

## AGENDA

---

**A Regular Board Meeting for:  
SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION  
will be held at Municipal Plaza B Room  
114 W Commerce St., San Antonio, TX 78205  
and virtually via ZOOM:**

**<https://us02web.zoom.us/j/85615593596?pwd=a3emvgpQKPFi9YqHXSyKoLMBmHQLHg.1>**

**DIAL-IN NUMBER: 1-346-248-7799 MEETING ID: 856 1559 3596 PASSWORD: 255893**

**On Friday, September 16, 2022, beginning at 2:00 p.m. or immediately following the adjournment of the San Antonio Housing Trust Foundation Board Meeting**

**NOTICE:** *A quorum of the board of directors will be physically located at 114 W Commerce St., San Antonio, TX 78205 at 2:00 p.m. One or more of the Directors may attend this meeting by video conference pursuant to the requirements set forth in the Texas Open Meetings Act. An electronic copy of the agenda packet may be accessed at the San Antonio Housing Trust website under the CALENDAR/Board Meeting date page prior to the meeting.*

**NOTICE:** *This meeting of the Board, being held for the reasons listed below, is authorized in accordance with the Texas Government Code, Sections 551.001 - 551.146. Verification of Notice of Meeting and Agenda are on file in the Office of the Executive Director.*

1. Call to Order and Roll Call.
2. Discussion and possible action to approve minutes of August 19, 2022.
3. Public Comment – Interested speakers will have 3 minutes each to address the Board on agenda items or housing policy related matters.
4. Consideration and possible action to approve the San Antonio Housing Trust Public Facility Corporation's Annual Budget and to authorize the expenditures contained therein.
5. Convene into executive session pursuant to Texas Government Code Section 551.071 to seek advice from legal counsel about legal matters as required under the Texas Disciplinary Rules of Professional Conduct of the State of Texas when in conflict with Chapter 551 related to bond application and approval process.
6. Briefing, discussion and possible action regarding a resolution concerning the application of Ellison Apartments Limited Partnership relating to the proposed financing of up to \$43,000,000 of the costs of the acquisition, construction, and equipping of the **Ellison Apartments**; and other matters in connection therewith.
7. Briefing, discussion and possible action regarding a resolution concerning the application of Palladium San Antonio, Ltd. relating to the proposed financing of up to \$43,000,000 of the costs of the acquisition, construction, and equipping of the **Palladium San Antonio Apartments**; and other matters in connection therewith.
8. Briefing, discussion and possible action regarding a resolution concerning the application of Palladium San Antonio II, Ltd. relating to the proposed financing of up to \$43,000,000 of the costs of the acquisition, construction, and equipping of the **Palladium Crestway Apartments**; and other matters in connection therewith.

9. Briefing, discussion and possible action regarding a resolution concerning the application of Legacy-San An New Braunfels, LP relating to the proposed financing of up to \$50,000,000 of the costs of the acquisition, construction, and equipping of the **Legacy Senior Apartments**; and other matters in connection therewith
10. Briefing, discussion and possible action regarding a Resolution concerning the application of Pedcor Investments-2022-CXCI, L.P. relating to the proposed financing of up to \$45,000,000 of the costs of the acquisition, construction, and equipping of the **Creek Bend Apartment Homes**; and other matters in connection therewith
11. Briefing, discussion and possible action regarding a resolution concerning the application of Westwood Plaza LP relating to the proposed financing of up to \$30,000,000 of the costs of the acquisition, rehabilitation, construction and equipping of the **Westwood Plaza Apartments**; and other matters in connection therewith
12. Briefing, discussion and possible action regarding a resolution concerning the application of Winston Roselawn Apts LP relating to the proposed financing of up to \$25,000,000 of the costs of the acquisition, rehabilitation, construction and equipping of the **Winston Square/Roselawn Apartments**; and other matters in connection therewith
13. Briefing, discussion and possible action regarding a resolution concerning the application of Spanish Pecan Apts LP relating to the proposed financing of up to \$25,000,000 of the costs of the acquisition, rehabilitation, construction and equipping of the **Pecan Manor/Spanish Spur Apartments**; and other matters in connection therewith
14. Briefing, discussion and possible action regarding a resolution concerning the application of ACG Cattleman Square, LP and Alamo Community Group relating to the proposed financing of up to \$38,000,000 of the costs of the acquisition, construction, and equipping of the **Cattleman Square Lofts Apartments**; and other matters in connection therewith

**\*Executive Session**

The San Antonio Housing Trust reserves the right to adjourn into Executive Session at any time during the course of this meeting to discuss any of the matters listed on the posted agenda, above, as authorized by the Texas Government Code, Sections 551.071 (consultation with attorney), 551.072 (deliberations about real property), 551.073 (deliberations about gifts and donations), 551.074 (personnel matters), 551.076 (deliberations about security devices), and 551.087 (economic development).  
*ANY ITEM DISCUSSED IN EXECUTIVE SESSION MAY BE ACTED ON IN OPEN SESSION*

**SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION  
BOARD MEMBERS:**

Council Member Jalen McKee-Rodriguez (District 2), Council Member Phyllis Viagran (District 3), Council Member Dr. Adriana Rocha Garcia (District 4), Council Member Teri Castillo (District 5), Council Member John Courage (District 9), Jane Paccione, Jordan Ghawi

Attendance by Other Elected or Appointed Officials: It is possible that members City boards, commissions and/or committees may attend the open meeting in numbers that may constitute a quorum. Notice is hereby given that the meeting, to the extent required by law, is also noticed as a meeting of any other boards, commissions and/or committees of the City, whose members may be in attendance in numbers constituting a quorum. These members of other City boards, commissions, and/or committees may not deliberate or take action on items listed on the agenda. [Attorney General Opinion – No. GA-0957 (2012)].

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretative services must be made 48 hours prior to this meeting. Please contact Nicole Collazo, for concerns or requests, at (210) 735-2772 or FAX (210) 735-2112.

**San Antonio Housing Trust Public Facility Corporation**  
**Agenda Item 2**

This item includes the approval of minutes from the **August 19, 2022**, meeting.



**SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION**  
**OFFICIAL MEETING MINUTES**

---

**DATE:** Friday, August 19, 2022

**TIME AND PLACE:** The Public Facility Corporation met in session at 3:48 p.m., via Zoom and in person at 114 W Commerce St, San Antonio, TX 78205.

**PRESENT:** Antoinette Brumfield, Councilwoman Teri Castillo, Eric Cooper, Councilman John Courage, Jordan Ghawi, Marinella Murillo, Jane Pacione, Councilman Jalen McKee-Rodriguez, and Councilwoman Phyllis Viagran.

**ABSENT:** Councilwoman Adriana Rocha Garcia, and Mark Carmona

**STAFF/VISITORS PRESENT:**

Pedro Alanis- Executive Director San Antonio Housing Trust Foundation INC.; Nicole Collazo- Director of Operations San Antonio Housing Trust Foundation INC.; Susan Snowden- Director of Finance San Antonio Housing Trust Foundation INC.; Lauren Bejaran- Sr. Administrative Assistant San Antonio Housing Trust Foundation INC.; Ruben Lizalde- D3; Edward Muniga- D4; Ileana Sandoval- D9; Norma Little- Leal & Carter, P.C.; Jason Arechiga- NRP Group; Mark Tolley- Mission Development Group; Steve Poppoon- LPDC, LTD; Nancy Poppoon- LPDC, LTD; Andrew Poppoon- LPDC, LTD; Jason Hauck- Morgan Group; Avis Chaisson- Palladium USA; Summer Greathouse- Attorney Bracewell; Cynthia Trevino- Attorney DNRBZ.

1. **CALL TO ORDER AND ROLL CALL:** The meeting was called to order by Vice President Jane Pacione and the roll was called by Lauren Bejaran.
2. **DISCUSSION AND POSSIBLE ACTION TO APPROVE MINUTES OF JULY 15, 2022.**  
Councilwoman Viagran motioned, and Councilwoman Castillo seconded for approval of the July 15, 2022, minutes with the noted corrections.

**AYES: 5**

**NAYS:**

**ABSTAINED:**

**THE MOTION PASSED.**

3. **CITIZENS TO BE HEARD-INTERESTED SPEAKERS WILL HAVE 3 MINUTES EACH TO ADDRESS THE BOARD ON AGENDA ITEMS OR HOUSING POLICY RELATED MATTERS; A TOTAL OF 15 MINUTES WILL BE PROVIDED.**

Jason Hauck, Regional Development Partner for Morgan Group statement:

*“Good afternoon Madam Chair. Board members, thanks for having me here this afternoon and hearing me. I am Jason Hauck with the Morgan Group; we’re a multifamily developer located at 3815 South Capital Texas Highway. We have the privilege to have partnered with the Housing Trust and PFC on two projects that are here, both under construction. One is*

*in Longhorn Quarry and the other is in the Roger's Ranch neighborhood north of 1604. Both of these projects are PFC partnerships. They are mixed income communities, market rate units, units affordable at 80% or less of AMI, and units affordable at 60% or less of AMI. And we are obsessive about the quality in the projects that we build, so these projects, you know are high end, A+ communities. We build contemporary amenities, business centers for residents who work from home. The affordable units have the same finish out as the market rate units; the amenities are available to all the residents affordable or market rate free of charge. And so, we're really excited about these projects. There's obviously a need for more housing. You know, we're in a housing crisis and my understanding is, you know, the new strategic initiatives and policies of this board would make that the structure really go away for future opportunities to have these types of partnerships with the Housing Trust.*

*And so, you know, from my perspective as a developer, construction costs have obviously gone up at an unprecedented rate over the past 24 months. You know, we're looking at projects to build on market rate basis, you know, in order to make those projects financially viable, rents need to be 100- 120% of AMI or more. You know, there are a lot of markets where that's not available and so, you know, again, I think the structure is one that is needed. And I think that the construction costs are making these incomes kind of the missing middle, an area where you know that affordability is going away. And we have three projects that could all start construction within the next year that I think would be prime candidates for you know, the same structure that we're using a lot more in Rogers Ranch. And so, you know, I'd ask you to, you know, consider projects like, this, you know, going forward. Thank you."*

Vice President Jane Paccione thanked Jason Hauck for his statement.

Susan Richardson's submitted comment read by SAHT Director of Operations, Nicole Collazo:

*"Regarding item #4: I was happy to be able to get a look at the summary list of SAHTPFC properties from the time of the audit (9/30/2021) and I would like to know if such a listing is considered public record. If so, where can residents locate an updated complete listing as I know there are many more properties that have been added, as well as others that have been sold or had name changes. Making public the total number of units with the number of affordable/ workforce units based on AMI percentages would go a long way to help to reinforce public trust in that the city IS truly focused on adding to the 'affordable' housing stock for renters.*

*Regarding agenda item #6: The Site Eligibility and Financial Underwriting sections look great with the suggested amendments providing greater context and clarification. My questions/ comments are with other areas of the criteria. In the Affordability Requirement area within the Project Eligibility section referencing the 4% LIHTC Equity, since we know that over 20% of renters are cost-burdened would it not be possible to require that 15% of the units serve households at or below 50% of the AMI. If further amended to be 15% and then added to the 5% deeper affordability at 30% of AMI we would reach a total of 20% of units which would align with what we know to be the accurate figure for cost-burdened renters. Referencing the 9% LIHTC, I like the preference given to developers providing Permanent Supportive Housing, but what happens if there are no applicants providing this? Also, within Project Eligibility area in the Services Requirement section regarding item #1,*

*Will there be a minimum number of residential services required to be provided to target populations? Regarding item #2a, how will 'demonstrated experience' be quantified/ represented? Also, within the Project Eligibility area in the Other Considerations section, does Universal Design and the Energy Multifamily National Program Requirements include air conditioning? If not, please make sure this is mandated somewhere.*

*In the Development Team Qualifications area, within the Property Management Qualifications section there needs to be a requirement that somehow helps to weed out the 'bad actor' property management companies (like Shippy Properties). Perhaps require zero outstanding citations for code compliance and/ or documentation from DSD of rectified situations reported by tenants within a three-year period. I sincerely appreciate you and SAHT team's efforts towards improving the housing crisis here in San Antonio!"*

Avis Chaisson, Executive Director of Real Estate Development for Palladium USA International, INC. statement:

