

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/81125176572?PWD=UKIYZ1DOYMVIS0FURGCKYK3NPRHRCZZ09](https://us02web.zoom.us/j/81125176572?pwd=UKIYZ1DOYMVIS0FURGCKYK3NPRHRCZZ09)
OR DIAL IN 1 (346) 248-7799 MEETING ID: 811 2517 6572 PASSWORD: 476871 ON
WEDNESDAY, JULY 29, 2020
AT 10:00 A.M., TO CONSIDER THE FOLLOWING MATTERS:

Briefing and Possible Action on:

1. Approval of minutes
2. Citizens to be heard
3. Resolution authorizing San Antonio Housing Trust Finance Corporation Multifamily Housing Revenue Bonds (Greenline North Apartments), Series 2020; and other matters in connection therewith
4. Resolution authorizing San Antonio Housing Trust Finance Corporation Multifamily Housing Revenue Bonds (Preserve at Billy Mitchell Apartments), Series 2020; and other matters in connection therewith
5. Resolution concerning the application of a to-be-formed affiliate of Cohen Esrey Development Group relating to the proposed financing of up to \$20,000,000 of the costs of the acquisition, construction, and equipping of the **Hope Lofts**, to be located at approximately 363 N. General McMullen Drive; and other matters in connection therewith
6. Resolution concerning the application of Pedcor Investments-2020-CLXXVIII (an affiliate of Pedcor Development) relating to the proposed financing of up to \$45,000,000 of the costs of the acquisition, construction, and equipping of the **Crosswinds at Bulverde**, to be located at approximately the 4000 block of N Loop 1604 E; and other matters in connection therewith
7. Resolution concerning the application of a to-be-formed affiliate of Prospera Housing Community Services and Versa Development, LLC relating to the proposed financing of up to \$30,000,000 of the costs of the acquisition, rehabilitation, construction, and equipping of the **Country Club Village**, to be located at approximately 3500 Magic Drive; and other matters in connection therewith
8. Consideration and possible action to appoint Pedro Alanis as an Assistant Secretary of San Antonio Housing Trust Finance Corporation

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: 7-29-20

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 April 28, 2020 meeting

SAN ANTONIO HOUSING TRUST FINANCE CORPORATION
OFFICIAL MEETING MINUTES
April 28, 2020

The Finance Corporation met in session at 11:22 a.m., via zoom

The meeting was called to order by Councilwoman Rebecca Viagran and the roll was called by Maria Bradley.

PRESENT: Rebecca Viagran, Roberto Treviño, Shirley Gonzales, Dr. Adriana Rocha Garcia and John Courage

ABSENT:

Staff/Visitors Present:

Pedro Alanis- Interim Executive Director San Antonio Housing Trust Finance Corporation; Nicole Collazo- Assistant Director San Antonio Housing Trust Finance Corporation; JD Hernandez – Asset Manager San Antonio Housing Trust Finance Corporation; Sharon Jennings-Contract Officer San Antonio Housing Trust Finance Corporation; Maria Bradley - Administrative Assistant, San Antonio Housing Trust Finance Corporation; Edward Mungia-D4; Jennifer Gonzalez-Alamo Community Group; Rajeev Puri-Athena Domain,Inc.; James Schvepbach; Allison Shae-NHSD, Max Whipple-NRP Group; Teresa Menendez Myers-D5;Paul DeManche; Celina Peña; Summer Greathouse; Jim Plummer; Lizbeth Parra Davila-TRLA; Rosalinda Guia-D5; Veronica Soto-NHSD; Ben Olivo-The Heron Newspaper; Debra Guerrero-NRP Group; Jason Arechiga-NRP Group; Nick Walsh-NRP Group; Kristi Borjorn-Pan American resident

1. Approval of minutes –

MINUTES COMMISSION ACTION:

The motion was made by Councilman Treviño and seconded by Councilwoman Dr. Rocha Garcia to approve the meeting minutes from February 26, 2020.

AYES: 5

NAYS: 0

ABSTAIN: 0

THE MOTION CARRIED.

