,000 in tax exempt bonds to be issued along with approximately \$10.2 million in anticipated tax credit equity, a seller note of approximately \$10.7 million and a \$750,000 Federal Home Loan Bank grant.

This request is to authorize Prospera and the Finance Corporation's Bond Counsel to take preliminary actions, specifically, to file and/or re-file an Application for Allocation of Private Activity Bonds in the years 2021 and/or 2022 to allow this project the flexibility to move forward if they receive a bond reservation from the Texas Bond Review Board.

ALTERNATIVES:

If the San Antonio Housing Trust Finance Corporation board does not approve this transaction, the 234 affordable units will not be rehabilitated and reconstructed.

FISCAL IMPACT:

No fiscal impact. None of these actions will be binding on the Finance Corporation or the City. This is not a commitment to participate in the Project. Staff anticipates returning for a future Public Facility Corporation Board and Finance Corporation Board for project inducements, approvals, and/or authority to issue the bonds.

RECOMMENDATION:

Staff recommend approval of the attached Resolution to allow an application to the Texas Bond Review Board to reserve bond allocation.

ATTACHMENT:

Resolution.

Arbors at West Avenue Apartments

CERTIFICATE FOR RESOLUTION

The undersigned officer of the San Antonio Housing Trust Finance Corporation (the “Issuer”) hereby certifies as follows:

1. In accordance with the bylaws of the Issuer, the Board of Directors of the Issuer (the “Board”) held a meeting on September 30, 2020 (the “Meeting”) of the duly constituted officers and members of the Board, at which a duly constituted quorum was present. Whereupon among other business transacted at the Meeting, a written

RESOLUTION CONCERNING THE APPLICATION OF PROSPERA HOUSING COMMUNITY SERVICES RELATING TO THE PROPOSED FINANCING OF UP TO \$25,000,000 OF THE COSTS OF THE ACQUISITION, REHABILITATION, CONSTRUCTION, AND EQUIPPING OF THE ARBORS AT WEST AVENUE APARTMENTS AND OTHER MATTERS IN CONNECTION THEREWITH

(the “Resolution”) was duly introduced for the consideration of the Board and discussed. It was then duly moved and seconded that the Resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of the Resolution, prevailed and carried by a majority vote of the Board.

2. A true, full, and correct copy of the Resolution adopted at the Meeting is attached to and follows this Certificate; the Resolution has been duly recorded in the Board’s minutes of the Meeting; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting; and the Meeting was held and conducted in accordance with the Articles of Incorporation and the Bylaws of the Issuer.

SIGNED AND SEALED September 30, 2020.

Pedro A. Alanis, Assistant Secretary



RESOLUTION CONCERNING THE APPLICATION OF PROSPERA HOUSING COMMUNITY SERVICES RELATING TO THE PROPOSED FINANCING OF UP TO \$25,000,000 OF THE COSTS OF THE ACQUISITION, REHABILITATION, CONSTRUCTION, AND EQUIPPING OF THE ARBORS AT WEST AVENUE APARTMENTS AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the City Council of the City of San Antonio, Texas (the “City”), has, pursuant to the Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code, as amended (the “Act”), approved and created the San Antonio Housing Trust Finance Corporation, a nonstock, nonprofit housing finance corporation (the “Issuer”);

WHEREAS, the Issuer, on behalf of the City, is empowered to finance the costs of residential ownership and development that will provide decent, safe, and sanitary housing at affordable prices for residents of the City by the issuance of housing revenue bonds;

WHEREAS, Prospera Housing Community Services, on behalf of a to-be-formed Texas limited partnership (the “User”), has filed an Application for financing (the “Application”), requesting that (i) the Issuer finance the acquisition, rehabilitation, construction, and equipping of a proposed 234-unit multifamily housing facility to be located at 3747 West Avenue and to be known as the Arbors at West Avenue Apartments (the “Project”); and (ii) the Issuer file and/or refile a 2021 and/or 2022 Allocation Application (defined hereafter) and/or any carryforward applications to the Texas Bond Review Board as described herein;

WHEREAS, the User has advised the Issuer that a contributing factor that would further induce the User to proceed with providing for the acquisition, rehabilitation, construction, equipping, and improvement of the Project would be a commitment and agreement by the Board of Directors (the “Board”) of the Issuer to issue housing revenue bonds pursuant to the Act (the “Bonds”) to finance and pay any Development Costs, as defined in the Act, for the Project;

WHEREAS, in view of rising construction costs and the necessity of compliance with administrative regulations, it is considered essential that acquisition, rehabilitation, construction, equipping, and improvement of the Project be completed at the earliest practicable date after satisfactory preliminary assurances from the Issuer that the proceeds of the sale of the Bonds, or other obligations, of the Issuer in an amount necessary to pay the Development Costs of the Project, will be made available to finance the Project;

WHEREAS, this Resolution shall constitute the Issuer’s commitment, subject to the terms hereof, to issue Bonds, or other obligations, pursuant to the Act in an amount prescribed by the User now contemplated not to exceed \$25,000,000 and to expend the proceeds thereof to pay Development Costs including costs of acquisition, rehabilitation, construction, equipping, and improvement of the Project, funding a debt service or other reserve fund for the Project, and paying expenses and costs in connection with the issuance of the Bonds, including costs of obtaining credit enhancement, if any;

WHEREAS, the Bonds are “private activity bonds” as that term is defined in Subchapter A, Section 1372.001 of Chapter 1372, Texas Government Code, as amended, including the rules promulgated pursuant thereto in 34 Texas Administrative Code, Sections 190.1 through 190.8

(together, the “Allocation Act”), and various provisions of the Internal Revenue Code of 1986, as amended (the “Code”);

WHEREAS, the Code requires that the applicable elected official of the City approve the issuance of the Bonds after a public hearing for which reasonable public notice shall have been given;

WHEREAS, the Issuer is authorized by the provisions of the Act to issue the Bonds;

WHEREAS, in order to issue the Bonds in the manner contemplated, the Issuer must seek an allocation of the State of Texas volume cap pertaining to private activity bonds in order to satisfy the provisions of the Code;

WHEREAS, in order to satisfy, in part, the provisions of the Allocation Act, the Issuer must submit an “Application for Allocation of Private Activity Bonds” (the “Allocation Application”) to the Texas Bond Review Board and adopt this Resolution authorizing the filing or refiling of the Allocation Application;

WHEREAS, the Allocation Application and the Allocation Act require that the Issuer certify that the Bonds are not being issued for the same stated purpose for which the Issuer has received sufficient carryforward during a prior year or for which there exists unexpended proceeds from a prior issue or issues of bonds issued by the Issuer;

WHEREAS, the User intends to make capital expenditures in connection with the acquisition, construction, equipping, and improvement of the Project (the “Expenditures”) and expects to reimburse the Expenditures with proceeds of the Bonds;

WHEREAS, in order to allocate under Treasury Regulation §1.150-2 (the “Regulation”) proceeds of the Bonds to the Expenditures, the Issuer must declare its reasonable expectation to reimburse the Expenditures;

WHEREAS, the User has requested that the San Antonio Housing Trust Public Facility Corporation acquire the membership interest in the general partner of the User;

WHEREAS, the User has requested authorization to make all filings necessary to obtain and maintain debt financing and tax credits on the Project; and

WHEREAS, the Board has determined that it is in the public interest and to the benefit of the citizens and residents of San Antonio for the various entities to enter into the transactions described above so that the User may construct the Project; now, therefore,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN ANTONIO HOUSING TRUST FINANCE CORPORATION THAT:

Section 1. Subject to the terms hereof, the Issuer agrees that it will:

(a) Subject to the negotiation of mutually acceptable agreements, issue the Bonds, in an amount not to exceed \$25,000,000; cooperate with the User with respect to the issuance of the Bonds, and, if arrangements therefor satisfactory to the User and the Issuer can be made, take such action and authorize the execution of such documents and

take such further action as may be necessary or advisable for the authorization, execution, and delivery of any contracts or agreements deemed necessary and desirable by the User or the Issuer in connection with the issuance of the Bonds (collectively, the "Contracts"), providing among other things for payment of the principal of, interest on, redemption premiums on, and paying agents' and trustee's fees and charges, if any, on the Bonds; payment of fees, charges, and expenses of the Issuer and the City (including legal and financial advisory expenses); acquisition, construction, equipping, and improvement of the Project; and use, operation, and maintenance of the Project (and the execution of any necessary guaranty agreements), all as shall be authorized, required, or permitted by law and as shall be satisfactory to the Issuer, the City, and the User;

(b) if the proceeds from the sale of the Bonds are insufficient to complete the acquisition, construction, equipping, and improvement of the Project, take such actions and execute such documents as may be necessary to permit the issuance from time to time in the future of additional bonds on terms which shall be set forth therein, whether on a parity with other series of bonds or otherwise, for the purpose of paying the costs of completing the acquisition, construction, equipping, and improvement of the Project, as requested by the User and within then applicable limitations; and

(c) take or cause to be taken such other actions as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

Section 2. The Bonds shall specifically provide that neither the State of Texas (the "State"), the City, nor any political issuer, subdivision, or agency of the State shall be obligated to pay the same or the interest thereon and that neither the faith and credit nor the taxing power of the State, the City, or any political issuer, subdivision, or agency thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

Section 3. It is understood by the Issuer, and the User has represented to the Issuer, that in consideration of the Issuer's adoption of this Resolution and by filing the Application, and subject to the terms and conditions hereof, the User has agreed that

(a) Prior to or contemporaneously with the sale of the Bonds in one or more series or issues from time to time as the Issuer and the User shall hereafter agree to in writing, the User will enter into the Contracts with the Issuer under the terms of which the User will obligate itself, on a nonrecourse basis, to pay to the Issuer (or to a trustee, as the case may be) sums sufficient in the aggregate to pay the principal of, interest on, redemption premiums on, paying agents' and trustee's fees and charges, if any, on the Bonds, as and when the same become due and payable, with such Contracts to contain the provisions described in Section 1 hereof and such other provisions as may be required or permitted by law and to be mutually acceptable to the Issuer and the User;

(b) the User will (1) pay all Project costs which are not or cannot be paid or reimbursed from the proceeds of the Bonds and (2) at all times from and after the issuance of the Bonds, indemnify and hold harmless the Issuer and the City against all losses, costs, damages, expenses, and liabilities of whatsoever nature (including but not limited to reasonable attorneys' fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to the issuance, offering, sale, or delivery of the Bonds, or the design,

construction, equipping, installation, operation, use, occupancy, maintenance, or ownership of the Project (other than claims arising from the gross negligence or willful misconduct of the Issuer or the City) and prior to or contemporaneously with the sale of the Bonds will agree to provide indemnification on terms satisfactory to the Issuer; and

(c) no Bonds will be issued without the approval of the City Council.