*"Good afternoon. I'm Avis Chaisson, Executive Director of real estate development with Palladium USA. Thank you do much for allowing me to speak to you this afternoon. I am here to speak on Item 6 and your housing tax credit development policy. We are a developer based out of Dallas, our headquarters is at 1345 Noel Road, Suite 400. I want to applaud you staff for all of the work that they put into the policy and providing feedback and working and listening to developers. It's Yeoman's work what they have done and its admirable to have a policy that developers can look and know what your expectations are. So, I want to thank you and your staff for all the work that you've put into this. A couple of items I want to speak to, are just the cleanup items on the affordability requirements. It's not quite specific on your 4% and your bond criteria for affordability requirements; ff it's either or, so we just want to make sure we clarify which one you do a bond deal. Because private activity bond deals, most bond deals, you have to pay up with 4%, so we just want to be clear with the affordability requirements.*

*The other item I would like to speak to, and we definitely thank you for hearing us on the Universal Design Guidelines making it 'shall encourage'. The other item I would like to speak to is the broadband WIFI in each unit, maybe changing that to 'shall encourage' or making WIFI accessible to residents because that could be another cost constraint to development. As it was mentioned, construction costs are kind of high and outfitting your entire complex and every unit would pass the bar on broadband WIFI can be costly, and until there's funding available hopefully at the federal level we ask that you consider 'shall encourage'. The other item I would like to speak to is on your operating revenue just on the vacancy rate for Section Eight to 7.5%. That may be a little high. We don't usually participate in the Section 8 program, but just wanted to make you aware of that.*

*And then the final item I'd like to speak to you on is your Tennant Assistance Fund, which is again very admirable. However, we want to make you aware of the impacts to a deal. We're looking at doing two bills right now hopefully to come before you for consideration for partnership. And when you look at the numbers, especially if you have a 240-unit deal, it can substantially impact the financial viability of the deal. I encourage you look at strong partners like Pallidum USA. During the pandemic, we were on top of it. We looked at occupancy levels from April to December of 2020 and we made sure that our residents stayed housed. Our Occupancy level portfolio did not drop below 95%. Then we had a dedicated czar who worked with our residents and secured \$2.8 million in Texas rent relief*

*funding. And then we also made sure to direct our residents to other resources to make sure we kept them housed. So, work with strong partners to help you keep your residents that your partner with housed.*

*The other thing, consider additional resources. You mentioned the corpus under the San Antonio Housing Trust fund, the 2 million dollars, that could be a resource for rental relief or utility relief as well. Or using the revenue that you get from your partnership deals to consider growing your corpus. So, I just want to think about other resources outside of doing a reserve that can substantially impact the debt service on these deals. I believe that is all I have, thank you so much again, and hopefully we get to come meet with you individually on projects that we have in your area. Thank you so much."*

Vice President Jane Paccione thanked Avis Chaisson for her statement.

Steven Poppoon, President of Louis Poppoon Development & Consulting, LTD. Statement:

*"Good afternoon. Thank you for the opportunity to speak to you today. My name is Steve Poppoon, I spoke to you before, I am an affordable housing developer, particularly a tax credit developer. Our company, LPDC is located 1618 Lockhill Selma here in San Antonio. First, thank you for the revisions that you made to previous plans and for being so receptive to our suggestions. That really made a big difference. I'd like to begin by showing you Majestic Ranch, one of our latest entities developed for Opportunity Homes, which is just won Community Revitalization Award of Merit and has been nominated for the Award of Excellence by the National Association of Housing and Redevelopment officials. This is the quality that we build."*

Councilman John Courage leaves meeting at 4:25 PM.

*"The statements that accompany the awards are as follows: 'San Antonio, as a whole, faces the effects of historic socioeconomic segregation and illuming housing shortfall. Majestic Ranch is a 288-unit multifamily development specifically targeting working families and was built with appropriate design considerations and amenities. This community is designed as walkable, sustainable, and intergenerational with improved connections to the surrounding neighborhood. A collaborative process with residents and community leaders, city partners, The San Antonio Housing Authority, and other stakeholders was key to developing a plan to provide a higher quality of life and long-term sustainability.' This property was built in compliance with TDHCA requirements under the same state and local building codes and regulations as market rate units. It is 100% occupied, you are actually the bond issuers on this property. The housing is absolutely critical to many families; most live from paycheck to paycheck juggling expenses between health care, food, transportation, etc. We actually have residents who do not turn on their air conditioning in the dead of summer San Antonio because they can't afford it. And the energy costs continue to skyrocket. These are working family's vast majority of residents from the surrounding neighborhoods, so their children are already in the schools and their cars are already in the traffic patterns.*

*Typically, they live with family or friends in substandard housing, the average tax credit family of four saves around \$6,000 a year in rent which can be used for food, health care, gasoline, insurance, etc. They all undergo detailed credit and criminal background checks. Demand is extraordinary. The 14 Tax Credit properties we have developed are 95% plus*

*occupied and each receives around 4,000 inquiries per year from prospective tenants wherever they're located in San Antonio. All the units are Energy Star qualified and fair housing compliant as to accessibility and common area amenities and resident services are extensive. All the communities we have developed using 4% tax credits are 100% affordable at 60% of AMI. That's 60% unit is a 50% unit or a 40% unit, and any other level which you decide to be at because you are the owner of the property. You have the ability to set the rents of any units at any level so long as the property has sufficient income to cover debt service and operating costs. So, there is no need really to specify lower rent restrictions. I can give you one example. I ran the property we have under contract, or under construction, Bristol at Somerset. We broke ground last year and 100% at 60%, the debt service coverage is word acquired 115 to 1, which is required by all lenders. The annual net income is \$267,975. If we were to impose a 15% rent limitation or income limitation, 15% to 30%, the debt service coverage goes down to 1.01 and that net income goes to \$19,037 dollars. Long short of it is, it wouldn't be built.*

*First threshold to our development process is site availability. We have to build in a qualified, census tracked, or a difficult development area in Bexar County. Private activity bond communities must be built within these boundaries to receive the 30% boost in tax credit to make the project financially viable. There are not an unlimited number of sites from which to choose. Some are too small, have poor access and visibility, have no utilities, are partially or totally unusable utilities due to the utility easements, floodplain, etc. There are fewer and fewer sites available, and they are farther and farther out. Some city council districts have large gaps in QCT and TDHCA designated areas. This is why the Public Facility Bond Program is so important because it allows the expansion of affordable housing to those underserved areas. By contrast, market rate properties can be built anywhere, often competing with affordable housing developers for sites and their rents are not regulated. Thus, we are much more financially constrained and severely competitively disadvantaged.*

*Affordable Housing Process is an expensive and long process. If we were to find a site today that has all the necessary requirements, and we're not outbid by a market rate builder, it would be three years before that property is completed. The other thing that I want to emphasize is the exposure that the developers have. We have about \$1,200,000 in pre-development costs. You have none. We guarantee the debt and the equity on the property, which is about \$65 million dollars, you guarantee none. So, our exposure is great, and any changes and other holdups may only exacerbate the situation for us and our exposure as well. One of the other things I want to mention is Fair Housing. The Texas Fair Housing Act and the US Fair Housing Act protect against discriminatory housing practices in sale, rental, and financing of dwellings based on race, color, national origin, religion, sex, physical or mental disabilities, age, veteran status, or familial status, which means to me establishes the presence of a child under 18 living with a parent or legal guardian. Our affordable housing developers build or exceed the same building codes as market rate units. Therefore, if there are conditions that would limit or restrict developments, but do not apply to market rate, they are creating a disparate impact by focusing on people and not the construction or type of quality. Covenant or restrictions may be found to violate the Fair Housing Act and therefore be unenforceable and as disparate impact that results in adverse effect of a protected group that is disproportionate as to essentially amount to discrimination.*

*To summarize if restrictions impact affordable housing, but not market rate, under Texas*

*and Federal Law, that may be declared void. We are very proud of what we do, as evidenced by Majestic Ranch, and I hope you are as well because you are the essential part of all of this. I Invite you to come tour Majestic; tour any of our properties. Bring your children, grandchildren, parents, and show them what you do to better the lives of hardworking families who are less fortunate than you. Thank you."*

Vice President Jane Paccione thanked Steven for his comment.

Jason Arechiga, Senior Vice President of Development for The NRP Group statement:

*"Thank you. My name is Jason Arechiga with the NRP Group. I just wanted to thank Pete and his staff and y'all for the tax credit policy, some of the changes that were made. I just simply want to emphasize one word or maybe two, agility and flexibility that you had mentioned, as well as part of it, what I want to emphasize as part of this policy to all y'all is maintain that agility and flexibility please. There's a lot of what we've tried to avoid and the main thing we want to avoid as a development community as a whole community at large is preventing any barriers to affordable housing, which makes sense. So, for example, looking at something where there is Tennant Assistance Finds, I know that's a tough topic, may need to be reduced, it may not need to be reduced, but just to maintain the flexibility of what it could be after looking at it. I want to give an example, and this is the final thing that I'll say that may be considered sacrosanct and I'll still give an example where flexibility may still apply. And that may be in the displacement, the DIA, we for example the current policy shows you cannot displace a business. And I understand the rationale for that. Nobody wants to displace a mom-and-pop restaurant that has been there that doesn't want to leave the facility, but there are other circumstances.*

*Other circumstances that we as a developer have partnered with other groups and other cities, where unfortunately there were some businesses that were removed, liquor stores, sexually oriented businesses. Grant it, I know I'm picking somethings at the end of the spectrum. I am picking an egregious thing, but those circumstances will come to y'all and will exist, and just maintain that flexibility to where, when somebody wants to come and apply, that they are not looking at these criteria and say, 'Well I can't apply because somebody may be removed, a business may be removed from this situation'. And with that flexibility, y'all could say, well, we don't want to remove the mom-and-pop restaurant, but we may look a little bit harder at this dilapidated strip center that is really struggling, and we could replace it with let's say 200 new multifamily affordable homes. So, there are circumstances, again I tried to pick one of the most restrictive ones, most egregious, but it flows throughout the document with affordability, with rents, with vacancy management fees; there's a variety of other things in there. It's good to have the policy, it's good to have the goals, as Avis said, other developers can look at it and say that's what we need to hit. This is good, but just maintain that agility within that's all. That's simply just what we ask. Thank you."*

Vice President Jane Paccione thanked Jason Arechiga for his comment.

**4. PRESENTATION AND POSSIBLE ACTION REGARDING THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION AUDIT FOR FISCAL YEAR ENDING SEPTEMBER 30, 2021.**

Councilman Jalen McKee-Rodriguez expressed his support for the Tax Credit Policy and left the meeting at 4:34 PM.

Pete Alanis turned the floor over to SAHT's CPA, Norma Little from Leal & Carter, PC to brief to the board on the audit for the San Antonio Housing Trust Public Facility Corporation. Norma Little presented the Independent Auditor's Report, which includes the Auditor's Opinion that states the balances were fairly stated by the SAHT PFC. The financial statements begin with the statements of net position listed at \$7,246,330. Assets are listed at \$87,537,962, which include cash accounts, dues from the Foundation, and the land that is owned by the PFC that is leased out. Liabilities are listed at \$80,415,664 that include the prepaid rents on the land that is owned by the PFC. Operating revenues of the PFC are at \$4,061,464, which consist of fees from developer income and administrative fees. The Operating Expenses are listed at \$1.3 million account for the administrative fees paid to the Foundation. The Operating Income, FY 2022 ending balance, is listed at \$2.7 million.

**MINUTES COMMISSION ACTION:**

Jordan Ghawi motioned, and Councilwoman Teri Castillo seconded to approve the San Antonio Housing Trust Public Facility Corporation Audit for fiscal year ending September 30, 2021, with the noted corrections.

**AYES: 4**

**NAYS:**

**ABSTAINED:**

**THE MOTION PASSED.**

**5. BRIEFING AND DISCUSSION ON THE FISCAL YEAR 2023 PRELIMINARY BUDGET.**

Pete Alanis briefed about the fiscal year 2023 preliminary budget for the SAHT PFC, beginning with the Operating Revenues for the PFC. The PFC will earn \$8.48 million in net revenues by the end of FY 2022, due to the various partnership revenues the PFC earns from each project throughout the year. By the end of FY 2023, the PFC is estimated to earn \$5.54 million, a \$3 million dollar difference in part to the sale of Cevallos Lofts in FY 2022. The \$5.54 million is based on projections from 25 to 35 properties expected to generate various forms of revenues for the PFC. However, the estimate does not include 10 properties due to the need to develop greater forecasting capabilities and information gaps on these projects.