2. Public Comment- NONE.

3. Resolution authorizing San Antonio Housing Trust Finance Corporation Multifamily Housing Revenue Bonds (Park at 38Thirty Apartments), Series 2020; and other matters in connection therewith.

Pete Alanis commented that this was an inducement of bonds for the Park at 38Thirty Apartments. It is a Franklin Development project, 196-unit Multifamily 4% tax credit project located in District 8. This project is going to cost approximately \$35,425,800 with \$18,000,000 in tax exempt bonds and will be repaid with the construction loans.

COMMISSION ACTION:

The motion was made by Councilwoman Gonzales and seconded by Councilman Courage to approve item #3 the issuance of bonds.

AYES:5

NAYS: 0

ABSTAIN: 0

THE MOTION CARRIED.

4. Presentation Resolution authorizing San Antonio Housing Trust Finance Corporation Multifamily Housing Revenue Bonds (Pan America Apartments), Series 2020; and other matters in connection therewith

Pete Alanis recommends approving the bond issuance fee.

COMMISSION ACTION:

The motion was made by Councilwoman Gonzales and seconded by Councilman Courage to approve the bond issuance for the Pan American Apartments.

AYES:5

NAYS: 0

ABSTAIN: 0

THE MOTION CARRIED.

5. Resolution concerning the application of ACG Cattleman Square Lofts, LP, LP (an affiliate of Alamo Community Group) relating to the proposed financing of up to \$15,000,000 of the costs of the acquisition, construction, and equipping of the Cattleman Square Lofts Apartments, to be located at approximately 811 West Houston Street; and other matters in connection therewith

Pete Alanis stated this item comes to the Board for possible action regarding nonbinding Resolution relating to the application of ACG Cattleman Square, LP and Alamo Community Group for proposed financing of up to \$15,000,000 of the costs of the acquisition, construction and equipping of the Cattleman Square Lofts Apartments. The tax credit project is in District 5 and all units will be rented to individuals whose incomes average at or below 60% of the median family income.

COMMISSION ACTION:

The motion was made by Councilman Courage and seconded by Councilwoman Gonzales to approve the Resolution.

AYES:5

NAYS: 0

ABSTAIN: 0

THE MOTION CARRIED.

6. Briefing and possible action regarding a resolution approving remarketing of San Antonio Housing Trust Finance Corporation Multifamily Housing Revenue Bonds (Brookwood Senior Apartments) Series 2018; and other matters in connection therewith

Pete Alanis stated that in May 2018, the Corporation issued \$18,000,000 of bonds to finance the Brookwood Senior Apartments, a 197-unit tax credit project for seniors. The project had 2-year bond turnaround time that was previously approved. The project which is now 85% complete and is anticipated to be close in July.

COMMISSION ACTION:

The motion was made by Councilwoman Gonzales and seconded by Councilman Courage to approval item #6.

AYES:5

NAYS: 0

ABSTAIN: 0

THE MOTION CARRIED.

7. Consideration and possible action to provide Finance Corporation funds to support the City of San Antonio's COIVD-19 Emergency Housing Assistance Program.

Pete Alanis mentioned that City Council is requesting \$2.5 million in unallocated Public Facility Corporation Funds, \$1 million in unspent Under One Roof Public Facility Corporation funds, \$500,000 in available Finance Corporation funds and a total of \$1 million from the SAHT Foundation. The SAHT Foundation had already provided \$500,000 to effort and will consider the additional \$500,00 contribution.

COMMISSION ACTION:

The motion was made by Councilwoman Gonzales and seconded by Councilman Courage to approval of the \$500,000 award for the Covid-19 Emergency Assistance Program.

AYES:5

NAYS: 0

ABSTAIN: 0

THE MOTION CARRIED.

Adjournment

The meeting was adjourned by Councilwoman Viagran at 11:37a.m

San Antonio Housing Trust Finance Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 2

Agenda Date: 7-29-20

In Control: San Antonio Housing Trust Finance Corporation

DEPARTMENT: San Antonio Housing Trust Finance Corporation

DEPARTMENT HEAD: Pedro Alanis

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Citizens to be heard

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: 7-29-20

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 a Resolution approving the bonds to be issued for Franklin Development's Greenline North Apartments Project (f/k/a City Base Apartments).