Section 4. The User is hereby authorized to make all filings necessary to obtain and maintain tax credits on the Project.

Section 5. Except as expressly extended by the Issuer, it is understood by the Issuer and the User that all commitments of the Issuer with respect to the Project and the Bonds are subject to the condition that the Bonds shall have been issued no later than two years from the date of this Resolution.

Section 6. It is recognized and agreed by the Issuer that the User may exercise its rights and perform its obligations with respect to the financing of the Project either through (i) itself in its own name; (ii) any “related person” as defined in section 144(a)(3) of the Code; (iii) any legal successor thereto; (iv) an entity in which any of the above is a general partner or sole member; or (v) or any entity approved by the Issuer, provided that suitable guaranties necessary or convenient for the marketability of the Bonds shall be furnished, if required by the Issuer, and all references herein to the User shall be deemed to include the User acting directly through itself or any such approved entities.

Section 7. This Resolution shall be deemed to constitute the acceptance of the User’s proposal that it be further induced to proceed with providing the Project. The Allocation Application and this Resolution shall constitute an agreement between the Issuer and the User effective on the date that this Resolution is adopted. This Resolution is affirmative official action taken by the Issuer towards the issuance of the Bonds in order to comply with the requirements of the Code. Neither the User nor any other party is entitled to rely on this Resolution as a commitment to issue bonds or loan funds, and the Issuer reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Issuer shall not be subject to any liability or damages of any nature. Neither the User nor any one claiming by, through or under the User, nor any investment banking firm or potential purchaser of the Bonds shall have any claim against the Issuer whatsoever as a result of any decision by the Issuer not to issue the Bonds.

Section 8. The Issuer hereby adopts this Resolution in order to satisfy the requirements of the Allocation Act pertaining to the issuance of the Bonds and authorizes any officer or designee of the Issuer to prepare and file and/or refile a 2021 and/or 2022 Allocation Application and/or any carryforward applications, together with all required attachments (including obtaining the Issuer’s Certificate of Good Standing from the Comptroller of Public Accounts for the State of Texas) in the form required by the Texas Bond Review Board.

Section 9. The Issuer respectfully requests that the Allocation Application be accepted and approved by the Texas Bond Review Board.

Section 10. Any officer of the Issuer (or his designee) is hereby authorized to execute the Allocation Application, to pay (or cause the User to pay) the Application Fee of \$5,000 for

each Allocation Application (submitted to the Issuer by the User) to the Texas Bond Review Board and to submit any additional information or to make any necessary corrections or revisions requested by the Texas Bond Review Board in order to satisfy the requirements of the Allocation Act in connection with the Allocation Application.

Section 11. The Board certifies that the Bonds are not being issued for the same stated purpose for which the Issuer has received sufficient carryforward during a prior year or for which there exists unexpended proceeds from a prior issue or issues of bonds issued by the Issuer.

Section 12. In connection with the issuance of the Bonds, the Board hereby authorizes its bond counsel to arrange for the publication of a notice of public hearing in the City of San Antonio, Texas regarding the Bonds for the purpose of complying with section 147(f) of the Code. The form of notice of such hearing and the date, place, and manner of its publication shall be acceptable to the Corporation's bond counsel. The hearing shall be held by the Corporation's bond counsel.

Section 13. Based upon representations from the User, the Issuer reasonably expects to reimburse the Expenditures with proceeds of the Bonds in a principal amount that will not exceed \$25,000,000. This Resolution shall constitute a declaration of official intent under the Treasury Regulation Section 1.150-2.

Section 14. The Board authorizes the President, Vice President, Secretary, Treasurer, Assistant Secretary or Executive Director of the Board to execute any documents or certificates necessary to seek the approval of the Bonds by the Texas Attorney General.

Section 15. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

Section 16. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 17. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

Section 18. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 19. This Resolution shall be in force and effect from and after its passage.

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San Antonio Housing Trust Finance Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 4

Agenda Date: 09-30-2020

In Control: San Antonio Housing Trust Finance Corporation

DEPARTMENT: San Antonio Housing Trust Finance Corporation

DEPARTMENT HEAD: Pedro Alanis

COUNCIL DISTRICTS IMPACTED: District 3

SUBJECT:

Briefing and possible action regarding an inducement resolution for the Aspire at Vida Project (the "Project").

SUMMARY:

This item includes a briefing and possible action regarding a nonbinding Resolution concerning the application of Mission Development Group ("Mission") relating to the proposed financing of up to \$30,000,000 of the costs of the acquisition, construction, and equipping of the Aspire at Vida, to be located on Jaguar Boulevard near University Way, San Antonio, Texas 78224; and other matters in connection therewith.

ISSUE:

The Project is a 288-unit multifamily, tax credit project in District 3 located at on Jaguar Boulevard near University Way. Over 89% of the units will be rented to individuals whose incomes average at or below 60% of median family income and the remainder of the units will be market rate. Additionally, 15% of the units are expected to be reserved for veterans.

The property is located directly across from Texas A&M campus. The surrounding areas are primarily vacant land, however there is a land use plan for hundreds of acres between TX A&M and Loop 410. In the residential areas north of 410, median household annual income ranges between \$39k and \$59k.

The property is located in Southside ISD which has received a 2019 Overall C-Rating District wide.

The two closest affordable multi-family projects are Rosemont of Palo Alto Apartments (3 miles) and Rosemont of University Park (3 miles) and scattered site SAHA single family dwellings (3.5 miles).

Mission DG, a San Antonio-based developer that has constructed over 2600 units, will act as developer and will seek a nonbinding resolution of inducement with the Public Facility Corporation. The Project is expected to cost approximately \$44.2 million and it is expected to require up to \$30,000,000 in tax exempt bonds to be issued along with approximately \$13.9 million in anticipated tax credit equity.

This request is to authorize Mission and the Finance Corporation's Bond Counsel to take preliminary actions, specifically, to file and/or re-file an Application for Allocation of Private Activity Bonds in the years 2021 and/or 2022 to allow this project the flexibility to move forward if they receive a bond reservation from the Texas Bond Review Board.

ALTERNATIVES:

If the San Antonio Housing Trust Finance Corporation board does not approve this transaction, the 288 affordable units will not be constructed.

FISCAL IMPACT:

No fiscal impact. None of these actions will be binding on the Finance Corporation or the City. This is not a commitment to participate in the Project. Staff anticipates returning for a future Public Facility Corporation Board and Finance Corporation Board for project inducements, approvals, and/or authority to issue the bonds.

RECOMMENDATION:

Staff recommend approval of the attached Resolution to allow an application to the Texas Bond Review Board to reserve bond allocation.

ATTACHMENT:

Resolution.

CERTIFICATE FOR RESOLUTION

The undersigned officer of the San Antonio Housing Trust Finance Corporation (the “Issuer”) hereby certifies as follows:

3. In accordance with the bylaws of the Issuer, the Board of Directors of the Issuer (the “Board”) held a meeting on September 30, 2020 (the “Meeting”) of the duly constituted officers and members of the Board, at which a duly constituted quorum was present. Whereupon among other business transacted at the Meeting, a written

RESOLUTION CONCERNING THE APPLICATION OF MISSION DEVELOPMENT GROUP RELATING TO THE PROPOSED FINANCING OF UP TO \$30,000,000 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE ASPIRE AT VIDA APARTMENTS AND OTHER MATTERS IN CONNECTION THEREWITH

(the “Resolution”) was duly introduced for the consideration of the Board and discussed. It was then duly moved and seconded that the Resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of the Resolution, prevailed and carried by a majority vote of the Board.

4. A true, full, and correct copy of the Resolution adopted at the Meeting is attached to and follows this Certificate; the Resolution has been duly recorded in the Board’s minutes of the Meeting; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting; and the Meeting was held and conducted in accordance with the Articles of Incorporation and the Bylaws of the Issuer.

SIGNED AND SEALED September 30, 2020.