For Operating Expenses, the PFC is expected to expend \$1.86 million in 25% administrative fees to the Foundation and \$163,600 compliance monitoring costs. At the start of FY 2023, the PFC shall have about \$10 million in unrestricted cash. If the PFC does not spend any of the unrestricted cash, the PFC by the end of FY 2023 will have an estimated \$13.2 million in unrestricted cash. Staff will not be making any recommendations at this time on expenditures from the unrestricted cash until the 5-year Strategic Plan is completed and a financial plan and investment policy is in place.

**NO ACTION TAKEN.**

## **6. DISCUSSION AND POSSIBLE ACTION TO APPROVE 2023 TAX CREDIT DEVELOPMENT POLICY.**

Pete Alanis briefed to the board on the revisions staff has made to the 2023 Tax Credit Development Policy after the PFC Board asked staff to extend the feedback period through August 3, 2022. Feedback was received and staff has provided a response to each category. The following criteria revisions include clarified language on Displacement Impact Assessment, adjustments to site criteria language from requirement to preference, removal of Equity Atlas criteria limitations, additional options for properties that do not meet transit stop requirements, revision of Councilmember “*consent*” to “*notification*”, adjustments to several provisions to occur prior to closing vs initial application, opened up 9% LIHTC applications to all private entities, but kept PSH (Permanent Supportive Housing) as preference, clarification of internet access to align with commercially available speeds, alignment of developer qualifications with QAP requirements (except for 1st LIHTC deals), clarification of Asset and REO requirements and revised pipeline assessment, added other forms of completion guarantees, adjustment of vacancy and DSCR to align with State/HUD underwriting, adjustment to land appraisal and disclosure requirements, alignment of rehabilitation scope to correspond with a 3rd Party Capital Needs Assessment, removal of Deferred Developer Fee Restrictions, alignment of Operating Expenses Underwriting with QAP requirements, converted Management Fee from a set percentage to a negotiated item, converted TAF to underwriting process vs hard establishment, and staff has made no changes to *Financial Terms*.

Councilwoman Teri Castillo expressed her support for the changes Pete and staff made to the 2023 Tax Credit Development policy.

Councilwoman Phyllis Viagran recommended waiting until next meeting to consider accepting the 2023 Tax Credit Development Policy due to 3 Councilmembers of the board not being present to express their opinions on the policy.

Eric Cooper expressed his support to accept the 2023 Tax Credit Development Policy with the noted corrections. He also recommended more clarified language on the waiver process in the Development Policy for transparency to the board on why certain projects will be given a waiver.

Pete Alanis advised the board that the lottery process for the 2023 Tax Credit Program ends on October 20, 2022. For any projects that the PFC wants to apply for, for FY 2023, will have to be approved and sent it to the state of Texas by September 16, 2022. Pete recommended to the board to accept applications for the LIHTC program until the deadline, and for the board to not back apply the Tax Credit Policy to those applications if the policy is approved in the future.

### **MINUTES COMMISSION ACTION:**

Councilwoman Teri Castillo motioned, and Jordan Ghawi seconded to table item 5 for further consideration on the 2023 Tax Credit Development Criteria until next schedule meeting on September 16, 2022.

**AYES: 4**

**NAYS:**

**ABSTAINED:**



**THE MOTION PASSED.**

**7. ADJOURNMENT**

Vice President Jane Paccione adjourned the meeting. There being no further business, the meeting adjourned at 4:41 p.m.

**San Antonio Housing Trust Public Facility Corporation  
Agenda Item 3**

**Public Comment**

Interested speakers will have 3 minutes each to address the Board on agenda items or housing policy related matters; a total of 15 minutes will be provided. Instructions to sign up for Public Comment via Zoom video conference.

To sign up for Public Comment please call 210-735-2772 24 hours prior to this meeting to place your name on the list.

**San Antonio Housing Trust Public Facility Corporation**  
**Agenda Item 4**

*Briefing, consideration and possible action to approve the San Antonio Housing Trust Public Facility Corporation's Annual Budget and to authorize the expenditures contained therein.*

Last month, staff presented the preliminary San Antonio Housing Trust Public Facility Corporation budget. After further review, the Public Facility Corporation is expected to earn \$620,000 more in revenues by end of Fiscal Year 2023. In addition, the Public Facility operating expenses are increased by \$155,000 due to increased fees due to the Foundation.

The table below shows the changes from the Preliminary budget presented on August 19, 2022, and the proposed FY 2023 budget.

**SAHT Public Facility Corporation**

<b>FY 2023 PFC Budget</b>	<b>Prelim Budget August Committee</b>	<b>Proposed Budget September Committee</b>
Operating Revenues	\$ 5,542,337	\$ 6,162,532
Operating Expenses	1,859,184	2,014,233
Operating Income	3,683,153	4,148,299

*Operating Expenses*

The PFC is expected to have \$2 million categorized as expenses, primarily due to the 25% Foundation payout of \$1.54 million. The remaining amount is to support \$310,000 in direct asset financial monitoring and estimated \$163,600 in compliance monitoring services. These costs were charged to the Foundation in FY 2022 but have been moved over to the PFC. The amount has increased due to the volume of projects coming online, even with renegotiated Asset Financial Monitoring fees.

**Recommendation:**

Finance Committee met on September 9, 2022 and approved to move this item forward to the Public Facility Corporation board to for approval of the FY 2023 Annual Budget.

**Attachment:**

FY 2023 Proposed Public Facility Corporation Budget



**FY 2023  
Proposed Budget**

**OPERATING REVENUES**

Fee Income

Administrative Fee	\$ 75,000
Asset Management Fee	150,000
Cash Flow Fee	421,559
Deferred Developer Fee	616,817
Developer Fee	4,496,070
Incentive Management Fee	45,539
Partnership Management Fee	22,500
Supervisory Management Fee	18,233

Total Fee Income \$ 5,845,718

Distribution Income from Cash Flow 316,815

**TOTAL OPERATING REVENUES \$ 6,162,532**

**OPERATING EXPENSES**

Administrative Fees \$ 1,540,633

Professional Services

Asset Management Services	310,000
Compliance Monitoring Services	163,600

Total Professional Services \$ 473,600

**TOTAL OPERATING EXPENSES \$ 2,014,233**

**OPERATING INCOME (LOSS) \$ 4,148,299**

**NONOPERATING REVENUES (EXPENSES)**

Interest Income - Banks \$ 200

**TOTAL NONOPERATING REVENUES (EXPENSES) \$ 200**

**INCREASE (DECREASE) IN NET POSITION \$ 4,148,499**

**San Antonio Housing Trust Public Facility Corporation**  
**Agenda Item 5**

*Convene into executive session pursuant to Texas Government Code Section 551.071 to seek advice from legal counsel about legal matters as required under the Texas Disciplinary Rules of Professional Conduct of the State of Texas when in conflict with Chapter 551 related to bond application and approval process.*

**San Antonio Housing Trust Public Facility Corporation  
Agenda Item 6**

*Briefing, discussion and possible action regarding a resolution concerning the application of Ellison Apartments Limited Partnership relating to the proposed financing of up to \$43,000,000 of the costs of the acquisition, construction, and equipping of the Ellison Apartments; and other matters in connection therewith.*

Lincoln Avenue Capital, is a nationwide firm seeking to partner with the SAHT PFC to develop a proposed 312-unit new construction 4% bond development targeted for low income families. The *Ellison Apartments* will be a mix of affordable units for households whose incomes range from 30% to 60% of area median income (AMI).

**Property Information**

As currently proposed, the development will include a mix of one-, two-, and three-bedroom apartment homes for families earning up to 60% of AMI. Of the 312 total apartment homes, 47 units (15%) will be restricted for those households earning up to 30% AMI. See the below targeted unit mix and bedroom sizes.



Unit Mix & Affordability			
	<30% AMI	60% AMI	Total
1 Bedroom	10	55	65
2 Bedroom	18	104	122
3 Bedroom	19	106	125
Total	47	265	312

The unit mix will assist the City in meeting SHIP goals and SAHT affordability targets.

The Ellison Apartments will include a swimming pool, dog park, resident garden, play area for families, fitness center, and community room. Residential services will also be provided to the residents free of charge on-site; the program for which will be established in partnership with Community Housing Resource Partners. CHR Partners currently provides residential services for several SAHT LIHTC developments.

The developer has committed to work with the architect and design team to institute Universal Design that will exceed the City of San Antonio's Universal Design (Visit-ability) Ordinance. The project will also participate with Energy Star Multifamily National Program.

## Development Team

Lincoln Avenue Capital provides high-quality, sustainable, and affordable homes for low-income individuals, seniors, and families across the country with a portfolio that includes more than 22,000 apartment homes in over 105 properties located in 21 states. The project development team identified Asset Living (acquired by Alpha Barnes) as Property Manager who has over 20 years' experience in affordable housing, managing over 31,000 units. They have also identified HEDK Architects, a Texas firm who has designed over 70 apartment communities. The Engineering firm is the local firm, Pape Dawson. The Accounting team is Novogradac & Company LLP. SAHT has utilized these firms in prior developments without issue. The attorney team is Coats Rose. A General Contractor will be selected later.

## Site Information

The property is located within the *Port San Antonio Regional Center* on 21 acres of vacant land currently zoned C-2. The property will need to be rezoned but will not need to go through a land use change. A subsurface easement runs through the property making only about 10 contiguous acres available to this development.

The *Port San Antonio Area Regional Center* is forecast to grow by 13,500 to 15,500 households from 2010 to 2040. Since 2010, the Regional Center is estimated to have grown by just over 100 units per year, which is a slower rate than forecasted for the area since the completion of the plan. The Port San Antonio Area Regional Center is forecast to grow by 23,800 to 27,000 new jobs from 2010 to 2040.

The site is supported by frequent Via Transit along the #614 Route just 8 minutes from the Kel-Lac Transit Center and is in walking distance to South San HS, Alan B. Shepard MS, and IDEA Brackenridge Academy & College Preparatory. The property is also near Pearsall Park/Dog Park, Sporti Soccer Complex and other commercial neighborhood assets.





**Financial Considerations:**

The project is anticipated to be a \$73.9 million project that will require the SAHT PFC to apply for a \$43 Million bond reservation through the Texas Bond Review Board to be eligible for the 4% Low Income Housing Tax Credit Program through TDHCA. The project will also require a 100% Sales and Property Tax Exemption through the PFC being part of the Tax Credit Partnership.

Sources	Perm Financing
First Mortgage	\$32,050,000
LIHTC Equity	31,791,053
<i>Gap Funding</i>	<i>3,120,000</i>
Deferred Developer Fee	6,935,998
<b>Total Sources</b>	<b>\$73,897,051</b>
Uses	Amount
Acquisition	\$ 2,294,600
Construction Hard Costs	53,328,612
Project Soft Costs	1,172,500
Tax Credit/Bond Costs	1,269,125
Financing/Reserves	7,163,609
Developer Fee	8,668,605
<b>Total Sources</b>	<b>\$73,897,051</b>

The project has an estimated \$3.12 Million gap which can be resolved through potential soft sources such as the City's 2022 Affordable Housing Bond, County's RFP, or the State of Texas MFDL Program.

SAHT is anticipated to receive the following:

- Bond Issuance Fee of 1% of the Final Bond Issuance Amount
- Annual Bond Fee of \$30/unit for each year the Bonds are outstanding

**Recommendation:**

Finance Committee met on September 9, 2022 and approved to move this item forward to the Public Facility Corporation board to consider initial inducement resolution to support the development of the Ellison Apartments.

**Attachment:**

Resolution



**CERTIFICATE FOR RESOLUTION**

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

1. In accordance with the bylaws of the Issuer, the Board of Directors of the Issuer (the “Board”) held a meeting on September 16, 2022 (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 ELLISON APARTMENTS LIMITED PARTNERSHIP RELATING TO THE PROPOSED FINANCING OF UP TO \$43,000,000 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE ELLISON 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 September 16, 2022.