SUMMARY:

This item includes a briefing and possible action regarding a Resolution concerning the approval of the issuance of tax-exempt bonds for ARDC City Base, Ltd. and the Greenline North Apartments in the original principal amount of up to \$33,000,000 to pay the costs of the acquisition, construction, and equipping of the Greenline North Apartments, to be located at 7402 South New Braunfels Avenue; and other matters in connection therewith.

ISSUE:

The Franklin Development project is a 292-unit multifamily 4% tax credit project located at 7402 South New Braunfels Street on 11.171 acres in District 3. All units, which are both 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 shall create a single-member LLC, which will act as the sole general partner of ARDC City Base, Ltd. The Project is expected to cost approximately \$51,416,607 with \$33,000,000 in tax exempt bonds being issued as a requirement for the 4% LIHTC Program. The sources of funds are as follows: \$30,105,414 in first lien debt; \$16,731,698 in tax credit equity; \$4,100,000 in City of San Antonio Affordable Housing Bond Grant and a deferred development fee of \$526,959. The City's Grant shall be to the PFC and loaned to ARDC City Base, Ltd. to be repaid through cash flow.

The multifamily revenue bonds will be issued by the Finance Corporation in the approximate amount of \$33,000,000 and will only be outstanding for a period of 40 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 292 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 \$330,000.

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 July 29, 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 MULTIFAMILY HOUSING GOVERNMENTAL NOTE (GREENLINE NORTH APARTMENTS) SERIES 2020; 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 July 29, 2020.

Nicole Collazo, Assistant Secretary



RESOLUTION AUTHORIZING SAN ANTONIO HOUSING TRUST FINANCE
CORPORATION MULTIFAMILY HOUSING GOVERNMENTAL NOTE
(GREENLINE NORTH APARTMENTS) SERIES 2020; 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 “Multifamily Housing Governmental Note (Greenline North Apartments) Series 2020” in the aggregate principal amount not to exceed \$33,000,000 (the “Governmental Note”), the proceeds of which will be used to finance the cost of acquiring, constructing, and equipping a proposed 292-unit multifamily apartment facility to be known as Greenline North Apartments, to be located at 7402 South New Braunfels Avenue, San Antonio, Texas 78223 (the “Project”) for ARDC City Base, Ltd., a Texas limited partnership (the “Borrower”);

WHEREAS, the Issuer desires to issue the Bonds pursuant to a Funding Loan Agreement (the “Funding Loan Agreement”) between the Issuer, the Borrower, and Wilmington Trust, National Association, as trustee (the “Trustee”), and to loan (or otherwise make available) the proceeds thereof to the Borrower pursuant to a Borrower Loan Agreement (the “Borrower 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 Borrower 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 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 Funding Loan Agreement, the Borrower Loan Agreement, the Note, the Regulatory Agreement, 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 Funding Loan Agreement, the Borrower Loan Agreement, the Regulatory Agreement, the Note, 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 \$33,000,000, with an interest rate (not including applicable premium) of not to exceed 3.6%, as set forth in the Funding Loan Agreement, and with a maturity date not to exceed December 31, 2058, in substantially the form and substance set forth in the Funding Loan Agreement, 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 Funding Loan Agreement 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 Funding Loan Agreement, 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 Funding Loan Agreement and the Borrower 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 Funding Loan Agreement.

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 \$96,455 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 Funding Loan Agreement 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 Funding Loan Agreement.

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.

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San Antonio Housing Trust Finance Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 4

Agenda Date: 7-29-20

In Control: San Antonio Housing Trust Finance Corporation

DEPARTMENT: San Antonio Housing Trust Finance Corporation

DEPARTMENT HEAD: Pedro Alanis

COUNCIL DISTRICTS IMPACTED: District 5

SUBJECT:

Briefing and possible action regarding a Resolution approving the bonds to be issued for Integrated Realty's Preserve at Billy Mitchell Apartments Project (f/k/a Preserve at the Port).