Pedro A. Alanis, Assistant Secretary



RESOLUTION CONCERNING THE APPLICATION OF MISSION DEVELOPMENT GROUP RELATING TO THE PROPOSED FINANCING OF UP TO \$30,000,000 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE ASPIRE AT VIDA APARTMENTS AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the City Council of the City of San Antonio, Texas (the “City”), has, pursuant to the Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code, as amended (the “Act”), approved and created the San Antonio Housing Trust Finance Corporation, a nonstock, nonprofit housing finance corporation (the “Issuer”);

WHEREAS, the Issuer, on behalf of the City, is empowered to finance the costs of residential ownership and development that will provide decent, safe, and sanitary housing at affordable prices for residents of the City by the issuance of housing revenue bonds;

WHEREAS, Mission Development Group, on behalf of a to-be-formed Texas limited partnership (the “User”), has filed an Application for financing (the “Application”), requesting that (i) the Issuer finance the acquisition, construction, and equipping of a proposed 288-unit multifamily housing facility to be located on Jaguar Boulevard near University Way and to be known as the Aspire at Vida Apartments (the “Project”); and (ii) the Issuer file and/or refile a 2021 and/or 2022 Allocation Application (defined hereafter) and/or any carryforward applications to the Texas Bond Review Board as described herein;

WHEREAS, the User has advised the Issuer that a contributing factor that would further induce the User to proceed with providing for the acquisition, construction, equipping, and improvement of the Project would be a commitment and agreement by the Board of Directors (the “Board”) of the Issuer to issue housing revenue bonds pursuant to the Act (the “Bonds”) to finance and pay any Development Costs, as defined in the Act, for the Project;

WHEREAS, in view of rising construction costs and the necessity of compliance with administrative regulations, it is considered essential that acquisition, construction, equipping, and improvement of the Project be completed at the earliest practicable date after satisfactory preliminary assurances from the Issuer that the proceeds of the sale of the Bonds, or other obligations, of the Issuer in an amount necessary to pay the Development Costs of the Project, will be made available to finance the Project;

WHEREAS, this Resolution shall constitute the Issuer’s commitment, subject to the terms hereof, to issue Bonds, or other obligations, pursuant to the Act in an amount prescribed by the User now contemplated not to exceed \$30,000,000 and to expend the proceeds thereof to pay Development Costs including costs of acquisition, construction, equipping, and improvement of the Project, funding a debt service or other reserve fund for the Project, and paying expenses and costs in connection with the issuance of the Bonds, including costs of obtaining credit enhancement, if any;

WHEREAS, the Bonds are “private activity bonds” as that term is defined in Subchapter A, Section 1372.001 of Chapter 1372, Texas Government Code, as amended, including the rules promulgated pursuant thereto in 34 Texas Administrative Code, Sections 190.1 through 190.8 (together, the “Allocation Act”), and various provisions of the Internal Revenue Code of 1986,

as amended (the “Code”);

WHEREAS, the Code requires that the applicable elected official of the City approve the issuance of the Bonds after a public hearing for which reasonable public notice shall have been given;

WHEREAS, the Issuer is authorized by the provisions of the Act to issue the Bonds;

WHEREAS, in order to issue the Bonds in the manner contemplated, the Issuer must seek an allocation of the State of Texas volume cap pertaining to private activity bonds in order to satisfy the provisions of the Code;

WHEREAS, in order to satisfy, in part, the provisions of the Allocation Act, the Issuer must submit an “Application for Allocation of Private Activity Bonds” (the “Allocation Application”) to the Texas Bond Review Board and adopt this Resolution authorizing the filing or refiling of the Allocation Application;

WHEREAS, the Allocation Application and the Allocation Act require that the Issuer certify that the Bonds are not being issued for the same stated purpose for which the Issuer has received sufficient carryforward during a prior year or for which there exists unexpended proceeds from a prior issue or issues of bonds issued by the Issuer;

WHEREAS, the User intends to make capital expenditures in connection with the acquisition, construction, equipping, and improvement of the Project (the “Expenditures”) and expects to reimburse the Expenditures with proceeds of the Bonds;

WHEREAS, in order to allocate under Treasury Regulation §1.150-2 (the “Regulation”) proceeds of the Bonds to the Expenditures, the Issuer must declare its reasonable expectation to reimburse the Expenditures;

WHEREAS, the User has requested that the San Antonio Housing Trust Public Facility Corporation acquire the membership interest in the general partner of the User;

WHEREAS, the User has requested authorization to make all filings necessary to obtain and maintain debt financing and tax credits on the Project; and

WHEREAS, the Board has determined that it is in the public interest and to the benefit of the citizens and residents of San Antonio for the various entities to enter into the transactions described above so that the User may construct the Project; now, therefore,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN ANTONIO HOUSING TRUST FINANCE CORPORATION THAT:

Section 1. Subject to the terms hereof, the Issuer agrees that it will:

(a) Subject to the negotiation of mutually acceptable agreements, issue the Bonds, in an amount not to exceed \$30,000,000;

(b) cooperate with the User with respect to the issuance of the Bonds, and, if arrangements therefor satisfactory to the User and the Issuer can be made, take such action

and authorize the execution of such documents and take such further action as may be necessary or advisable for the authorization, execution, and delivery of any contracts or agreements deemed necessary and desirable by the User or the Issuer in connection with the issuance of the Bonds (collectively, the "Contracts"), providing among other things for payment of the principal of, interest on, redemption premiums on, and paying agents' and trustee's fees and charges, if any, on the Bonds; payment of fees, charges, and expenses of the Issuer and the City (including legal and financial advisory expenses); acquisition, construction, equipping, and improvement of the Project; and use, operation, and maintenance of the Project (and the execution of any necessary guaranty agreements), all as shall be authorized, required, or permitted by law and as shall be satisfactory to the Issuer, the City, and the User;

(c) if the proceeds from the sale of the Bonds are insufficient to complete the acquisition, construction, equipping, and improvement of the Project, take such actions and execute such documents as may be necessary to permit the issuance from time to time in the future of additional bonds on terms which shall be set forth therein, whether on a parity with other series of bonds or otherwise, for the purpose of paying the costs of completing the acquisition, construction, equipping, and improvement of the Project, as requested by the User and within then applicable limitations; and

(d) take or cause to be taken such other actions as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

Section 2. The Bonds shall specifically provide that neither the State of Texas (the "State"), the City, nor any political issuer, subdivision, or agency of the State shall be obligated to pay the same or the interest thereon and that neither the faith and credit nor the taxing power of the State, the City, or any political issuer, subdivision, or agency thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

Section 3. It is understood by the Issuer, and the User has represented to the Issuer, that in consideration of the Issuer's adoption of this Resolution and by filing the Application, and subject to the terms and conditions hereof, the User has agreed that

(d) Prior to or contemporaneously with the sale of the Bonds in one or more series or issues from time to time as the Issuer and the User shall hereafter agree to in writing, the User will enter into the Contracts with the Issuer under the terms of which the User will obligate itself, on a nonrecourse basis, to pay to the Issuer (or to a trustee, as the case may be) sums sufficient in the aggregate to pay the principal of, interest on, redemption premiums on, paying agents' and trustee's fees and charges, if any, on the Bonds, as and when the same become due and payable, with such Contracts to contain the provisions described in Section 1 hereof and such other provisions as may be required or permitted by law and to be mutually acceptable to the Issuer and the User;

(e) the User will (1) pay all Project costs which are not or cannot be paid or reimbursed from the proceeds of the Bonds and (2) at all times from and after the issuance of the Bonds, indemnify and hold harmless the Issuer and the City against all losses, costs, damages, expenses, and liabilities of whatsoever nature (including but not limited to reasonable attorneys' fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of

or related to the issuance, offering, sale, or delivery of the Bonds, or the design, construction, equipping, installation, operation, use, occupancy, maintenance, or ownership of the Project (other than claims arising from the gross negligence or willful misconduct of the Issuer or the City) and prior to or contemporaneously with the sale of the Bonds will agree to provide indemnification on terms satisfactory to the Issuer; and

(f) no Bonds will be issued without the approval of the City Council.

Section 4. The User is hereby authorized to make all filings necessary to obtain and maintain tax credits on the Project.

Section 5. Except as expressly extended by the Issuer, it is understood by the Issuer and the User that all commitments of the Issuer with respect to the Project and the Bonds are subject to the condition that the Bonds shall have been issued no later than two years from the date of this Resolution.

Section 6. It is recognized and agreed by the Issuer that the User may exercise its rights and perform its obligations with respect to the financing of the Project either through (i) itself in its own name; (ii) any “related person” as defined in section 144(a)(3) of the Code; (iii) any legal successor thereto; (iv) an entity in which any of the above is a general partner or sole member; or (v) or any entity approved by the Issuer, provided that suitable guaranties necessary or convenient for the marketability of the Bonds shall be furnished, if required by the Issuer, and all references herein to the User shall be deemed to include the User acting directly through itself or any such approved entities.

Section 7. This Resolution shall be deemed to constitute the acceptance of the User’s proposal that it be further induced to proceed with providing the Project. The Allocation Application and this Resolution shall constitute an agreement between the Issuer and the User effective on the date that this Resolution is adopted. This Resolution is affirmative official action taken by the Issuer towards the issuance of the Bonds in order to comply with the requirements of the Code. Neither the User nor any other party is entitled to rely on this Resolution as a commitment to issue bonds or loan funds, and the Issuer reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Issuer shall not be subject to any liability or damages of any nature. Neither the User nor any one claiming by, through or under the User, nor any investment banking firm or potential purchaser of the Bonds shall have any claim against the Issuer whatsoever as a result of any decision by the Issuer not to issue the Bonds.

Section 8. The Issuer hereby adopts this Resolution in order to satisfy the requirements of the Allocation Act pertaining to the issuance of the Bonds and authorizes any officer or designee of the Issuer to prepare and file and/or refile a 2021 and/or 2022 Allocation Application and/or any carryforward applications, together with all required attachments (including obtaining the Issuer’s Certificate of Good Standing from the Comptroller of Public Accounts for the State of Texas) in the form required by the Texas Bond Review Board.

Section 9. The Issuer respectfully requests that the Allocation Application be accepted and approved by the Texas Bond Review Board.

Section 10. Any officer of the Issuer (or his designee) is hereby authorized to execute

the Allocation Application, to pay (or cause the User to pay) the Application Fee of \$5,000 for each Allocation Application (submitted to the Issuer by the User) to the Texas Bond Review Board and to submit any additional information or to make any necessary corrections or revisions requested by the Texas Bond Review Board in order to satisfy the requirements of the Allocation Act in connection with the Allocation Application.

Section 11. The Board certifies that the Bonds are not being issued for the same stated purpose for which the Issuer has received sufficient carryforward during a prior year or for which there exists unexpended proceeds from a prior issue or issues of bonds issued by the Issuer.

Section 12. In connection with the issuance of the Bonds, the Board hereby authorizes its bond counsel to arrange for the publication of a notice of public hearing in the City of San Antonio, Texas regarding the Bonds for the purpose of complying with section 147(f) of the Code. The form of notice of such hearing and the date, place, and manner of its publication shall be acceptable to the Corporation's bond counsel. The hearing shall be held by the Corporation's bond counsel.

Section 13. Based upon representations from the User, the Issuer reasonably expects to reimburse the Expenditures with proceeds of the Bonds in a principal amount that will not exceed \$30,000,000. This Resolution shall constitute a declaration of official intent under the Treasury Regulation Section 1.150-2.