---

Pedro A. Alanis, Assistant Secretary

**RESOLUTION CONCERNING THE APPLICATION OF ELLISON APARTMENTS LIMITED PARTNERSHIP RELATING TO THE PROPOSED FINANCING OF UP TO \$43,000,000 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE ELLISON 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 Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the “Act”), approved and created the San Antonio Housing Trust Public Facility Corporation, a nonstock, nonprofit public facility 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, Ellison Apartments Limited Partnership, 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 northeast corner of Old Pearsall Road and Ray Ellison Boulevard and to be known as Ellison Apartments (the “Project”); and (ii) the Issuer file and/or refile a 2023 and/or 2024 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 \$43,000,000 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” or an “Application for Carryforward for Private Activity Bonds” (together, 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 PUBLIC FACILITY 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 \$43,000,000;

(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 2023 and/or 2024 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 \$43,000,000. 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 Public Facility Corporation  
Agenda Item 7**

***Briefing, discussion and possible action regarding a resolution concerning the application of Palladium San Antonio, Ltd. relating to the proposed financing of up to \$43,000,000 of the costs of the acquisition, construction, and equipping of the Palladium San Antonio Apartments; and other matters in connection therewith.***

Palladium USA International, is a global firm seeking to partner with the SAHT PFC to develop a proposed 288-unit new construction 4% bond development targeted for low to moderate income families and veterans. The *Palladium SA / Apartments* will be a mix of affordable units for households whose incomes average from 30% to 80% of area median income (AMI).

**Property Information**

As currently proposed, the development will include a mix of one-, two-, and three-bedroom apartment homes for low to moderate income families. Of the 288 total apartment homes, 24 units (8%) will be restricted for those households earning up to 30% AMI; 210 units will be restricted for those households earning up to 60% AMI; 36 units will be restricted for those households earning up to 70% AMI; 18 units will be restricted for those households earning up to 80% AMI. See the below targeted unit mix and bedroom sizes.



Unit Mix & Affordability					
	<30% AMI	60% AMI	70% AMI	80% AMI	Total
1 Bedroom	5	41	5	3	54
2 Bedroom	12	107	17	8	144
3 Bedroom	7	62	14	7	90
<b>Total</b>	<b>24</b>	<b>210</b>	<b>36</b>	<b>18</b>	<b>288</b>

The unit mix will assist the City in meeting SHIP goals and SAHT affordability targets for 30% and 80% AMI Unit.

The Palladium SA Apartments will include a resort style swimming pool, dog park, clubhouse with Community Room, fitness center, uber/lyft pickup area, and EV charging stations. Residential services an array of social services based on Texas Department of Housing and Community Affairs (TDHCA) requirements and programs will be provided onsite free of charge including a scholarship program for high school seniors. The property will feature sustainability



features such as Energy Star Appliances, LED Lighting, and EV charging stations.

### Development Team

The Palladium Group is based in Italy and has offices in six different countries. Palladium USA in its capacity as owner, general partner, and developer has developed over 5,800 market rate and workforce housing units for families and seniors in the State of Texas. Palladium USA has approximately 1,700 units being constructed, and another 1,500 units being planned for development.

The project will utilize their inhouse property management company, Palladium Management, as Property Manager who has 35 years' experience in affordable housing in the Texas market with over 5,000 units managed. They have also identified Cross Architects, PLLC, a multi-family focused Texas Architectural Firm. The Engineering firm, Accounting Firm, and General Contractor will be selected later. The attorney team is Shackelford, Bowen, McKinley & Norton, LLP.

### Site Information

The property is located within the *Port San Antonio Regional Center* on 18 acres of vacant land, south of Joint Base San Antonio currently zoned C-3MR. The MR designation will have building height limitations. Two CPS electric easements run through the property imposing design constraints on developable acreage. There are also two detention ponds required on the site. Due to these limitations, the property will need to be designed with 12 separate buildings build to 3 stories maximum.

The *Port San Antonio Area Regional Center* is forecast to grow by 13,500 to 15,500 households





from 2010 to 2040. Since 2010, the Regional Center is estimated to have grown by just over 100 units per year, which is a slower rate than forecasted for the area since the completion of the plan. The Port San Antonio Area Regional Center is forecast to grow by 23,800 to 27,000 new jobs from 2010 to 2040.

The site is supported by frequent Via Transit along the #614 Route just 8 minutes from the Kel-Lac Transit Center and is in walking distance to Pearsall Park. The site is near the Pearsall Trail, Dog Park, Sporti Soccer Complex, South San HS, Alan B. Shepard MS, and IDEA Brackenridge Academy & College Preparatory and other commercial neighborhood assets.

#### **Financial Considerations:**

The project is anticipated to be a \$65.6 million project that will require the SAHT PFC to apply for a \$43 Million bond reservation through the Texas Bond Review Board to be eligible for the 4% Low Income Housing Tax Credit Program through TDHCA. The project will also require a 100% Sales and Property Tax Exemption through the PFC being part of the Tax Credit Partnership.

<b>Sources</b>	<b>Perm Financing</b>
Bond Debt	\$33,687,870
LIHTC Equity	26,903,316
Gap Funding	3,000,000
Deferred Developer Fee	2,083,794
Bond Reinvestment Earnings	181,128
<b>Total Sources</b>	<b>\$65,628,108</b>
<b>Uses</b>	<b>Amount</b>
Acquisition	\$ 2,400,000
Construction Hard Costs	46,350,619
Project Soft Costs	1,993,153
Financing/Reserves	7,443,020
Developer Fee	7,669,316
<b>Total Sources</b>	<b>\$65,856,108</b>

The project has a \$3 Million gap; however, staff believes the gap can be lowered due to capacity of deferred developer fee. The development team is taking a conservative approach to absorb interest rate hikes or further fluctuations in the construction market. SAHT will take an approach to negotiate a reduction of any local public funding awarded to this project as we progress down the development process.

SAHT is anticipated to receive the following:

- Bond Issuance Fee of 1% of the Final Bond Issuance Amount
- Annual Bond Fee of \$30/unit for each year the Bonds are outstanding

**Recommendation:**

Finance Committee met on September 9, 2022 and approved to move this item forward to the Public Facility Corporation board to consider initial inducement resolution to support the development of the Palladium San Antonio Apartments.

**Attachment:**

Resolution

**Palladium San Antonio Apartments**

**CERTIFICATE FOR RESOLUTION**

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

3. In accordance with the bylaws of the Issuer, the Board of Directors of the Issuer (the “Board”) held a meeting on September 16, 2022 (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 PALLADIUM SAN ANTONIO, LTD. RELATING TO THE PROPOSED FINANCING OF UP TO \$43,000,000 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE PALLADIUM SAN ANTONIO 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 September 16, 2022.

---

Pedro A. Alanis, Assistant Secretary

**RESOLUTION CONCERNING THE APPLICATION OF PALLADIUM SAN ANTONIO, LTD. RELATING TO THE PROPOSED FINANCING OF UP TO \$43,000,000 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE PALLADIUM SAN ANTONIO 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 Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the “Act”), approved and created the San Antonio Housing Trust Public Facility Corporation, a nonstock, nonprofit public facility 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, Palladium San Antonio, Ltd., 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 approximately 288-unit multifamily housing facility to be located at approximately 4770 Military Drive West and to be known as Palladium San Antonio Apartments (the “Project”); and (ii) the Issuer file and/or refile a 2023 and/or 2024 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 \$43,000,000 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” or an “Application for Carryforward for Private Activity Bonds” (together, 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 PUBLIC FACILITY 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 \$43,000,000;

(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 2023 and/or 2024 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 \$43,000,000. 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 Public Facility Corporation  
Agenda Item 8**

***Briefing, discussion and possible action regarding a resolution concerning the application of Palladium San Antonio II, Ltd. relating to the proposed financing of up to \$43,000,000 of the costs of the acquisition, construction, and equipping of the Palladium Crestway Apartments; and other matters in connection therewith.***

Palladium USA International, is a global firm seeking to partner with the SAHT PFC/FC to develop a proposed 270-unit new construction 4% bond development targeted for low to moderate income families. The *Palladium Crestway Apartments* will be a mix of affordable units for households whose incomes average from 30% to 80% of area median income (AMI).



**Property Information**

As currently proposed, the development will include a mix of one-, two-, and three-bedroom apartment homes for low to moderate income families. Of the 270 total apartment homes, 21 units (8%) will be restricted for those households earning up to 30% AMI; 202 units will be restricted for those households earning up to 60% AMI; 31 units will be restricted for those households earning up to 70% AMI; 16 units will be restricted for those households earning up to 80% AMI. See the below targeted unit mix and bedroom sizes.

Unit Mix & Affordability					
	<30% AMI	60% AMI	70% AMI	80% AMI	Total
1 Bedroom	8	78	0	0	86
2 Bedroom	9	109	14	6	138
3 Bedroom	4	15	17	10	46
<b>Total</b>	<b>21</b>	<b>202</b>	<b>31</b>	<b>16</b>	<b>270</b>

The unit mix will assist the City in meeting SHIP goals and SAHT affordability targets for 30% and 60% AMI Unit.

The Palladium SA Crestway Apartments will include a resort style swimming pool, dog park, basketball court, clubhouse with Community Room, fitness center, uber/lyft pickup area, and EV charging stations. Residential services an array of social services based on Texas Department of Housing and Community Affairs (TDHCA) requirements and programs will be provided onsite free of charge including a scholarship program for high school seniors. The property will feature sustainability features such as Energy Star Appliances, LED Lighting, and EV charging stations.

### Development Team

The Palladium Group is based in Italy and has offices in six different countries. Palladium USA in its capacity as owner, general partner, and developer has developed over 5,800 market rate and workforce housing units for families and seniors in the State of Texas. Palladium USA has approximately 1,700 units being constructed, and another 1,500 units being planned for development.

The project will utilize their inhouse property management company, Palladium Management, as Property Manager who has 35 years' experience in affordable housing in the Texas market with over 5,000 unites managed. They have also identified Cross Architects, PLLC, a multi-family focused Texas Architectural Firm. The Engineering firm, Accounting Firm, and General Contractor will be selected later. The attorney team is Shackelford, Bowen, McKinley & Norton, LLP.

### Site Information

The property is located on 10.1 acres of vacant land near Windcrest and about .4 miles from the Randolph Park and Ride. The project is currently zoned C-2 and MF 33. An easement on City/CPS owned land will be required to attain the appropriate ingress/egress onto Crestway.



The project is within close proximity to the I-35 corridor in the northeast portion of San Antonio which has traditionally been the industrial employment center of the City. This regional activity center, located at the intersection of I-35 and the I-410 Loop, is the confluence of several types of employment and community-serving retail. Industrial development and distribution employment has begun to shift to the southeast portion of the City and further north along the I-35 corridor, leaving this area with the opportunity for infill redevelopment of the older industrial areas. This evolving regional center will benefit from coordinated land use planning to leverage existing infrastructure and support new types of development.

The site is not supported by frequent Via Stop along Crestway, however the Randolph Park and Ride is a short 2 minute drive. The Park and Ride services the 8, 17, 21, 502, 505, 509, 552, 629, 630, 632 bus routes. The property is .5 miles from Takas City Park, and within .5 – 1.5 miles of Roosevelt H.S., Windcrest Elementary, and White Middle School. The site is within 2 miles of an HEB and Walmart.

#### **Financial Considerations:**

The project is anticipated to be a \$61.6 million project that will require the SAHT PFC to apply for a \$43 Million bond reservation through the Texas Bond Review Board to be eligible for the 4% Low Income Housing Tax Credit Program through TDHCA. The project will also require a 100% Sales and Property Tax Exemption through the PFC being part of the Tax Credit Partnership.