SUMMARY:

This item includes a briefing and possible action regarding a Resolution concerning the approval of the issuance of tax-exempt bonds for Port SA Redevelopment, LP and the Preserve at Billy Mitchell Apartments in the original principal amount of up to \$37,000,000 to pay the costs of the acquisition, rehabilitation, and equipping of the Preserve at Billy Mitchell Apartments, located at 402 Gillmore Avenue; and other matters in connection therewith.

ISSUE:

The Integrated Realty and Streamline project is an acquisition and rehabilitation of existing 396-unit multi-family apartment complex located at 402 Gillmore Avenue in District 5.

The San Antonio Housing Trust Public Facility Corporation shall create a single-member LLC, which will act as the sole general partner of Port SA Redevelopment, LP. The Project is expected to cost approximately \$60,400,000 with up to \$37,000,000 in tax exempt bonds being issued. This Project will not be utilizing the LIHTC program, but will receive historic tax credits and is the first Finance Corporation-sponsored project using CPACE financing. The sources of funds are as follows: up to \$37,000,000 in private placement debt, \$12,400,000 in historic tax credit equity; \$1,000,000 in a bridge loan; \$10,000,000 in PACE financing.

The multi-family revenue bonds will be issued in the approximate amount of \$37,000,000. The bonds will be issued with a term not to exceed 42 years and a fixed interest rate of up to 5.5%. The bonds are payable exclusively from the project revenue and 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 396 affordable units will not be acquired and rehabilitated.

FISCAL IMPACT:

The Issuer will receive a 1% Bond Issuance Fee of the final issuance amount.

RECOMMENDATION:

Staff recommend 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 July 29, 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

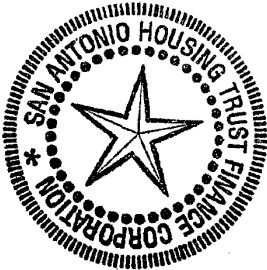
RESOLUTION AUTHORIZING SAN ANTONIO HOUSING TRUST FINANCE CORPORATION MULTIFAMILY HOUSING REVENUE BONDS (PRESERVE AT BILLY MITCHELL APARTMENTS) SERIES 2020; AND OTHER MATTERS IN CONNECTION THEREWITH

(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 July 29, 2020.

Nicole Collazo, Assistant Secretary



RESOLUTION AUTHORIZING SAN ANTONIO HOUSING TRUST FINANCE CORPORATION MULTIFAMILY HOUSING REVENUE BONDS (PRESERVE AT BILLY MITCHELL APARTMENTS) SERIES 2020; 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 “Multifamily Housing Revenue Bonds (Preserve at Billy Mitchell Apartments) Series 2020” in the aggregate principal amount not to exceed \$37,000,000 (the “Bonds”), the proceeds of which will be used to finance the cost of acquiring, rehabilitating, and equipping an existing 396-unit multifamily apartment facility to be known as Preserve at Billy Mitchell Apartments, located at 402 Gillmore Avenue, San Antonio, Texas 78226 (the “Project”) for Port SA Redevelopment, LP, a Texas limited partnership (the “Borrower”);

WHEREAS, the Issuer desires to issue the Bonds pursuant to an indenture, funding loan agreement or other similarly named agreement (the “Indenture”) between the Issuer, the Borrower, and a trustee (the “Trustee”), and to loan (or otherwise make available) the proceeds thereof to the Borrower pursuant to a loan agreement or project 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 may be presented with 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:

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 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, 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.

The Bonds, in the aggregate principal amount of not to exceed \$37,000,000, with an interest rate (not including applicable premium) of not to exceed 5.5%, as set forth in the Indenture, and with a maturity date not to exceed December 31, 2062, 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.

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.

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

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.

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.

The Board of Directors confirms \$96,455 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.

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.

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.

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.

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.

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.

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: 5

Agenda Date: 7-29-2020

In Control: San Antonio Housing Trust Finance Corporation

DEPARTMENT: San Antonio Housing Trust Finance Corporation

DEPARTMENT HEAD: Pedro Alanis

COUNCIL DISTRICTS IMPACTED: District 5

SUBJECT:

Briefing and possible action regarding an inducement resolution for the Hope Lofts Project.