Section 14. The Board authorizes the President, Vice President, Secretary, Treasurer, Assistant Secretary or Executive Director of the Board to execute any documents or certificates necessary to seek the approval of the Bonds by the Texas Attorney General.

Section 15. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

Section 16. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 17. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

Section 18. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 19. This Resolution shall be in force and effect from and after its passage.

* * *

San Antonio Housing Trust Finance Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 5

Agenda Date: 09-30-2020

In Control: San Antonio Housing Trust Finance Corporation

DEPARTMENT: San Antonio Housing Trust Finance Corporation

DEPARTMENT HEAD: Pedro Alanis

COUNCIL DISTRICTS IMPACTED: District 3

SUBJECT:

Briefing and possible action regarding an inducement resolution for the Brooks Seniors Apartments Project (the “Project”).

SUMMARY:

This item includes a briefing and possible action regarding a nonbinding Resolution concerning the application of Franklin Brooks City Base, Ltd. (the “Partnership”) relating to the proposed financing of up to \$20,000,000 of the costs of the acquisition, construction, and equipping of the Brooks Seniors Apartments, to be located at the corner of Inner Circle Drive and Louis Bauer; and other matters in connection therewith.

ISSUE:

The Project is a 193-unit multifamily senior housing tax credit project in District 3 located at the corner of Inner Circle Drive and Louis Bauer. 65% of the units will be rented to tenants whose incomes are averaged to 60% of median family income and 35% of the units will be market rate, and all of the units will be restricted to tenants ages 62 and older.

Franklin Development Corporation (“Franklin”) will be the Developer and a limited liability company created by the San Antonio Housing Trust Public Facility Corporation will be the general partner of the Partnership. The Project is expected to cost approximately \$37 million and it is expected that \$20,000,000 of tax-exempt bonds will be issued and \$7.3 million of tax credit equity will be raised.

This request is to authorize Franklin and the Finance Corporation's Bond Counsel to take preliminary actions, specifically, to file and/or re-file an Application for Allocation of Private Activity Bonds in the years 2021 and/or 2022 to allow this project to have the flexibility to move forward if they receive a bond reservation from the Texas Bond Review Board.

ALTERNATIVES:

If the San Antonio Housing Trust Finance Corporation board does not approve this transaction, the 193 affordable units will not be constructed.

FISCAL IMPACT:

No fiscal impact. None of these actions will be binding on the Finance Corporation or the City. This is not a commitment to participate in the Project. Staff anticipates returning for a future Public Facility Corporation Board and Finance Corporation Board for project inducements, approvals, and/or authority to issue the bonds.

RECOMMENDATION:

Staff recommend approval of the attached Resolution to allow an application to the Texas Bond Review Board to reserve bond allocation.

ATTACHMENT:

Resolution.

Brooks Seniors Apartments

CERTIFICATE FOR RESOLUTION

The undersigned officer of the San Antonio Housing Trust Finance Corporation (the “Issuer”) hereby certifies as follows:

5. In accordance with the bylaws of the Issuer, the Board of Directors of the Issuer (the “Board”) held a meeting on September 30, 2020 (the “Meeting”) of the duly constituted officers and members of the Board, at which a duly constituted quorum was present. Whereupon among other business transacted at the Meeting, a written

RESOLUTION CONCERNING THE APPLICATION OF FRANKLIN BROOKS CITY BASE, LTD. RELATING TO THE PROPOSED FINANCING OF UP TO \$20,000,000 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE BROOKS SENIORS APARTMENTS AND OTHER MATTERS IN CONNECTION THEREWITH

(the “Resolution”) was duly introduced for the consideration of the Board and discussed. It was then duly moved and seconded that the Resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of the Resolution, prevailed and carried by a majority vote of the Board.

6. A true, full, and correct copy of the Resolution adopted at the Meeting is attached to and follows this Certificate; the Resolution has been duly recorded in the Board’s minutes of the Meeting; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting; and the Meeting was held and conducted in accordance with the Articles of Incorporation and the Bylaws of the Issuer.

SIGNED AND SEALED September 30, 2020.

Pedro A. Alanis, Assistant Secretary



RESOLUTION CONCERNING THE APPLICATION OF FRANKLIN BROOKS CITY BASE, LTD. RELATING TO THE PROPOSED FINANCING OF UP TO \$20,000,000 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE BROOKS SENIORS APARTMENTS AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the City Council of the City of San Antonio, Texas (the “City”), has, pursuant to the Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code, as amended (the “Act”), approved and created the San Antonio Housing Trust Finance Corporation, a nonstock, nonprofit housing finance corporation (the “Issuer”);

WHEREAS, the Issuer, on behalf of the City, is empowered to finance the costs of residential ownership and development that will provide decent, safe, and sanitary housing at affordable prices for residents of the City by the issuance of housing revenue bonds;

WHEREAS, Franklin Development Corporation (the “User”), has filed an Application for financing (the “Application”), requesting that (i) the Issuer finance the acquisition, construction, and equipping of a proposed 193-unit multifamily senior housing facility to be located at the corner of Inner Circle Drive and Louis Bauer and to be known as the Brooks Seniors Apartments (the “Project”); and (ii) the Issuer file and/or refile a 2021 and/or 2022 Allocation Application (defined hereafter) and/or any carryforward applications to the Texas Bond Review Board as described herein;

WHEREAS, the User has advised the Issuer that a contributing factor that would further induce the User to proceed with providing for the acquisition, construction, equipping, and improvement of the Project would be a commitment and agreement by the Board of Directors (the “Board”) of the Issuer to issue housing revenue bonds pursuant to the Act (the “Bonds”) to finance and pay any Development Costs, as defined in the Act, for the Project;

WHEREAS, in view of rising construction costs and the necessity of compliance with administrative regulations, it is considered essential that acquisition, construction, equipping, and improvement of the Project be completed at the earliest practicable date after satisfactory preliminary assurances from the Issuer that the proceeds of the sale of the Bonds, or other obligations, of the Issuer in an amount necessary to pay the Development Costs of the Project, will be made available to finance the Project;

WHEREAS, this Resolution shall constitute the Issuer’s commitment, subject to the terms hereof, to issue Bonds, or other obligations, pursuant to the Act in an amount prescribed by the User now contemplated not to exceed \$20,000,000 and to expend the proceeds thereof to pay Development Costs including costs of acquisition, construction, equipping, and improvement of the Project, funding a debt service or other reserve fund for the Project, and paying expenses and costs in connection with the issuance of the Bonds, including costs of obtaining credit enhancement, if any;

WHEREAS, the Bonds are “private activity bonds” as that term is defined in Subchapter A, Section 1372.001 of Chapter 1372, Texas Government Code, as amended, including the rules promulgated pursuant thereto in 34 Texas Administrative Code, Sections 190.1 through 190.8 (together, the “Allocation Act”), and various provisions of the Internal Revenue Code of 1986, as amended (the “Code”);

WHEREAS, the Code requires that the applicable elected official of the City approve the issuance of the Bonds after a public hearing for which reasonable public notice shall have been given;

WHEREAS, the Issuer is authorized by the provisions of the Act to issue the Bonds;

WHEREAS, in order to issue the Bonds in the manner contemplated, the Issuer must seek an allocation of the State of Texas volume cap pertaining to private activity bonds in order to satisfy the provisions of the Code;

WHEREAS, in order to satisfy, in part, the provisions of the Allocation Act, the Issuer must submit an "Application for Allocation of Private Activity Bonds" (the "Allocation Application") to the Texas Bond Review Board and adopt this Resolution authorizing the filing or refiling of the Allocation Application;

WHEREAS, the Allocation Application and the Allocation Act require that the Issuer certify that the Bonds are not being issued for the same stated purpose for which the Issuer has received sufficient carryforward during a prior year or for which there exists unexpended proceeds from a prior issue or issues of bonds issued by the Issuer;

WHEREAS, the User intends to make capital expenditures in connection with the acquisition, construction, equipping, and improvement of the Project (the "Expenditures") and expects to reimburse the Expenditures with proceeds of the Bonds;

WHEREAS, in order to allocate under Treasury Regulation §1.150-2 (the "Regulation") proceeds of the Bonds to the Expenditures, the Issuer must declare its reasonable expectation to reimburse the Expenditures;

WHEREAS, the User has requested that the San Antonio Housing Trust Public Facility Corporation acquire the membership interest in the general partner of the User;

WHEREAS, the User has requested authorization to make all filings necessary to obtain and maintain debt financing and tax credits on the Project; and

WHEREAS, the Board has determined that it is in the public interest and to the benefit of the citizens and residents of San Antonio for the various entities to enter into the transactions described above so that the User may construct the Project; now, therefore,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN ANTONIO HOUSING TRUST FINANCE CORPORATION THAT:

Section 1. Subject to the terms hereof, the Issuer agrees that it will:

(a) Subject to the negotiation of mutually acceptable agreements, issue the Bonds, in an amount not to exceed \$20,000,000;

(b) cooperate with the User with respect to the issuance of the Bonds, and, if arrangements therefor satisfactory to the User and the Issuer can be made, take such action and authorize the execution of such documents and take such further action as may be necessary or advisable for the authorization, execution, and delivery of any contracts or agreements deemed necessary and desirable by the User or the Issuer in connection with

the issuance of the Bonds (collectively, the “Contracts”), providing among other things for payment of the principal of, interest on, redemption premiums on, and paying agents’ and trustee’s fees and charges, if any, on the Bonds; payment of fees, charges, and expenses of the Issuer and the City (including legal and financial advisory expenses); acquisition, construction, equipping, and improvement of the Project; and use, operation, and maintenance of the Project (and the execution of any necessary guaranty agreements), all as shall be authorized, required, or permitted by law and as shall be satisfactory to the Issuer, the City, and the User;