<b>Sources</b>	<b>Perm Financing</b>
Bond Debt	\$29,753,770
LIHTC Equity	25,124,698
Gap Funding	3,000,000
Deferred Developer Fee	3,554,201
Bond Reinvestment Earnings	155,121
<b>Total Sources</b>	<b>\$61,587,790</b>
<b>Uses</b>	<b>Amount</b>
Acquisition	\$ 2,369,000
Construction Hard Costs	43,286,502
Project Soft Costs	1,993,153
Financing/Reserves	6,776,849
Developer Fee	7,162,286
<b>Total Sources</b>	<b>\$61,587,790</b>

The project has a \$3 Million gap; however, staff believes the gap can be lowered due to capacity of deferred developer fee. The development team is taking a conservative approach to absorb interest rate hikes or further fluctuations in the construction market. SAHT will take an approach to negotiate a reduction of any local public funding awarded to this project as we progress down the development process.

SAHT is anticipated to receive the following:

- Bond Issuance Fee of 1% of the Final Bond Issuance Amount
- Annual Bond Fee of \$30/unit for each year the Bonds are outstanding

**Recommendation:**

Finance Committee met on September 9, 2022 and approved to move this item forward to the Public Facility Corporation board to consider initial inducement resolution to support the development of the Palladium Crestway Apartments.

**Attachment:**

Resolution

**Palladium Crestway Apartments**

**CERTIFICATE FOR RESOLUTION**

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

5. In accordance with the bylaws of the Issuer, the Board of Directors of the Issuer (the “Board”) held a meeting on September 16, 2022 (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 PALLADIUM SAN ANTONIO II, LTD. RELATING TO THE PROPOSED FINANCING OF UP TO \$43,000,000 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE PALLADIUM CRESTWAY 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 September 16, 2022.

---

Pedro A. Alanis, Assistant Secretary

**RESOLUTION CONCERNING THE APPLICATION OF PALLADIUM SAN ANTONIO II, LTD. RELATING TO THE PROPOSED FINANCING OF UP TO \$43,000,000 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE PALLADIUM CRESTWAY 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 Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the “Act”), approved and created the San Antonio Housing Trust Public Facility Corporation, a nonstock, nonprofit public facility 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, Palladium San Antonio II, Ltd., 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 approximately 270-unit multifamily housing facility to be located at approximately 5319 Crestway Drive and to be known as Palladium Crestway Apartments (the “Project”); and (ii) the Issuer file and/or refile a 2023 and/or 2024 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 \$43,000,000 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” or an “Application for Carryforward for Private Activity Bonds” (together, 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 PUBLIC FACILITY 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 \$43,000,000;

(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 2023 and/or 2024 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 \$43,000,000. 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 Public Facility Corporation  
Agenda Item 9**

*Briefing, discussion and possible action regarding a resolution concerning the application of Legacy-San An New Braunfels, LP relating to the proposed financing of up to \$50,000,000 of the costs of the acquisition, construction, and equipping of the Legacy Senior Apartments; and other matters in connection therewith*



*Legacy Senior Apartments, 6211 S. New Braunfels Avenue, San Antonio, TX 78223 in Council District 3.*

Cornerstone Housing Group is a nationwide firm seeking to partner with the SAHT PFC to develop a proposed 198-unit new construction 4% bond development targeted for older adults ages 55+. The *Legacy Senior Apartments* will be affordable for households whose incomes are at or below 60% of area median income (AMI).

**Property Information**

As currently proposed, the development will include one and two-bedroom apartment homes for older adults earning up to 60% of AMI. See the below targeted unit mix and bedroom sizes.

Unit Mix & Affordability		
	60% AMI	Total
1 Bedroom	60	60
2 Bedroom	138	138
Total	60	198

The unit mix will assist the city in meeting SHIP goals and SAHT affordability targets. *However*, SAHT will seek to incorporate 10% of the units at 30% AMI, when the HUD 2024 Rent schedule is released in May 2023. Due to the project being a Priority 2 category with the TBRB, the project will not likely receive an allocation of bonds until the summer of 2023. At that time we will return to the board and present the revised unit mix.

The Legacy Senior Apartments will include an on-site manager and maintenance staff, secured access entry, community room with serving kitchen, computer room with free Internet access, theatre room, fitness center with age-appropriate equipment, interior mail room, swimming pool, veranda with patio seating and outdoor grills stations, dog park, carports for rent, and ample parking for residents and guests.

Beacon Management will be providing tenant counseling as well as facilitating on-site health clinics to promote resident well-being, financial education, activities that include arts & crafts, and potlucks. These services will be provided through local providers within the community and be available at no cost to residents.

The developer has committed to work with the architect and design team to institute Universal Design that will exceed the City of San Antonio's Universal Design (Visit-ability) Ordinance. The project will also participate with Energy Star Multifamily National Program.

The building design will include 10% of the units being accessible for mobility, visual, and hearing impaired. Two elevators will provide the access needed to all floor, making each unit visitable. Legacy will be an all-electric building with Energy Star rated appliances. The development team is reviewing the various programs and certifications available.

### **Development Team**

Cornerstone Housing Group has developed more than 2000 units in 40 properties located in 9 states. While most of the projects are less than 80 units, they most recently closed financing on three developments between 122 and 199 units each.

The project development team identified Beacon Management as Property Manager who has decades of experience in affordable housing, currently managing 25 properties totaling 1,300 units. They will make other development team selections later in the process.

### **Site Information**

The 7.93-acre vacant property is located north Brooks City Base near the Texas State Hospital campus as well as near SAHT's Copper Point and Greenline North developments. The vacant land is zoned MF-25 which allows multi-family development with a density of 25 units per acre. A small creek dissects the property requiring a multiple building design.

The project is within the Brooks Regional Center. Anchored by the redeveloping Brooks City-base, this activity center in one of the City's emerging activity centers and major catalyst for growth on the south side of the City. The bulk of growth in this area is taking place within the 1,200-acre mixed-use Brooks City-Base redevelopment project being led by the Brooks Development Authority. The center has 7,200 employees, with nearly 3,000 jobs located within the Brooks City-Base and is estimated to grow by another 16,000 jobs by 2040. *City is currently working on the Southeast Community Area plan which supports providing a variety of high-quality, mixed-income housing options that are well-maintained, complementary to the character of existing neighborhoods, and accommodating to all stages of life.*

The site is supported by frequent Via Transit along the #36 and #20 routes, a 20-minute ride to downtown San Antonio and 8 minutes to Brooks Transit Center. The property is also across from Pytel Park.



### Financial Considerations:

The project is anticipated to be a \$42.1 million project that will require the SAHT PFC to apply for a \$50 million bond reservation through the Texas Bond Review Board to be eligible for the 4% Low Income Housing Tax Credit Program through TDHCA. The project will also require a 100% Sales and Property Tax Exemption through the PFC being part of the Tax Credit Partnership.

Sources	Perm Financing
First Mortgage	\$21,750,000
LIHTC Equity	15,257,506
<i>Gap Funding</i>	<i>2,253,999</i>
Deferred Developer Fee	2,800,000
<b>Total Sources</b>	<b>\$42,061,504</b>
Uses	Amount
Acquisition	\$ 2,002,235
Construction Hard Costs	22,339,908
Project Soft Costs	1,772,964
Tax Credit/Bond Costs	902,287

Financing	9,419,855
Reserves	1,174,255
Developer Fee	4,450,000
<b>Total Sources</b>	<b>\$42,061,504</b>

Note, the identified gap is very preliminary. In addition to public sources and waivers the development team is committed to looking at ways to effectively design the building and selective use of materials to keep costs in check. The project has a 12-month outlook to finding future federal and state soft funding opportunities.

SAHT is anticipated to receive the following:

- Bond Issuance Fee of 1% of the Final Bond Issuance Amount
- Annual Bond Fee of \$30/unit for each year the Bonds are outstanding

**Recommendation:**

Finance Committee met on September 9, 2022 and approved to move this item forward to the Public Facility Corporation board to consider initial inducement resolution to support the development of the Legacy Senior Apartments.

**Attachment:**

Resolution

**Legacy Senior Residences**

**CERTIFICATE FOR RESOLUTION**

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

7. In accordance with the bylaws of the Issuer, the Board of Directors of the Issuer (the “Board”) held a meeting on September 16, 2022 (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 LEGACY-SAN AN NEW BRAUNFELS, LP RELATING TO THE PROPOSED FINANCING OF UP TO \$50,000,000 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE LEGACY SENIOR RESIDENCES 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.

8. 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 September 16, 2022.

---

Pedro A. Alanis, Assistant Secretary



**RESOLUTION CONCERNING THE APPLICATION OF LEGACY-SAN AN NEW BRAUNFELS, LP RELATING TO THE PROPOSED FINANCING OF UP TO \$50,000,000 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE LEGACY SENIOR RESIDENCES AND OTHER MATTERS IN CONNECTION THEREWITH**

WHEREAS, the City Council of the City of San Antonio, Texas (the “City”), has, pursuant to the Texas Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the “Act”), approved and created the San Antonio Housing Trust Public Facility Corporation, a nonstock, nonprofit public facility 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, Legacy-San An New Braunfels, LP, 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 198-unit multifamily housing facility for seniors to be located at approximately 6211 S. New Braunfels Avenue and to be known as Legacy Senior Residences (the “Project”); and (ii) the Issuer file and/or refile a 2023 and/or 2024 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 \$50,000,000 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” or an “Application for Carryforward for Private Activity Bonds” (together, 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 PUBLIC FACILITY 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 \$50,000,000;

(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 2023 and/or 2024 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 \$50,000,000. 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 Public Facility Corporation  
Agenda Item 10**

***Briefing, discussion and possible action regarding a Resolution concerning the application of Pedcor Investments-2022-CXCI, L.P. relating to the proposed financing of up to \$45,000,000 of the costs of the acquisition, construction, and equipping of the Creek Bend Apartment Homes; and other matters in connection therewith***

Pedcor, is a highly qualified national firm seeking to partner with the SAHT PFC to develop a proposed 312-unit new construction 4% bond development targeted for low to moderate income families. The *Creek Bend Apartments* will be a mix of affordable units for households whose incomes average from 30% to 60% of area median income (AMI).



**Property Information**

As currently proposed, the development will include a mix of one-, two-, and three-bedroom apartment homes for low to moderate income families. Of the 312 total apartment homes, 16 units (5%) will be restricted for those households earning up to 30% AMI; 32 units will be restricted for those households earning up to 50% AMI; and 264 units will be restricted for those households earning up to 60% AMI. See the below targeted unit mix and bedroom sizes.

Unit Mix & Affordability				
	<30% AMI	50% AMI	60% AMI	Total
1 Bedroom	5	14	113	132
2 Bedroom	7	14	111	132
3 Bedroom	4	4	40	48
Total	16	32	264	312

The unit mix will assist the City in meeting SHIP goals and SAHT affordability targets for 30%, 50%, and 60% AMI Unit.

The Creek Bend Apartments will feature a swimming pool with splash pad, fitness center, business center, furnished community room with wi-fi, covered pavilion, barbecue grills and

picnic tables, 2 playgrounds, and a dog park. In addition, some carports and garages will be available for rent.

Additional amenities will include covered entry; nine-foot ceilings in living room and all bedrooms (at minimum), a walk-in closet in at least one bedroom, breakfast bar, microwave oven, self-cleaning or continuous cleaning oven, refrigerator with icemaker, storage room, and a covered patio or balcony. While the clubhouse will include a laundry room for those residents without their own washer/dryer, all the units are also equipped with laundry connections.

Residential services Tenant services will be provided and may include services such as a weekly exercise program, annual health fair provided by a health care professional, notary services during regular business hours, twice monthly arts/crafts and other recreational activities, twice monthly on-site social events, and/or a food pantry. The Pedcor team will assess future costs of transit services due to the distance from the closest transit stop/station. However, they may seek to coordinate with VIA on a stop at the location.

The property will feature several energy-conserving/green building features will be incorporated into the development, including 15 SEER HVAC or greater, a 30-year roof, Energy-Star rated dishwasher and refrigerator, Energy-Star windows, at least one Energy-Star rated ceiling fan per unit, Energy-Star rated lighting, and EPA Water Sense showerheads and faucets in all units.

### **Development Team**

Pedcor is one of the largest developers of affordable housing within the multifamily housing tax credit program and with reference to Affordable Housing Finance Magazine Pedcor consistently remains one of the Top 50 developers and owners/managers of LIHTC units in the country.