SUMMARY:

This item includes a briefing and possible action regarding a nonbinding Resolution concerning the application of Cohen Esrey Development Group relating to the proposed financing of up to \$20,000,000 of the costs of the acquisition, construction, and equipping of the Hope Lofts, to be located at 363 N. General McMullen Drive, San Antonio, Texas 78237; and other matters in connection therewith.

ISSUE:

The project is a 149-unit multifamily, tax credit project in District 5 located at 363 N. General McMullen Drive. All units will be rented to individuals whose incomes average at or below 60% of median family income.

Cohen Esrey, a national affordable housing developer with over 65,000 units in more than 525 properties will act as developer and will seek a nonbinding resolution of inducement with the Public Facility Corporation. The Project is expected to cost approximately \$27.7 million and it is expected to require \$20,000,000 in tax exempt bonds to be issued along with over \$9.6 million in anticipated tax credit equity.

This request is to authorize Cohen Esrey 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 2020 and/or 2021 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 149 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:

1. In accordance with the bylaws of the Issuer, the Board of Directors of the Issuer (the “Board”) held a meeting on July 29, 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 COHEN ESREY DEVELOPMENT GROUP RELATING TO THE PROPOSED FINANCING OF UP TO \$20,000,000 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE HOPE LOFTS 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 July 29, 2020.

Nicole Collazo, Assistant Secretary



RESOLUTION CONCERNING THE APPLICATION OF COHEN ESREY DEVELOPMENT GROUP RELATING TO THE PROPOSED FINANCING OF UP TO \$20,000,000 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE HOPE LOFTS 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, Cohen Esrey 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 149-unit multifamily housing facility to be located at 363 N. General McMullen Drive and to be known as Hope Lofts Apartments (the “Project”); and (ii) the Issuer file and/or refile a 2020 and/or 2021 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 2020 and/or 2021 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: 07-29-2020

In Control: San Antonio Housing Trust Finance Corporation

DEPARTMENT: San Antonio Housing Trust Finance Corporation

DEPARTMENT HEAD: Pedro Alanis

COUNCIL DISTRICTS IMPACTED: District 10

SUBJECT:

Briefing and possible action regarding an inducement resolution for the Crosswinds at Bulverde Apartments Project.

SUMMARY:

This item includes a briefing and possible action regarding a nonbinding Resolution concerning the application of Pedcor Investments-2020-CLXXVIII and Pedcor Development relating to the proposed financing of up to \$45,000,000 of the costs of the acquisition, construction, and equipping of the Crosswinds at Bulverde Apartments, to be located at approximately the 4000 block of N Loop 1604 E; and other matters in connection therewith.

ISSUE:

The project is a 312-unit multifamily, tax credit project in District 10 located at approximately the 4000 block of N Loop 1604 E between Bulverde and O'Connor Roads. All units will be rented to individuals whose incomes average at or below 60% of median family income with a range of units from 30% - 70% AMI.

Pedcor Development, one of the nation's top affordable housing developers and the largest FHA borrower in the county, will be the Developer and will seek a nonbinding resolution of inducement with the Public Facility Corporation. Pedcor has developed

several projects in partnership with the Public Facility Corporation, including Trails at Leon Creek, Culebra Creek and Mesa West projects. The Project is expected to cost approximately \$65.9 million and it is expected to require \$45,000,000 in tax exempt bonds to be issued along with over \$19.6 million in anticipated tax credit equity.

This request is to authorize Pedcor Investments-2020-CLXXVIII, Pedcor 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 2020 and/or 2021 to allow this project to 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 312 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.

Crosswinds at Bulverde Apartments

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 July 29, 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 PEDCOR INVESTMENTS-2020-CLXXVIII RELATING TO THE PROPOSED FINANCING OF UP TO \$45,000,000 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE CROSSWINDS AT BULVERDE 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 July 29, 2020.