(c) if the proceeds from the sale of the Bonds are insufficient to complete the acquisition, construction, equipping, and improvement of the Project, take such actions and execute such documents as may be necessary to permit the issuance from time to time in the future of additional bonds on terms which shall be set forth therein, whether on a parity with other series of bonds or otherwise, for the purpose of paying the costs of completing the acquisition, construction, equipping, and improvement of the Project, as requested by the User and within then applicable limitations; and

(d) take or cause to be taken such other actions as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

Section 2. The Bonds shall specifically provide that neither the State of Texas (the “State”), the City, nor any political issuer, subdivision, or agency of the State shall be obligated to pay the same or the interest thereon and that neither the faith and credit nor the taxing power of the State, the City, or any political issuer, subdivision, or agency thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

Section 3. It is understood by the Issuer, and the User has represented to the Issuer, that in consideration of the Issuer’s adoption of this Resolution and by filing the Application, and subject to the terms and conditions hereof, the User has agreed that

(a) Prior to or contemporaneously with the sale of the Bonds in one or more series or issues from time to time as the Issuer and the User shall hereafter agree to in writing, the User will enter into the Contracts with the Issuer under the terms of which the User will obligate itself, on a nonrecourse basis, to pay to the Issuer (or to a trustee, as the case may be) sums sufficient in the aggregate to pay the principal of, interest on, redemption premiums on, paying agents’ and trustee’s fees and charges, if any, on the Bonds, as and when the same become due and payable, with such Contracts to contain the provisions described in Section 1 hereof and such other provisions as may be required or permitted by law and to be mutually acceptable to the Issuer and the User;

(b) the User will (1) pay all Project costs which are not or cannot be paid or reimbursed from the proceeds of the Bonds and (2) at all times from and after the issuance of the Bonds, indemnify and hold harmless the Issuer and the City against all losses, costs, damages, expenses, and liabilities of whatsoever nature (including but not limited to reasonable attorneys’ fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to the issuance, offering, sale, or delivery of the Bonds, or the design, construction, equipping, installation, operation, use, occupancy, maintenance, or ownership of the Project (other than claims arising from the gross negligence or willful misconduct of the Issuer or the City) and prior to or contemporaneously with the sale of

the Bonds will agree to provide indemnification on terms satisfactory to the Issuer; and

(c) no Bonds will be issued without the approval of the City Council.

Section 4. The User is hereby authorized to make all filings necessary to obtain and maintain tax credits on the Project.

Section 5. Except as expressly extended by the Issuer, it is understood by the Issuer and the User that all commitments of the Issuer with respect to the Project and the Bonds are subject to the condition that the Bonds shall have been issued no later than two years from the date of this Resolution.

Section 6. It is recognized and agreed by the Issuer that the User may exercise its rights and perform its obligations with respect to the financing of the Project either through (i) itself in its own name; (ii) any “related person” as defined in section 144(a)(3) of the Code; (iii) any legal successor thereto; (iv) an entity in which any of the above is a general partner or sole member; or (v) or any entity approved by the Issuer, provided that suitable guaranties necessary or convenient for the marketability of the Bonds shall be furnished, if required by the Issuer, and all references herein to the User shall be deemed to include the User acting directly through itself or any such approved entities.

Section 7. This Resolution shall be deemed to constitute the acceptance of the User’s proposal that it be further induced to proceed with providing the Project. The Allocation Application and this Resolution shall constitute an agreement between the Issuer and the User effective on the date that this Resolution is adopted. This Resolution is affirmative official action taken by the Issuer towards the issuance of the Bonds in order to comply with the requirements of the Code. Neither the User nor any other party is entitled to rely on this Resolution as a commitment to issue bonds or loan funds, and the Issuer reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Issuer shall not be subject to any liability or damages of any nature. Neither the User nor any one claiming by, through or under the User, nor any investment banking firm or potential purchaser of the Bonds shall have any claim against the Issuer whatsoever as a result of any decision by the Issuer not to issue the Bonds.

Section 8. The Issuer hereby adopts this Resolution in order to satisfy the requirements of the Allocation Act pertaining to the issuance of the Bonds and authorizes any officer or designee of the Issuer to prepare and file and/or refile a 2021 and/or 2022 Allocation Application and/or any carryforward applications, together with all required attachments (including obtaining the Issuer’s Certificate of Good Standing from the Comptroller of Public Accounts for the State of Texas) in the form required by the Texas Bond Review Board.

Section 9. The Issuer respectfully requests that the Allocation Application be accepted and approved by the Texas Bond Review Board.

Section 10. Any officer of the Issuer (or his designee) is hereby authorized to execute the Allocation Application, to pay (or cause the User to pay) the Application Fee of \$5,000 for each Allocation Application (submitted to the Issuer by the User) to the Texas Bond Review Board and to submit any additional information or to make any necessary corrections or revisions requested by the Texas Bond Review Board in order to satisfy the requirements of the Allocation Act in connection with the Allocation Application.

Section 11. The Board certifies that the Bonds are not being issued for the same stated purpose for which the Issuer has received sufficient carryforward during a prior year or for which there exists unexpended proceeds from a prior issue or issues of bonds issued by the Issuer.

Section 12. In connection with the issuance of the Bonds, the Board hereby authorizes its bond counsel to arrange for the publication of a notice of public hearing in the City of San Antonio, Texas regarding the Bonds for the purpose of complying with section 147(f) of the Code. The form of notice of such hearing and the date, place, and manner of its publication shall be acceptable to the Corporation's bond counsel. The hearing shall be held by the Corporation's bond counsel.

Section 13. Based upon representations from the User, the Issuer reasonably expects to reimburse the Expenditures with proceeds of the Bonds in a principal amount that will not exceed \$20,000,000. This Resolution shall constitute a declaration of official intent under the Treasury Regulation Section 1.150-2.

Section 14. The Board authorizes the President, Vice President, Secretary, Treasurer, Assistant Secretary or Executive Director of the Board to execute any documents or certificates necessary to seek the approval of the Bonds by the Texas Attorney General.

Section 15. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

Section 16. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 17. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

Section 18. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 19. This Resolution shall be in force and effect from and after its passage.

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San Antonio Housing Trust Finance Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 6

Agenda Date: 09-30-2020

In Control: San Antonio Housing Trust Finance Corporation

DEPARTMENT: San Antonio Housing Trust Finance Corporation

DEPARTMENT HEAD: Pedro Alanis

COUNCIL DISTRICTS IMPACTED: District 2

SUBJECT:

Second Amended and Restated Inducement Resolution for the Echo East Apartments.

SUMMARY:

Approving a Second Amended and Restated Resolution of Inducement for the Echo East Apartments transaction amending the resolution to allow the Finance Corporation to submit an application for volume cap allocation to the Texas Bond Review Board for the 2021 Program Year instead of the 2020 Program Year to finance the costs of acquisition, construction and equipping of the Echo East Apartments, located at 301 Spriggsdale; and other matters in connection therewith.

BACKGROUND:

The project is a 192-unit multifamily, tax credit project in District 2 located at 301 Spriggsdale. The project will consist of low-income housing tax credit units, the occupants of which will average 60% of median income. The total project budget is approximately \$33,600,000. The tax credits will raise approximately \$12,600,000. The revenue bonds are anticipated to be issued in the amount of \$20,000,000. The revenue bonds will not be a liability of the PFC or the City.

ISSUE:

On May 22, 2019, the Finance Corporation Board originally approved a Resolution of Inducement for tax exempt bonds to finance this project in an amount up to \$20,000,000, and to authorize the Issuer to prepare and file a 2019 Allocation Application. The George Gervin Youth Center Inc., (the "Developer"), subsequently requested to submit an application for tax-exempt bonds to the Texas Bond Review Board for the 2020 Program Year. The Finance Corporation Board approved such

amendment on February 26, 2020. The Public Facility Corporation Board induced this project initially on December 10, 2019 and approved a revised partnership inducement in June.

Due to delays in the project timeline, including impacts to anticipated syndication pricing of tax credits and the release of Gardner Capital (Co-Developer) the GGYC has requested to re-submit an application for tax-exempt bonds to the Texas Bond Review Board for the 2021 Program Year. There are no other changes to the Resolutions you previously approved. The amount of bonds requested will remain the same.

The project designs are in permit for review and SAHT PFC work with George Gervin Youth Center to evaluate another co-developer. None of these actions will be binding to the Finance Corporation, SAHT PFC or to the City. This action will not commit the Finance Corporation to participate in the Project. Staff will return to the Board for actual approval of the Project and authority to issue the bonds.

ALTERNATIVES:

If the San Antonio Housing Trust Finance Corporation board does not approve this transaction, then 192 affordable units project will not receive Tax Credits for this project.

FISCAL IMPACT:

The Finance Corporation, as the bond issuer will receive a 1% financing fee and annual bond fees of \$30 per unit per year during the bond period. The Public Facility Corporation previously negotiated 15% of the total developer fee and 45% of the Cash Flow from the project and 45% of any proceeds from the sale or refinancing of the Project. GGYC will have a Right of First Refusal.

RECOMMENDATION:

Staff recommend approval of the attached Second Amended and Restated Resolution

ATTACHMENT:

Second Amended and Restated Resolution

ECHO EAST APARTMENTS
Inducement

CERTIFICATE FOR AMENDED AND RESTATED RESOLUTION

The undersigned officer of the San Antonio Housing Trust Finance Corporation (the “Issuer”) hereby certifies as follows:

1. In accordance with the bylaws of the Issuer, the Board of Directors of the Issuer (the “Board”) held a meeting on September 30, 2020 (the “Meeting”) of the duly constituted officers and members of the Board, at which a duly constituted quorum was present. Whereupon among other business transacted at the Meeting, a written

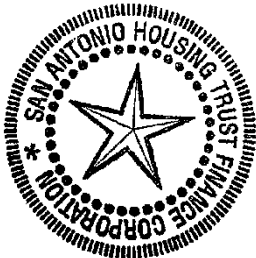
SECOND AMENDED AND RESTATED RESOLUTION CONCERNING THE APPLICATION OF VILLAS AT ECHO EAST, LP RELATING TO THE PROPOSED FINANCING OF UP TO \$20,000,000 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE ECHO EAST APARTMENTS, TO BE LOCATED AT 301 SPRIGGS DALE, SAN ANTONIO, TEXAS; AND OTHER MATTERS IN CONNECTION THEREWITH

(the “Resolution”) was duly introduced for the consideration of the Board and discussed. It was then duly moved and seconded that the Resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of the Resolution, prevailed and carried by a majority vote of the Board.