Pedcor's development/investment portfolio includes 77 - conventionally financed 9% LIHTC partnerships, 94 - 4% LIHTC tax-exempt bond financed partnerships, 29 - work force housing projects with 51% at 80% AMI set aside and 43 - market rate partnerships in addition to 1 special use facility providing a safe haven for women who have been victims of domestic violence. In summary, since its inception, Pedcor has successfully closed 242 partnerships consisting of 33,131 units (20,643 tax credit and 11,488 market) located within 186 communities throughout 21 states.

Pedcor Property Management will be the Property Manager who has substantial experience in affordable housing in the Texas market including a number of SAHT partnered properties. They have also identified 5th Dimension Architects & Interiors LLC, who has worked with Pedcor on prior apartment communities. CDS Muery is a local Engineering firm and Dauby O'Connor and Zaleski, LLC, Austin based Accounting Firm have also been identified. Arkose Environmental, Inc. as Environmental Firm, and Pedcor Construction is the General Contractor. The attorney team will be identified later.

### **Site Information**

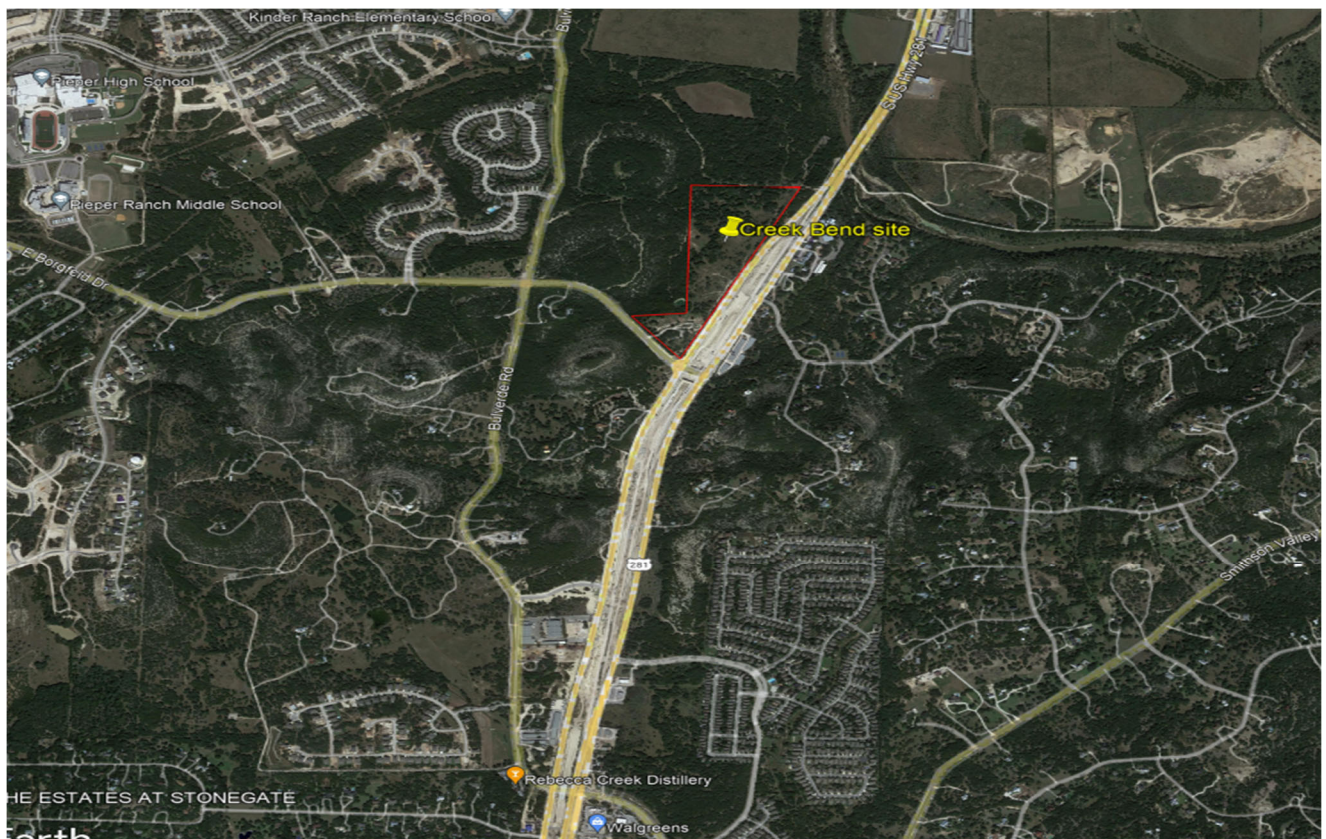
The property is located at the most norther parcel within the City of San Antonio Limits on 18 acres of a 37-acre tract of vacant land. The site is zoned C-2 with a GC-3 corridor overlay, which



allows primarily for commercial uses. The site would need to be rezoned to allow for multifamily development, which can be accomplished through zoning to MF or MXD, the latter of which would retain some commercial component.

The project is located less than a mile from Kinder Ranch Elementary School and less than 1.5 miles from Pieper Ranch Middle School and Pieper High School, all very highly rated. Neighborhood amenities are approximately 1.5-4.0 miles south along HWY 281 North.

Creek Bend is located north of the Stone Oak regional center located at US Highway 281 and Loop 1604. The regional center comprises the master planned community of Stone Oak, two independent hospitals and the Northwood Shopping Center, among other uses. This mix of uses supports over 21,000 jobs and 75,000 residents in the area. The Stone Oak Transit Park and Ride is approximately 4 miles away. Currently no transit stops or Via Link services this area.



### **Financial Considerations:**

The project is anticipated to be a \$82.5 million project that will require the SAHT PFC to apply for a \$45 Million bond reservation through the Texas Bond Review Board to be eligible for the 4% Low Income Housing Tax Credit Program through TDHCA. The project will also require a 100% Sales and Property Tax Exemption through the PFC being part of the Tax Credit Partnership.

<b>Sources</b>	<b>Perm Financing</b>
Bond Debt	\$40,180,000
LIHTC Equity	33,800,000
Deferred Developer Fee	5,934,681
Lease Up Rental Income	2,496,697
Accrued Interest	75,496
<b>Total Sources</b>	<b>\$82,486,894</b>
<b>Uses</b>	<b>Amount</b>
Acquisition	\$ 3,136,320
Construction Hard Costs	53,986,081
Construction Period Costs	11,189,511
Permanent Financing Costs	2,202,825
Architectural/Engineering	1,059,237
Reserves	1,123,400
Syndication Costs	289,500
Developer Fee	9,500,000
<b>Total Sources</b>	<b>\$82,486,894</b>

The project has no anticipated gap. The hard costs numbers also do not reflect the sales taxes reduction on the cost of materials, which should reduce the construction costs line item.

SAHT is anticipated to receive the following:

- Bond Issuance Fee of 1% of the Final Bond Issuance Amount
- Annual Bond Fee of \$30/unit for each year the Bonds are outstanding

**Recommendation:**

Finance Committee met on September 9, 2022 and approved to move this item forward to the Public Facility Corporation board to consider initial inducement resolution to support the development of the Creek Bend Apartments.

**Attachment:**

Resolution



**Creek Bend Apartment Homes**

**CERTIFICATE FOR RESOLUTION**

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

9. In accordance with the bylaws of the Issuer, the Board of Directors of the Issuer (the “Board”) held a meeting on September 16, 2022 (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-2022-CXCI, L.P. RELATING TO THE PROPOSED FINANCING OF UP TO \$45,000,000 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE CREEK BEND APARTMENT HOMES 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.

10. 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 September 16, 2022.

\_\_\_\_\_  
Pedro A. Alanis, Assistant Secretary

**RESOLUTION CONCERNING THE APPLICATION OF PEDCOR INVESTMENTS-2022-CXCI, L.P. RELATING TO THE PROPOSED FINANCING OF UP TO \$45,000,000 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE CREEK BEND APARTMENT HOMES AND OTHER MATTERS IN CONNECTION THEREWITH**

WHEREAS, the City Council of the City of San Antonio, Texas (the “City”), has, pursuant to the Texas Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the “Act”), approved and created the San Antonio Housing Trust Public Facility Corporation, a nonstock, nonprofit public facility 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-2022-CXCI, L.P., 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 northwest corner of Highway 281 and Borgfeld Road and to be known as the Creek Bend Apartment Homes (the “Project”); and (ii) the Issuer file and/or refile a 2023 and/or 2024 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” or an “Application for Carryforward for Private Activity Bonds” (together, 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 PUBLIC FACILITY 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 2023 and/or 2024 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 Public Facility Corporation  
Agenda Item 11**

***Briefing, discussion and possible action regarding a resolution concerning the application of Westwood Plaza LP relating to the proposed financing of up to \$30,000,000 of the costs of the acquisition, rehabilitation, construction and equipping of the Westwood Plaza Apartments; and other matters in connection therewith***

Pico Union is a non-profit community-based organization seeking to partner with SAHT FC through a bond inducement to rehabilitate 305-unit 60-year-old property through a 4% LIHTC structure to target existing low-income families. The *Westwood Plaza* will be affordable for households whose incomes are at 60% of area median income (AMI).

**Property Information**



As currently proposed, the development will include a mix of efficiencies, one-, and two-bedroom apartment homes for 305 families earning up to 60% of AMI. See the below targeted unit mix by bedroom size.

Unit Mix & Affordability		
	60% AMI	Total
Efficiency	76	76
1 Bedroom	116	116
2 Bedroom	113	113
Total	305	305

The unit mix will assist the city in meeting SHIP goals and SAHT affordable *preservation* targets.

The Westwood Apartments will include a pool, covered pavilions, and picnic areas with grills, clubhouse space, with an activities room, and business center, public access Wi-Fi in all clubhouses and community spaces, community laundry room with washer and dryers, mail kiosk area with package lockers, along with perimeter fencing, and lighted pathways along all accessible routes. Some of the buildings could additionally have a fitness center, bike parking, dog park, and courtesy patrol service that can answer after hours calls from residents regarding noise and crime concerns.

Resident Services supporting the physical, mental/emotional, and financial wellness of tenants will be provided in a manner and frequency consistent with TDHCA program requirements. Pico Union currently has a total of two resident services coordinators employed to oversee the services that are presently being provided and will be provided in the future. These services will be tailored to the needs of the residents. Pico Union has committed to transforming these existing barrier-heavy properties into communities that empower a diverse population by improving the usability, safety, and health conditions of the properties.

The scope of rehabilitation that will occur at the subject properties is moderate at \$53.9k per unit. The properties were built prior to the implementation of accessible design standards, and therefore, in their current conditions, are not accessible. The proposed project will include accessibility improvements to comply with the applicable regulatory requirements, including those set forth in the 2010 ADA Standards and HUD's Fair Housing Act Design Manual. At a minimum, adequate accessible parking will be provided, 5% of the units will be renovated to accommodate persons with mobility impairments, and an additional 2% of units will be renovated to accommodate the hearing and/or visually impaired.

Pico Union's approach to the sustainable rehabilitation of the subject properties is demonstrated by its plans for promoting energy and water conservation, operational savings, and other sustainable practices. These efforts will prioritize energy efficiency, sustainable water reduction features, resilient building and weatherization practices and other strategies to reduce environmental impacts and lower energy costs for residents. This includes providing Energy start appliances and fixtures and other green features such as solar, if possible.

### **Development Team**

The Pico Union Housing Corporation is a Los Angeles based community-based organization with a mission to develop and preserve affordable housing, emphasizing residential ownership, the establishment of effective community organizations and facilities, and the creation of activities that will economically develop and benefit their low-income constituents. Pico Union has been a recognized development organization for over 40 years.

Pico Union owns and operates approximately 1,700 units of affordable housing and targets 100% of its housing programs to serve low and very low-income families. The goal of Pico Union is to reduce dependence on welfare, reduce the unemployment index, decrease school drop-out rates, and assist its constituents in creating wealth.



The project development team identified Genessy Management as Property Manager who has over 30 years' experience in affordable housing, managing 43 low-income properties primarily in California (38) and San Antonio (5). The attorney is Cynthia Bast, Partner Locke Lord. An architect/engineering firm and General Contractor will be selected later.

### Site Information

The property is located just across the highway from the *Lackland Air Force Base* and the *Port San Antonio Regional Center*. The site is supported by the Kel-Lac Via Transit Center one block away, 64, 76, 102, 552, 611, 612, 613, 614, 615, 616, 617, and 619 and is in walking distance to retail stores and bank.