Nicole Collazo, Assistant Secretary



RESOLUTION CONCERNING THE APPLICATION OF PEDCOR INVESTMENTS-2020-CLXXVIII RELATING TO THE PROPOSED FINANCING OF UP TO \$45,000,000 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE CROSSWINDS AT BULVERDE 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, Pedcor Investments-2020-CLXXVIII, a 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 312-unit multifamily housing facility to be located at approximately the 4000 Block of N Loop 1604 E and to be known as the Crosswinds at Bulverde Apartments (the “Project”); and (ii) the Issuer file and/or refile a 2020 and/or 2021 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 \$45,000,000 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 \$45,000,000;

(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 2020 and/or 2021 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 \$45,000,000. 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: 7

Agenda Date: 7-29-2020

In Control: San Antonio Housing Trust Finance Corporation

DEPARTMENT: San Antonio Housing Trust Finance Corporation

DEPARTMENT HEAD: Pedro Alanis

COUNCIL DISTRICTS IMPACTED: District 7

SUBJECT:

Briefing and possible action regarding an inducement resolution for the Country Club Village Apartments Project.

SUMMARY:

This item includes a briefing and possible action regarding a nonbinding Resolution concerning the application of Prospera Housing Community Services and Versa Development, LLC relating to the proposed financing of up to \$30,000,000 of the costs of the acquisition, rehabilitation, construction, and equipping of the Country Club Village, to be located at approximately 3500 Magic Drive; and other matters in connection therewith.

ISSUE:

The project is a 270-unit senior housing, tax credit project in District 7 located at approximately the 3500 Magic Drive, which consists of 82 exiting units to be rehabilitated and an additional 188 units to be constructed. All units will be rented to individuals meeting the age restrictions whose incomes average at or below 60% of median family income. The 82 units will continue with a direct HUD Section 8 Project-Based contract.

Prospera Housing Community Services, an affordable housing nonprofit and Versa Development, LLC, will partner to act as the Developer and will seek a nonbinding resolution of inducement with the Public Facility Corporation. Versa has developed

several affordable housing projects in partnership with the Public Facility Corporation, including Creekside at Lookout and Alsbury Farms (Alsbury Park). The Project is expected to cost approximately \$42.9 million and it is expected to require up to \$30,000,000 in tax exempt bonds to be issued along with over \$13.4 million in anticipated tax credit equity.

This request is to authorize Prospera, Versa 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 2020 and/or 2021 to allow this project to 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 270 affordable units will not be renovated or 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.

Country Club Village 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 July 29, 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 AND VERSA DEVELOPMENT, LLC RELATING TO THE PROPOSED FINANCING OF UP TO \$30,000,000 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE COUNTRY CLUB VILLAGE 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 July 29, 2020.

Nicole Collazo, Assistant Secretary



RESOLUTION CONCERNING THE APPLICATION OF PROSPERA HOUSING COMMUNITY SERVICES AND VERSA DEVELOPMENT, LLC RELATING TO THE PROPOSED FINANCING OF UP TO \$30,000,000 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE COUNTRY CLUB VILLAGE 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 Community Housing Services and Versa Development, LLC 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 (82 existing units) and construction (188 new units), and equipping of a proposed 270-unit multifamily housing facility to be located at approximately the 3500 Magic Drive and known as the Country Club Village Apartments (the “Project”); and (ii) the Issuer file and/or refile a 2020 and/or 2021 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 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

(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 2020 and/or 2021 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.

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San Antonio Housing Trust Finance Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 8

Agenda Date: 7-29-2020

In Control: San Antonio Housing Trust Finance Corporation

SUBJECT:

Consideration and possible action to appoint Pedro Alanis as an Assistant Secretary of San Antonio Housing Trust Finance Corporation

ISSUE:

Traditionally, the Executive Director of the San Antonio Housing Trust Finance Corporation has also served as Assistant Secretary, which means that the director has signing authority as an officer of the corporation. This provides an additional person with signing authority to assist when there are applications and documents needing to be executed.

FISCAL IMPACT:

None.

RECOMMENDATION:

Staff recommends the Finance Corporation appoint Pedro Alanis as Assistant Secretary of the Finance Corporation.