2. A true, full, and correct copy of the Resolution adopted at the Meeting is attached to and follows this Certificate; the Resolution has been duly recorded in the Board’s minutes of the Meeting; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting; and the Meeting was held and conducted in accordance with the Articles of Incorporation and the Bylaws of the Issuer.

SIGNED AND SEALED September 30, 2020.

Pedro A. Alanis, Assistant Secretary



SECOND AMENDED AND RESTATED RESOLUTION CONCERNING THE APPLICATION OF VILLAS AT ECHO EAST, LP RELATING TO THE PROPOSED FINANCING OF UP TO \$20,000,000 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE ECHO EAST APARTMENTS, TO BE LOCATED AT 301 SPRIGGSDALE, SAN ANTONIO, TEXAS; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the City Council of the City of San Antonio, Texas (the “City”), has, pursuant to the Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code, as amended (the “Act”), approved and created the San Antonio Housing Trust Finance Corporation, a nonstock, nonprofit housing finance corporation (the “Issuer”);

WHEREAS, the Issuer, on behalf of the City, is empowered to finance the costs of residential ownership and development that will provide decent, safe, and sanitary housing at affordable prices for residents of the City by the issuance of housing revenue bonds;

WHEREAS, Villas at Echo East, LP, a Texas limited liability company (the “User”), has filed an Application for financing (the “Application”), requesting that (i) the Issuer finance the acquisition, construction, and equipping of a proposed 211-unit multifamily housing facility to be located at 301 Spriggsdale and known as the Echo East Apartments (the “Project”); and (ii) the Issuer file a 2020 Allocation Application (defined hereafter) and/or any carryforward applications associated with such Allocation Applications to the Texas Bond Review Board as described herein;

WHEREAS, the User has advised the Issuer that a contributing factor that would further induce the User to proceed with providing for the acquisition, construction, equipping, and improvement of the Project would be a commitment and agreement by the Board of Directors (the “Board”) of the Issuer to issue housing revenue bonds pursuant to the Act (the “Bonds”) to finance and pay any Development Costs, as defined in the Act, for the Project;

WHEREAS, in view of rising construction costs and the necessity of compliance with administrative regulations, it is considered essential that acquisition, construction, equipping, and improvement of the Project be completed at the earliest practicable date after satisfactory preliminary assurances from the Issuer that the proceeds of the sale of the Bonds, or other obligations, of the Issuer in an amount necessary to pay the Development Costs of the Project, will be made available to finance the Project;

WHEREAS, on May 22, 2019, the Board approved a resolution (the “Original Resolution”) authorizing the inducement of the Bonds for the Project and the filing of a 2019 Allocation Application with the Texas Bond Review Board;

WHEREAS, on February 26, 2020, the Board amended and restated the Original Resolution (the “A&R Resolution”) to authorize the inducement of the Bonds for the Project and the filing of a 2020 Allocation Application with the Texas Bond Review Board;

WHEREAS, the Board desires to amend and restate the A&R Resolution as set forth herein to authorize the filing of a 2021 Allocation Application with the Texas Bond Review Board;

WHEREAS, this Resolution shall constitute the Issuer’s commitment, subject to the

terms hereof, to issue Bonds, or other obligations, pursuant to the Act in an amount prescribed by the User now contemplated not to exceed \$20,000,000 and to expend the proceeds thereof to pay Development Costs including costs of acquisition, construction, equipping, and improvement of the Project, funding a debt service or other reserve fund for the Project, and paying expenses and costs in connection with the issuance of the Bonds, including costs of obtaining credit enhancement, if any;

WHEREAS, the Bonds are “private activity bonds” as that term is defined in Subchapter A, Section 1372.001 of Chapter 1372, Texas Government Code, as amended, including the rules promulgated pursuant thereto in 34 Texas Administrative Code, Sections 190.1 through 190.8 (together, the “Allocation Act”), and various provisions of the Internal Revenue Code of 1986, as amended (the “Code”);

WHEREAS, the Code requires that the applicable elected official of the City approve the issuance of the Bonds after a public hearing for which reasonable public notice shall have been given;

WHEREAS, the Issuer is authorized by the provisions of the Act to issue the Bonds;

WHEREAS, in order to issue the Bonds in the manner contemplated, the Issuer must seek an allocation of the State of Texas volume cap pertaining to private activity bonds in order to satisfy the provisions of the Code;

WHEREAS, in order to satisfy, in part, the provisions of the Allocation Act, the Issuer must submit an “Application for Allocation of Private Activity Bonds” (the “Allocation Application”) to the Texas Bond Review Board and adopt this Resolution authorizing the filing or refiling of the Allocation Application;

WHEREAS, the Allocation Application and the Allocation Act require that the Issuer certify that the Bonds are not being issued for the same stated purpose for which the Issuer has received sufficient carryforward during a prior year or for which there exists unexpended proceeds from a prior issue or issues of bonds issued by the Issuer;

WHEREAS, the User intends to make capital expenditures in connection with the acquisition, construction, equipping, and improvement of the Project (the “Expenditures”) and expects to reimburse the Expenditures with proceeds of the Bonds;

WHEREAS, in order to allocate under Treasury Regulation §1.150-2 (the “Regulation”) proceeds of the Bonds to the Expenditures, the Issuer must declare its reasonable expectation to reimburse the Expenditures;

WHEREAS, the User has requested authorization to make all filings necessary to obtain and maintain debt financing and tax credits on the Project; and

WHEREAS, the Board has determined that it is in the public interest and to the benefit of the citizens and residents of San Antonio for the various entities to enter into the transactions described above so that the User may construct the Project; now, therefore,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN ANTONIO HOUSING TRUST FINANCE CORPORATION THAT:

Section 1. Subject to the terms hereof, the Issuer agrees that it will

(a) subject to the negotiation of mutually acceptable agreements, issue the Bonds, in an amount not to exceed \$20,000,000;

(b) cooperate with the User with respect to the issuance of the Bonds, and, if arrangements therefor satisfactory to the User and the Issuer can be made, take such action and authorize the execution of such documents and take such further action as may be necessary or advisable for the authorization, execution, and delivery of any contracts or agreements deemed necessary and desirable by the User or the Issuer in connection with the issuance of the Bonds (collectively, the "Contracts"), providing among other things for payment of the principal of, interest on, redemption premiums on, and paying agents' and trustee's fees and charges, if any, on the Bonds; payment of fees, charges, and expenses of the Issuer and the City (including legal and financial advisory expenses); acquisition, construction, equipping, and improvement of the Project; and use, operation, and maintenance of the Project (and the execution of any necessary guaranty agreements), all as shall be authorized, required, or permitted by law and as shall be satisfactory to the Issuer, the City, and the User;

(c) if the proceeds from the sale of the Bonds are insufficient to complete the acquisition, construction, equipping, and improvement of the Project, take such actions and execute such documents as may be necessary to permit the issuance from time to time in the future of additional bonds on terms which shall be set forth therein, whether on a parity with other series of bonds or otherwise, for the purpose of paying the costs of completing the acquisition, construction, equipping, and improvement of the Project, as requested by the User and within then applicable limitations; and

(d) take or cause to be taken such other actions as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

The Bonds shall specifically provide that neither the State of Texas (the "State"), the City, nor any political issuer, subdivision, or agency of the State shall be obligated to pay the same or the interest thereon and that neither the faith and credit nor the taxing power of the State, the City, or any political issuer, subdivision, or agency thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

Section 2. It is understood by the Issuer, and the User has represented to the Issuer, that in consideration of the Issuer's adoption of this Resolution and by filing the Application, and subject to the terms and conditions hereof, the User has agreed that

(a) prior to or contemporaneously with the sale of the Bonds in one or more series or issues from time to time as the Issuer and the User shall hereafter agree to in writing, the User will enter into the Contracts with the Issuer under the terms of which the User will obligate itself, on a nonrecourse basis, to pay to the Issuer (or to a trustee, as the case may be) sums sufficient in the aggregate to pay the principal of, interest on, redemption premiums on, paying agents' and trustee's fees and charges, if any, on the Bonds, as and when the same become due and payable, with such Contracts to contain the provisions described in Section 1 hereof and such other provisions as may be required or permitted by law and to be mutually acceptable to the Issuer and the User;

(b) the User will (1) pay all Project costs which are not or cannot be paid or reimbursed from the proceeds of the Bonds and (2) at all times from and after the issuance of the Bonds, indemnify and hold harmless the Issuer and the City against all losses, costs, damages, expenses, and liabilities of whatsoever nature (including but not limited to reasonable attorneys' fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to the issuance, offering, sale, or delivery of the Bonds, or the design, construction, equipping, installation, operation, use, occupancy, maintenance, or ownership of the Project (other than claims arising from the gross negligence or willful misconduct of the Issuer or the City) and prior to or contemporaneously with the sale of the Bonds will agree to provide indemnification on terms satisfactory to the Issuer; and

(c) no Bonds will be issued without the approval of the City Council.

Section 3. The User is hereby authorized to make all filings necessary to obtain and maintain tax credits on the Project.

Section 4. Except as expressly extended by the Issuer, it is understood by the Issuer and the User that all commitments of the Issuer with respect to the Project and the Bonds are subject to the condition that the Bonds shall have been issued no later than two years from the date of this Resolution.

Section 5. It is recognized and agreed by the Issuer that the User may exercise its rights and perform its obligations with respect to the financing of the Project either through (i) itself in its own name; (ii) any "related person" as defined in section 144(a)(3) of the Code; (iii) any legal successor thereto; (iv) an entity in which any of the above is a general partner or sole member; or (v) or any entity approved by the Issuer, provided that suitable guaranties necessary or convenient for the marketability of the Bonds shall be furnished, if required by the Issuer, and all references herein to the User shall be deemed to include the User acting directly through itself or any such approved entities.