### Financial Considerations:

The project is anticipated to be a \$48.0 million project that will require the SAHT PFC to apply for a \$30 Million bond reservation through the Texas Bond Review Board to be eligible for the 4% Low Income Housing Tax Credit Program through TDHCA.

Sources	Perm Financing
First Mortgage	\$23,294,199
LIHTC Equity	18,183,098
Deferred Developer Fee	4,790,487
Operating Revenue	1,825,454
<b>Total Sources</b>	<b>\$48,035,620</b>

Uses	Amount
Acquisition	\$17,000,000
Construction Hard Costs	16,623,664
Project Soft Costs	1,831,473
Financing Costs/Reserves	6,724,264
Developer Fee	5,766,217
<b>Total Sources</b>	<b>\$48,035,620</b>

The project as presented has “no gap” however, this is with a \$47.3k unit *moderate* renovation level.

We did model 5% of units at 30% AMI, 10% of units at 50% AMI, and 85% of units at 60% AMI. This causes Annual NOI to decrease of \$120k from \$1.59M to \$1.47M. The NOI-supported loan decreases from \$23.3 to \$21.6 which creates a gap of approximately \$1.8 million.

Keep in mind the *substantial* rehab, preferred for this site, is about \$80k+/unit. The project may seek additional capital to assist with increasing rehab scope to better align with a Capital Needs Assessment or to provide additional services. Pico Union is also considering a possible GP Partnership with SAHT PFC to get the full tax exemption saving \$207k per year which could offset either the 30/50% unit hit or increase rehab scope.

SAHT is anticipated to receive the following:

- Bond Issuance Fee of 1% of the Final Bond Issuance Amount
- Annual Bond Fee of \$30/unit for each year the Bonds are outstanding

**Recommendation:**

Finance Committee met on September 9, 2022 and approved to move this item forward to the Public Facility Corporation board to consider initial inducement resolution to support the rehabilitation of the Westwood Plaza Apartments.

**Attachment:**

Resolution

**Westwood Plaza Apartments**

**CERTIFICATE FOR RESOLUTION**

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

11. In accordance with the bylaws of the Issuer, the Board of Directors of the Issuer (the “Board”) held a meeting on September 16, 2022 (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 WESTWOOD PLAZA LP RELATING TO THE PROPOSED FINANCING OF UP TO \$30,000,000 OF THE COSTS OF THE ACQUISITION, REHABILITATION, CONSTRUCTION AND EQUIPPING OF THE WESTWOOD PLAZA 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.

12. 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 September 16, 2022.

---

Pedro A. Alanis, Assistant Secretary

**RESOLUTION CONCERNING THE APPLICATION OF WESTWOOD PLAZA LP RELATING TO THE PROPOSED FINANCING OF UP TO \$30,000,000 OF THE COSTS OF THE ACQUISITION, REHABILITATION, CONSTRUCTION AND EQUIPPING OF THE WESTWOOD PLAZA 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 Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the “Act”), approved and created the San Antonio Housing Trust Public Facility Corporation, a nonstock, nonprofit public facility 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, Westwood Plaza LP, a Texas limited partnership or another affiliate of the developer (the “User”), has filed an Application for financing (the “Application”), requesting that (i) the Issuer finance the acquisition, rehabilitation, construction and equipping of a 305-unit multifamily housing facility located at 2600 Westward Drive and known as the Westwood Plaza Apartments (the “Project”); and (ii) the Issuer file and/or refile a 2023 and/or 2024 Allocation Application (defined hereafter) and/or any carryforward applications to the Texas Bond Review Board as described herein;

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

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

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

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

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

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

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

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

WHEREAS, in order to satisfy, in part, the provisions of the Allocation Act, the Issuer must submit an “Application for Allocation of Private Activity Bonds” or an “Application for Carryforward for Private Activity Bonds” (together, 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, rehabilitation, 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 PUBLIC FACILITY 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, rehabilitation, 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, rehabilitation, 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, rehabilitation, 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 2023 and/or 2024 Allocation Application and/or any carryforward applications, together with all required attachments (including obtaining the Issuer's Certificate of Good Standing from the Comptroller of Public Accounts for the State of Texas) in the form required by the Texas Bond Review Board.

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

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

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

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

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

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

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

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

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

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

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

\* \* \*



**San Antonio Housing Trust Public Facility Corporation  
Agenda Item 12**

***Briefing, discussion and possible action regarding a resolution concerning the application of Winston Roselawn Apts LP relating to the proposed financing of up to \$25,000,000 of the costs of the acquisition, rehabilitation, construction and equipping of the Winston Square/Roselawn Apartments; and other matters in connection therewith***

**Winston**



**Roselawn**



Pico Union is a non-profit community-based organization seeking to partner with SAHT FC through a bond inducement to combine and rehabilitate the 208 total units between the two properties through a combined 4% LIHTC structure to target low-income older adults ages 62+. The *Winston Square/Roselawn Apartments* will be affordable for households whose incomes are at both 30% and 60% of area median income (AMI).

**Property Information**

As currently proposed, the development will include a mix of one-, two, and three-bedroom apartment homes. Pico may convert the 3BR units to 2BR units to comply with TDHCA rules. See the below targeted unit mix by bedroom size.

Unit Mix & Affordability			
	<30% AMI	60% AMI	Total
1 Bedroom	19	101	120
2 Bedroom	13	73	86
3 Bedroom	0	2	2
Total	32	176	208

The unit mix will assist the city in meeting SHIP goals and SAHT affordable *preservation* targets.

The Winston Square/Roselawn Apartments will include amenities, distributed equitably between each site a pool, covered pavilions, and picnic areas with grills, clubhouse space, with an activities room, and business center, public access Wi-Fi in all clubhouses and community spaces, community laundry room with washer and dryers, mail kiosk area with package lockers, along with perimeter fencing, and lighted pathways along all accessible routes. Some of the sites could additionally have Fitness centers, bike parking, dog park, and Courtesy Patrol service that can answer after hours calls from residents regarding noise and crime concerns.

Resident Services supporting the physical, mental/emotional, and financial wellness of tenants will be provided in a manner and frequency consistent with TDHCA program requirements for older adults. The scope of rehabilitation that will occur at the subject properties is moderate at \$47.8k per unit. The properties were built prior to the implementation of accessible design standards, and therefore, in their current conditions, are not accessible. The proposed project will include accessibility improvements to comply with the applicable regulatory requirements, including those set forth in the 2010 ADA Standards and HUD's Fair Housing Act Design Manual. At a minimum, adequate accessible parking will be provided, 5% of the units will be renovated to accommodate persons with mobility impairments, and an additional 2% of units will be renovated to accommodate the hearing and/or visually impaired.

Pico Union's approach to the sustainable rehabilitation of the subject properties is demonstrated by its plans for promoting energy and water conservation, operational savings, and other sustainable practices. These efforts will prioritize energy efficiency, sustainable water reduction features, resilient building and weatherization practices and other strategies to reduce environmental impacts and lower energy costs for residents. This includes providing Energy start appliances and fixtures and other green features such as solar, if possible.

### **Development Team**

The Pico Union Housing Corporation is a Los Angeles based community-based organization with a mission to develop and preserve affordable housing, emphasizing residential ownership, the establishment of effective community organizations and facilities, and the creation of activities that will economically develop and benefit their low-income constituents. Pico Union has been a recognized development organization for over 40 years.

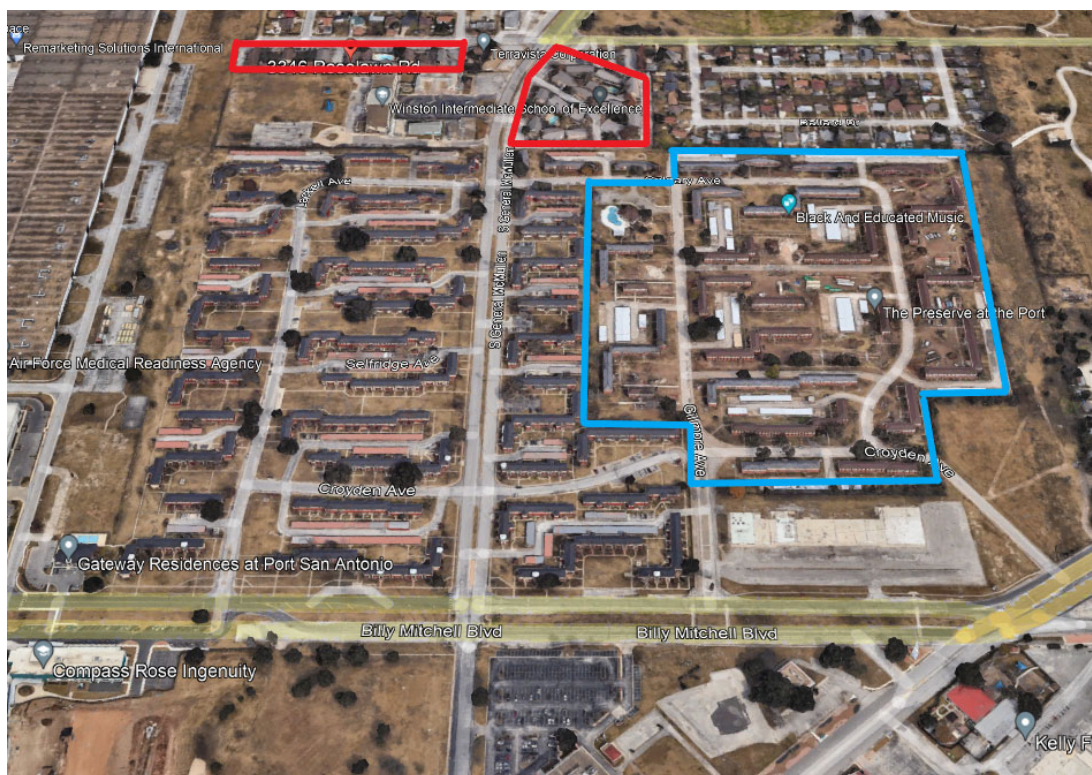


Pico Union owns and operates approximately 1,700 units of affordable housing and targets 100% of its housing programs to serve low and very low-income families. The goal of Pico Union is to reduce dependence on welfare, reduce the unemployment index, decrease school drop-out rates, and assist its constituents in creating wealth.

The project development team identified Genessy Management as Property Manager who has over 30 years' experience in affordable housing, managing 43 low-income properties primarily in California (38) and San Antonio (5). The attorney is Cynthia Bast, Partner Locke Lord. An architect/engineering firm and General Contractor will be selected later.

### Site Information

The property (Red Outline) is in the Thompson Neighborhood, south of HWY 90 and just east of *Lackland Air Force Base* and within the *Port San Antonio Regional Center*. The site is near the SAHT owned Preserve at Billy Mitchell (Blue Outline) project. Winston Square and Roselawn is served by the 524 & 62 within 400ft of the development site that provides quick access to Las Palmas Shopping center, St. Phillips SW Campus, Palo Alto College, Port SA, and Texas Vista Med Center.



### Financial Considerations:

The project is anticipated to be a \$33.1 million project that will require the SAHT PFC to apply for a \$25 Million bond reservation through the Texas Bond Review Board to be eligible for the 4% Low Income Housing Tax Credit Program through TDHCA.

First Mortgage	\$15,625,146
LIHTC Equity	12,692,079
Deferred Developer Fee	3,471,245
Operating Revenue	1,249,287
<b>Total Sources</b>	<b>\$33,037,757</b>
<b>Uses</b>	<b>Amount</b>
Acquisition	\$11,020,000
Construction Hard Costs	11,328,664
Project Soft Costs	1,822,573
Financing Costs/Reserves	4,837,451
Developer Fee	4,029,069
<b>Total Sources</b>	<b>\$33,037,757</b>

The project as presented has “no gap” however, this is with a \$47.8k unit *moderate* renovation level.

Keep in mind the *substantial* rehab, preferred for this site, is about \$80k-100k/unit. The project may seek additional capital to assist with increasing rehab scope to better align with a Capital Needs Assessment or to provide additional services. Pico Union is also considering a possible GP Partnership with SAHT PFC to get the full tax exemption saving \$138k per year which could increase rehab scope.