Section 6. This Resolution shall be deemed to constitute the acceptance of the User's proposal that it be further induced to proceed with providing the Project. The Allocation Application and this Resolution shall constitute an agreement between the Issuer and the User effective on the date that this Resolution is adopted. This Resolution is affirmative official action taken by the Issuer towards the issuance of the Bonds in order to comply with the requirements of the Code. Neither the User nor any other party is entitled to rely on this Resolution as a commitment to issue bonds or loan funds, and the Issuer reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Issuer shall not be subject to any liability or damages of any nature. Neither the User nor any one claiming by, through or under the User, nor any investment banking firm or potential purchaser of the Bonds shall have any claim against the Issuer whatsoever as a result of any decision by the Issuer not to issue the Bonds.

Section 7. The Issuer hereby adopts this Resolution in order to satisfy the requirements of the Allocation Act pertaining to the issuance of the Bonds and authorizes any officer or designee of the Issuer to prepare and file a 2021 Allocation Application and/or any carryforward applications associated with such Allocation Application, together with all required attachments (including obtaining the Issuer's Certificate of Good Standing from the Comptroller of Public Accounts for the State of Texas) in the form required by the Texas Bond Review Board.

Section 8. The Issuer respectfully requests that the 2021 Allocation Application be accepted and approved by the Texas Bond Review Board.

Section 9. Any officer of the Issuer (or his designee) is hereby authorized to execute the Allocation Application, to pay (or cause the User to pay) the Application Fee of \$5,000 for each Allocation Application (submitted to the Issuer by the User) to the Texas Bond Review Board and to submit any additional information or to make any necessary corrections or revisions requested by the Texas Bond Review Board in order to satisfy the requirements of the Allocation Act in connection with the Allocation Application.

Section 10. The Board certifies that the Bonds are not being issued for the same stated purpose for which the Issuer has received sufficient carryforward during a prior year or for which there exists unexpended proceeds from a prior issue or issues of bonds issued by the Issuer.

Section 11. In connection with the issuance of the Bonds, the Board hereby authorizes its bond counsel to arrange for the publication of a notice of public hearing in the City of San Antonio, Texas regarding the Bonds for the purpose of complying with section 147(f) of the Code. The form of notice of such hearing and the date, place, and manner of its publication shall be acceptable to the Corporation's bond counsel. The hearing shall be held by the Corporation's bond counsel.

Section 12. Based upon representations from the User, the Issuer reasonably expects to reimburse the Expenditures with proceeds of the Bonds in a principal amount that will not exceed \$20,000,000. This Resolution shall constitute a declaration of official intent under the Treasury Regulation Section 1.150-2.

Section 13. The Board authorizes the President, Vice President, Secretary, Treasurer or Executive Director of the Board to execute any documents or certificates necessary to seek the approval of the Bonds by the Texas Attorney General.

Section 14. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

Section 15. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 16. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

Section 17. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 18. This Resolution shall be in force and effect from and after its passage.

San Antonio Housing Trust Finance Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 7

Agenda Date: 09-30-2020

In Control: San Antonio Housing Trust Finance Corporation

DEPARTMENT: San Antonio Housing Trust Finance Corporation

DEPARTMENT HEAD: Pedro Alanis

COUNCIL DISTRICTS IMPACTED: District 9

SUBJECT:

Briefing and possible action regarding a Resolution approving the bonds to be issued for Pedcor's Northview Apartments Project.

SUMMARY:

This item includes a briefing and possible action regarding a Resolution concerning the approval of the issuance of one or more series of tax-exempt bonds for VCCPHC-San Antonio I, LP and the Northview Apartments in the original principal amount of up to \$21,750,000 to pay the costs of the acquisition, construction, and equipping of the Northview Apartments, to be located at approximately 23132 US Highway 281 North; and other matters in connection therewith.

ISSUE:

This Pedcor project is a 156-unit multifamily 4% tax credit project located at approximately 23132 US Highway 281 North on 11.134 acres in District 9. All units, which

are 1, 2, and 3-bedroom units, will be rented to individuals whose income averages at or below 60% of median family income. The San Antonio Housing Trust Public Facility Corporation has created a single-member LLC, which will act as the sole general partner of VCCPHC-San Antonio I, LP.

The Project is expected to cost approximately \$37,434,730 with up to \$21,750,000 in tax exempt bonds being issued as a requirement for the 4% LIHTC Program. The expected sources of funds are as follows: \$17,250,000 in first lien debt; \$4,000,000 in second lien debt; \$11,702,938 in tax credit equity; and a deferred development fee of \$3,738,610.

Two series of multifamily revenue bonds will be issued by the Finance Corporation in the approximate total amount of up to \$21,750,000 and will only be outstanding for a period of 43 years. The bonds are being issued because the 4% tax credit rules require that at least 50% of the project be financed with tax-exempt bonds. The bond proceeds will be used to pay the cost of development. The bonds are payable exclusively from the project funds, not PFC or Finance Corporation funds, City funds, or taxes.

ALTERNATIVES:

If the San Antonio Housing Trust Finance Corporation board does not approve this transaction, then 156 affordable units will not be constructed.

FISCAL IMPACT:

The Issuer will receive a 1% Bond Issuance Fee of the final issuance amount anticipated to be \$217,500.

RECOMMENDATION:

Staff recommends approval of the attached Resolution

ATTACHMENT:

Resolution

CERTIFICATE FOR RESOLUTION

The undersigned officer of the San Antonio Housing Trust Finance Corporation (the “Issuer”) hereby certifies as follows:

1. In accordance with the bylaws of the Issuer, the Board of Directors of the Issuer (the “Board”) held a meeting on September 30, 2020 (the “Meeting”) of the duly constituted officers and members of the Board, at which a duly constituted quorum was present. Whereupon among other business transacted at the Meeting, a written

RESOLUTION AUTHORIZING SAN ANTONIO HOUSING TRUST FINANCE CORPORATION FIRST LIEN MULTIFAMILY HOUSING REVENUE BONDS (NORTHVIEW APARTMENTS PROJECT), SERIES 2020A AND SAN ANTONIO HOUSING TRUST FINANCE CORPORATION SECOND LIEN MULTIFAMILY HOUSING REVENUE BONDS (NORTHVIEW APARTMENTS PROJECT), SERIES 2020B; AND OTHER MATTERS IN CONNECTION THEREWITH

(the “Resolution”) was duly introduced for the consideration of the Board and discussed. It was then duly moved and seconded that the Resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of the Resolution, prevailed and carried by a majority vote of the Board.

2. A true, full, and correct copy of the Resolution adopted at the Meeting is attached to and follows this Certificate; the Resolution has been duly recorded in the Board’s minutes of the Meeting; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting; and the Meeting was held and conducted in accordance with the Articles of Incorporation and the Bylaws of the Issuer.

SIGNED AND SEALED September 30, 2020.

Pedro A. Alanis, Assistant Secretary



RESOLUTION AUTHORIZING SAN ANTONIO HOUSING TRUST FINANCE CORPORATION FIRST LIEN MULTIFAMILY HOUSING REVENUE BONDS (NORTHVIEW APARTMENTS PROJECT), SERIES 2020A AND SAN ANTONIO HOUSING TRUST FINANCE CORPORATION SECOND LIEN MULTIFAMILY HOUSING REVENUE BONDS (NORTHVIEW APARTMENTS PROJECT), SERIES 2020B; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the San Antonio Housing Trust Finance Corporation (the “Issuer”) has developed a program of issuing bonds and loaning their proceeds to defray, in whole or in part, all reasonable or necessary costs incidental to the acquisition, renovation, construction, and improvement of land, improvements, and related property at least 90% of which is intended to be occupied by persons of low or moderate income, as determined by the Issuer, all in order to alleviate a shortage of affordable rental housing within San Antonio, Texas, for such persons of low or moderate income, and to refund such bonds;

WHEREAS, the Issuer has been requested to issue its “First Lien Multifamily Housing Revenue Bonds (Northview Apartments Project) Series 2020A” (the “First Lien Bonds”) and “Second Lien Multifamily Housing Revenue Bonds (Northview Apartments Project) Series 2020B” (the “Second Lien Bonds” and, together with the First Lien Bonds, the “Bonds”) in the aggregate principal amount not to exceed \$21,750,000, the proceeds of which will be used to finance the cost of acquiring, constructing, and equipping a proposed 156-unit multifamily apartment facility to be known as Northview Apartments, to be located at 23132 US Highway 281 North, San Antonio, Texas 78258 (the “Project”) for VCCPHC-San Antonio I, LP, a Texas limited partnership (the “Borrower”);

WHEREAS, the Issuer desires to issue the Bonds pursuant to a Trust Indenture (the “Indenture”) between the Issuer and BOKF, NA as trustee (the “Trustee”), and to loan (or otherwise make available) the proceeds thereof to the Borrower pursuant to a Loan Agreement (the “Loan Agreement”) among the Issuer and the Borrower, all subject to the terms of a Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”) among the Issuer, the Trustee, and the Borrower;

WHEREAS, the loan will be evidenced by a Note issued under the Loan Agreement (the “Note”), and assignments of the Note (the “Assignments”) from the Issuer in favor of the Purchaser;

WHEREAS, the Issuer will be presented with an Official Statement (the “Official Statement”) and a Bond Purchase Agreement (the “Purchase Agreement”), setting forth certain terms and conditions upon which the Bonds purchaser will purchase the Bonds and the Issuer will sell the Bonds to the Bonds purchaser;

WHEREAS, the Issuer is authorized to issue the Bonds pursuant to the Texas Housing Finance

Corporations Act, Chapter 394, Texas Local Government Code, as amended;

WHEREAS, the Issuer has determined that issuance of the Bonds is necessary to finance the costs of acquiring, constructing, and equipping the Project;

WHEREAS, this Board of Directors has reviewed the foregoing and determined that the action herein authorized is in furtherance of the corporate purposes of the Issuer and that the terms and conditions of the Bonds and the above-described instruments, including without limitation the dates, interest rates, maturities, redemption terms, and sales price of the Bonds and the manner of disbursing the proceeds thereof are advisable;

BE IT THEREFORE RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN ANTONIO HOUSING TRUST FINANCE CORPORATION THAT:

Section 1. The terms of the Indenture, the Loan Agreement, the Note, the Regulatory Agreement, the Official Statement and the Purchase Agreement are hereby authorized and approved when such documents are approved by any Assistant Secretary of the Corporation.

Section 2. The President, any Vice President, the Secretary, the Treasurer, the Executive Director, and each Assistant Secretary, or any of them, are authorized and directed to execute (to the extent required to be executed or acknowledged by the Issuer) and deliver (or to accept, as the case may be) the Indenture, the Loan Agreement, the Regulatory Agreement, the Note, the Official Statement, the Purchase Agreement, and any and all certificates (including tax certificates), applications (including volume cap and carry-over applications with the TBRB) and other instruments described therein upon the conditions therein described or necessary or desirable in connection with the issuance of the Bonds and the loan of the proceeds thereof to the Borrower, all upon the terms herein approved, and the President, the Vice President, the Secretary, the Treasurer, the Executive Director, and each Assistant Secretary, or any of them, are authorized to negotiate and approve such changes in the terms of each such instrument as such officers shall deem necessary or appropriate upon the advice of counsel to the Issuer, and approval of the terms of each such instrument by such officers shall be conclusively evidenced by the execution and delivery of such documents.

Section 3. The Bonds, in the aggregate principal amount of not to exceed \$21,750,000, with a variable interest rate (not including applicable premium) of not to exceed 12% that may be swapped to a fixed interest rate, as set forth in the Indenture, and with a maturity date not to exceed December 31, 2063, in substantially the form and substance set forth in the Indenture, are hereby approved, and the President, the Vice President, the Secretary, the Treasurer, the Executive Director, and each Assistant Secretary, or any of them, is hereby authorized and directed, for and on behalf of the Issuer, to execute the Bonds or have their facsimile signatures placed upon it, and such officers are hereby authorized and directed to deliver the Bonds, and the seal of the Issuer is hereby authorized and directed to be affixed or placed by facsimile on the Bonds. Authentication of the Bonds upon the terms and conditions and in the manner described

in the Indenture as the same may be modified is authorized by this Resolution. The final principal amounts, interest rates, maturity dates (not to exceed the amounts, the rates, and the maximum term set forth above), and final redemption date and price for the Bonds shall be set forth in the final form of the Indenture, and the execution and delivery of the Purchase Agreement by the President, the Vice President, the Secretary, the Treasurer, the Executive Director, each Assistant Secretary, or any of them, shall constitute approval of the agreed final principal amount of, interest rates on the Bonds, maturity dates of the Bonds, and the final redemption date and price for the Bonds. The proceeds of the Bonds are hereby authorized to be utilized as set forth herein and in the Indenture and the Loan Agreement.

Section 4. The Issuer hereby approves the filing of any request with the Texas Bond Review Board to obtain necessary volume cap for the transaction in order to be able to issue the amount of Bonds authorized herein.

Section 5. The Issuer hereby confirms the selection of Bracewell LLP as Bond Counsel.

Section 6. The President, the Vice President, the Secretary, the Treasurer, the Executive Director, each Assistant Secretary, or any of them, are hereby authorized to execute and deliver the written request of the Issuer for the authentication and delivery of the Bonds in accordance with the Indenture.

Section 7. All action and resolutions, not inconsistent with provisions of this Resolution heretofore taken by this Board of Directors and the officers of the Issuer directed toward the financing of the Project and the issuance of the Bonds shall be and the same hereby is extended, ratified, approved, and confirmed. The officers of this Board, or any of them, are authorized to take any and all action necessary to carry out and consummate the transactions described in or contemplated by the instruments approved hereby or otherwise to give effect to the actions authorized hereby and the intent hereof.

Section 8. The Board of Directors confirms \$100,800 as the amount currently constituting low and moderate income in the City of San Antonio, Texas (the "City"), adjusted as set forth in the Regulatory Agreement, is hereby approved.

Section 9. The Board of Directors has expressly determined and hereby confirms that the issuance of the Bonds to assist in the financing of the Project will promote the public purposes set forth in Section 394.002 of the Act and will accomplish a valid public purpose of the Issuer by assisting persons of low and moderate income in the City to obtain decent, safe, and sanitary housing at affordable prices, thereby helping to relieve unemployment, to preserve and increase the tax base of the City, and to reduce public expenditures for crime prevention and control, public health, welfare, and safety and for other valid public purposes. No bonds or notes may be issued unless the San Antonio Housing Trust Public Facility Corporation controls the general partner of the Borrower.

Section 10. The Bonds and the interest thereon shall be a limited obligation of the Issuer payable solely from the revenues, funds, and assets pledged under the Indenture to secure payment of the Bonds, and under no circumstances shall the Bonds be payable from any other revenues, funds, assets, or income of the Issuer.

Section 11. The Bonds shall not constitute an indebtedness, liability, general, special, or moral obligation or a pledge or loan of the faith or credit or taxing power, within the meaning of any constitutional or statutory provision whatsoever, of the United States of America or any agency or instrumentality thereof, the State of Texas, the City, or any other political subdivision or governmental unit.

Section 12. After the Bonds are issued, this Resolution shall be and remain irrevocable until the Bonds or interest thereon shall have been fully paid or provision for payment shall have been made pursuant to the Indenture.

Section 13. If any section, paragraph, clause, or provision of this Resolution shall 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. In case any obligation of the Issuer authorized or established by this Resolution or the Bonds are held to be in violation of law as applied to any person or in any circumstance, such obligation shall be deemed to be the obligation of the Issuer to the fullest extent permitted by law.

Section 14. The recitals of this Resolution are hereby found to be true and are incorporated herein for all purposes.

* * *

San Antonio Housing Trust Finance

Corporation Agenda Memorandum

File Number _____

Agenda Item Number: 8

Agenda Date: 09-30-2020

In Control: San Antonio Housing Trust Finance Corporation

SUBJECT:

Consideration and possible action to approve the Finance Corporation's annual budget and to authorize the expenditures contained therein.

SUMMARY:

Each year the San Antonio Housing Trust adopts a budget in September for the fiscal year beginning October 1 and ending September 30th. The annual budget focuses on key goals and accomplishments over the next 12-month period including improvements in operations and programmatic assistance in line with our mission. On September 16, 2020, the Foundation approved a \$3.52 million annual budget, which focuses on increasing capacity of professional services in the areas of asset management, contract monitoring, public engagement, fundraising, and underwriting while providing both an operations reserve and \$2.28 million for a future NOFA.

The Finance Corporation, which is operated and administered by the Foundation staff, has a \$1,099,111 million annual budget as follows:

Revenues

The sources of funds totaling \$1,099,111 are from projected revenues estimated at \$108,930 for FY 2021, \$987,681 in existing available cash, and \$2,000 in future bank interest income. It is likely that additional funds may become available if existing pipeline projects are able to close financing during the next fiscal year.

Expenditures

Ensuring the SA Housing Trust Foundation has adequate cash to fund increased operations for FY 2021 is critical to the success of the Public Facility and Finance Corporation entities as the Foundation staff administers the functions of the two entities.

The Executive Director is recommending a \$500,000 contribution from the Finance Corporation to fund the City's Emergency Housing Assistance Program per a request

from the City of San Antonio. The Emergency Housing Assistance Program was approved by Council on April 23, 2020, amending the FY 2020 Affordable Housing budget and authorizing a funding agreement with the Family Independence Initiative for direct assistance. EHAP follows the same eligibility and allowance criteria prescribed in the Risk Mitigation Fund Policy, with the exception of expanding allowable uses for the funds to include groceries, medicine, fuel, and expenses related to internet access. As of September 16, 2020, the City received and processed 24,151 applications to provide \$45.1 million to 15,794 households.

During the FY 2021 Budget process, the City approved \$24.1 million including some programmatic changes to all the additional funding to last through December.

The Executive Director is recommending the Finance Corporation provide the Foundation with an advance of \$27,233 from existing cash based on the estimated 25% annual revenue estimate of \$108,930. This ensures the Foundation Operations has sufficient cash to prefund its operations budget without having to request funding from the City's Housing Trust Fund.

The Executive Director is recommending a \$9,050 budget for professional consulting services for Asset Management and Compliance Monitoring of the loan Finance Corporation bond issued asset (not covered by PFC). The corporations already receive annual fees that are meant to pay for this type of service. Due to the number of active projects, adding a professional consultant to is critical to monitoring and assessing our portfolio.

It should be noted the Foundation approved executing a Professional Services Agreement with TCAM, an MRI Company (Philadelphia), a highly regarded nationwide consulting firm to commence preparation of a full set of formal underwriting standards, required beta testing against current or past deal structures, finalizing all forms, templates, and guideline documents. The cost of this will be incurred by the Foundation with revenues sourced from the PFC and Finance Corporation.

<i>Proposed FY 2021 Finance Corp Budget</i>		<i>Budget Amount</i>
Revenues		
FC - Existing Cash Balance	\$	987,681
FC - FY 2021 Revenues		108,930
FC - FY 2021 Interest Income		2,500
Total Revenues		\$ 1,099,111
Expenses		
City's Emergency Housing Assistance Program	\$	500,000
Available for Community Investment		451,398
Available Cash By End of Year		111,430
Contribution to Foundation		27,233
Asset Management Fees		9,050
Total Expenditures		\$ 1,099,111

A total of \$451,398 will be available for community investment at the start of FY 2021. By the end of FY 2021, the Finance Corporation shall have an additional \$111,430 available in cash as revenues come in throughout the year from partnership revenue obligations.

RECOMMENDATION:

Staff recommends the Finance Corporation approve its annual budget and to authorize the expenditures contained therein including authorizing \$500,000 in unallocated SAHTFC funds to support the City's ***COVID 19 Emergency Housing Assistance Program.***