SAHT is anticipated to receive the following:

- Bond Issuance Fee of 1% of the Final Bond Issuance Amount
- Annual Bond Fee of \$30/unit for each year the Bonds are outstanding

**Recommendation:**

Finance Committee met on September 9, 2022 and approved to move this item forward to the Public Facility Corporation board to consider initial inducement resolution to support the rehabilitation of the Winston Square/Roselawn Apartments.

**Attachment:**

Resolution

**Winston Square/Roselawn Apartments**

**CERTIFICATE FOR RESOLUTION**

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

13. In accordance with the bylaws of the Issuer, the Board of Directors of the Issuer (the “Board”) held a meeting on September 16, 2022 (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 WINSTON ROSELAWN APTS LP RELATING TO THE PROPOSED FINANCING OF UP TO \$25,000,000 OF THE COSTS OF THE ACQUISITION, REHABILITATION, CONSTRUCTION AND EQUIPPING OF THE WINSTON SQUARE/ROSELAWN 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.

14. 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 September 16, 2022.

\_\_\_\_\_  
Pedro A. Alanis, Assistant Secretary

**RESOLUTION CONCERNING THE APPLICATION OF WINSTON ROSELAWN APTS LP RELATING TO THE PROPOSED FINANCING OF UP TO \$25,000,000 OF THE COSTS OF THE ACQUISITION, REHABILITATION, CONSTRUCTION AND EQUIPPING OF THE WINSTON SQUARE/ROSELAWN 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 Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the “Act”), approved and created the San Antonio Housing Trust Public Facility Corporation, a nonstock, nonprofit public facility 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, Winston Roselawn Apts LP, a Texas limited partnership or another affiliate of the developer (the “User”), has filed an Application for financing (the “Application”), requesting that (i) the Issuer finance the acquisition, rehabilitation, construction and equipping of a 208-unit multifamily housing facility for seniors located on the south side of Roselawn Road at the intersection of S. General McMullen Drive and known as the Winston Square/Roselawn Apartments (the “Project”); and (ii) the Issuer file and/or refile a 2023 and/or 2024 Allocation Application (defined hereafter) and/or any carryforward applications to the Texas Bond Review Board as described herein;

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

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

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

WHEREAS, the Bonds are “private activity bonds” as that term is defined in Subchapter A, Section 1372.001 of Chapter 1372, Texas Government Code, as amended, including the rules

promulgated pursuant thereto in 34 Texas Administrative Code, Sections 190.1 through 190.8 (together, the “Allocation Act”), and various provisions of the Internal Revenue Code of 1986, as amended (the “Code”);

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

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

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

WHEREAS, in order to satisfy, in part, the provisions of the Allocation Act, the Issuer must submit an “Application for Allocation of Private Activity Bonds” or an “Application for Carryforward for Private Activity Bonds” (together, 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, rehabilitation, 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 PUBLIC FACILITY CORPORATION THAT:

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

(a) Subject to the negotiation of mutually acceptable agreements, issue the Bonds, in an amount not to exceed \$25,000,000;

(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, rehabilitation, 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, rehabilitation, 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, rehabilitation, 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 2023 and/or 2024 Allocation Application and/or any carryforward applications, together with all required attachments (including obtaining the Issuer's Certificate of Good Standing from the Comptroller of Public Accounts for the State of Texas) in the form required by the Texas Bond Review Board.

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

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

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

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

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

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

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

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

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

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

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

\* \* \*

**San Antonio Housing Trust Public Facility Corporation  
Agenda Item 13**

***Briefing, discussion and possible action regarding a resolution concerning the application of Spanish Pecan Apts LP relating to the proposed financing of up to \$25,000,000 of the costs of the acquisition, rehabilitation, construction and equipping of the Pecan Manor/Spanish Spur Apartments; and other matters in connection therewith***

***Pecan Manor***



***Spanish Spur***



Pico Union is a non-profit community-based organization seeking to partner with SAHT FC through a bond inducement to combine and rehabilitate the 256 total units between the two properties through a combined 4% LIHTC structure to target low-income families. The *Pecan Manor/Spanish Spur Apartments* will be affordable for households whose incomes are at both 30% and 60% of area median income (AMI).

### Property Information

As currently proposed, the development will include a mix of one-, two, and three-bedroom apartment homes. See the below targeted unit mix by bedroom size.

Unit Mix & Affordability			
	<30% AMI	60% AMI	Total
1 Bedroom	18	102	120
2 Bedroom	21	114	135
3 Bedroom	0	1	1
Total	39	217	256

The unit mix will assist the city in meeting SHIP goals and SAHT affordable *preservation* targets.

The *Pecan Manor/Spanish Spur Apartments* will include amenities, distributed equitably between each site a pool, covered pavilions, and picnic areas with grills, clubhouse space, with an activities room, and business center, public access Wi-Fi in all clubhouses and community spaces, community laundry room with washer and dryers, mail kiosk area with package lockers, along with perimeter fencing, and lighted pathways along all accessible routes. Some of the sites could additionally have Fitness centers, bike parking, dog park, and Courtesy Patrol service that can answer after hours calls from residents regarding noise and crime concerns.

Resident Services supporting the physical, mental/emotional, and financial wellness of tenants will be provided in a manner and frequency consistent with TDHCA program requirements for older adults.

The scope of rehabilitation that will occur at the subject properties is moderate budgeted at \$43.6k per unit. The properties were built prior to the implementation of accessible design standards, and therefore, in their current conditions, are not accessible. The proposed project will include accessibility improvements to comply with the applicable regulatory requirements, including those set forth in the 2010 ADA Standards and HUD's Fair Housing Act Design Manual. At a minimum, adequate accessible parking will be provided, 5% of the units will be renovated to accommodate persons with mobility impairments, and an additional 2% of units will be renovated to accommodate the hearing and/or visually impaired.

Pico Union's approach to the sustainable rehabilitation of the subject properties is demonstrated by its plans for promoting energy and water conservation, operational savings, and other sustainable practices. These efforts will prioritize energy efficiency, sustainable water reduction features, resilient building and weatherization practices and other strategies to reduce



environmental impacts and lower energy costs for residents. This includes providing Energy start appliances and fixtures and other green features such as solar, if possible.

### Development Team

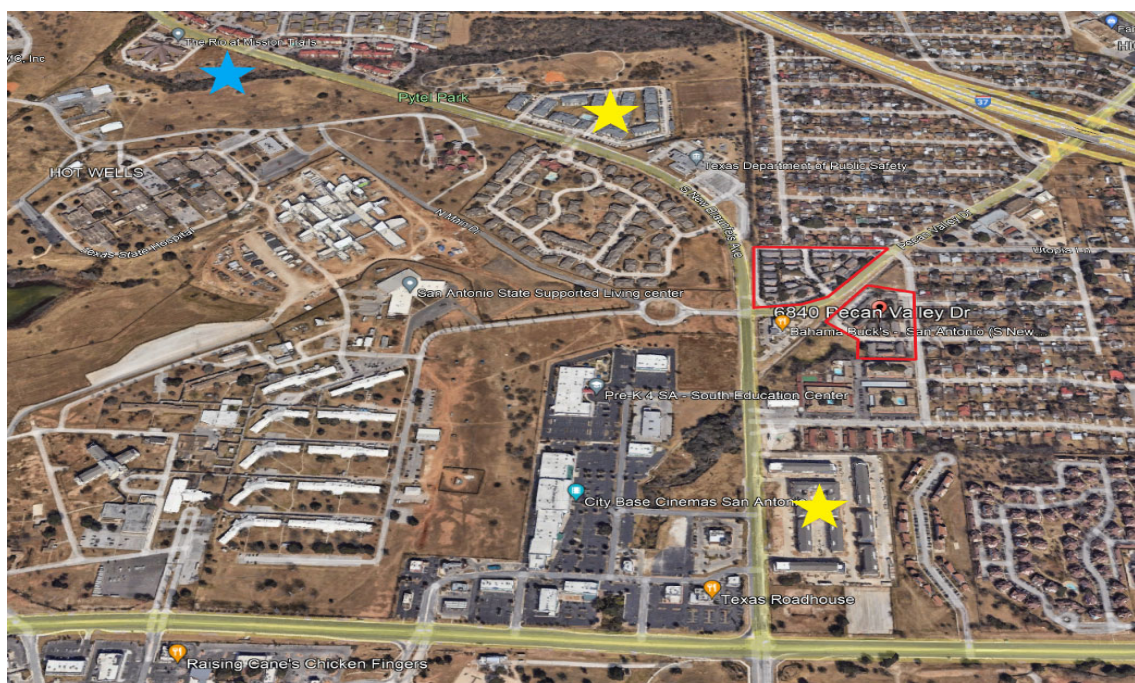
The Pico Union Housing Corporation is a Los Angeles based community-based organization with a mission to develop and preserve affordable housing, emphasizing residential ownership, the establishment of effective community organizations and facilities, and the creation of activities that will economically develop and benefit their low-income constituents. Pico Union has been a recognized development organization for over 40 years.

Pico Union owns and operates approximately 1,700 units of affordable housing and targets 100% of its housing programs to serve low and very low-income families. The goal of Pico Union is to reduce dependence on welfare, reduce the unemployment index, decrease school drop-out rates, and assist its constituents in creating wealth.

The project development team identified Genessy Management as Property Manager who has over 30 years' experience in affordable housing, managing 43 low-income properties primarily in California (38) and San Antonio (5). The attorney is Cynthia Bast, Partner Locke Lord. An architect/engineering firm and General Contractor will be selected later.

### Site Information

*Pecan Manor/Spanish Spur Apartments* (red outline) are located across the street from each other, north Brooks City Base near the Texas State Hospital as well as near SAHT's Copper Point and Greenline North developments (Yellow Stars), and the proposed Legacy Senior Development (Blue Star).



The project is within the Brooks Regional Center. Anchored by the redeveloping Brooks City-base, this activity center in one of the City’s emerging activity centers and major catalyst for growth on the south side of the city. The bulk of growth in this area is taking place within the 1,200-acre mixed-use Brooks City-Base redevelopment project being led by the Brooks Development Authority. The center has 7,200 employees, with nearly 3,000 jobs located within the Brooks City-Base and is estimated to grow by another 16,000 jobs by 2040. *City is currently working on the Southeast Community Area plan which supports providing a variety of high-quality, mixed-income housing options that are well-maintained, complementary to the character of existing neighborhoods, and accommodating to all stages of life.*

The site is supported by frequent Via Transit along the #36 and #20 routes just a 20-minute ride to downtown San Antonio and 8 minutes to Brooks Transit Center. The property is also near Pytel Park and close to numerous commercial/retail amenities.

### Financial Considerations:

The project is anticipated to be a \$33.1 million project that will require the SAHT PFC to apply for a \$25 Million bond reservation through the Texas Bond Review Board to be eligible for the 4% Low Income Housing Tax Credit Program through TDHCA.

Sources	Perm Financing
First Mortgage	\$19,283,613
LIHTC Equity	15,522,686
Deferred Developer Fee	4,097,048
Operating Revenue	1,531,473
<b>Total Sources</b>	<b>\$40,434,820</b>
Uses	Amount
Acquisition	\$13,640,000
Construction Hard Costs	14,022,048
Project Soft Costs	1,960,441
Financing Costs/Reserves	5,879,355
Developer Fee	4,932,975
<b>Total Sources</b>	<b>\$40,434,820</b>

The project as presented has “no gap” however, this is with a \$43.6k unit *moderate* renovation level.

Keep in mind the *substantial* rehab, preferred for this site, is about \$80k+/unit. The project may seek additional capital to assist with increasing rehab scope to better align with a Capital Needs Assessment or to provide additional services. Pico Union is also considering a possible GP Partnership with SAHT PFC to get the full tax exemption saving **\$177k** per year which could increase rehab scope.

SAHT is anticipated to receive the following:

- Bond Issuance Fee of 1% of the Final Bond Issuance Amount

- Annual Bond Fee of \$30/unit for each year the Bonds are outstanding

**Recommendation:**

Finance Committee met on September 9, 2022 and approved to move this item forward to the Public Facility Corporation board to consider initial inducement resolution to support the rehabilitation of the Pecan Manor/Spanish Spur Apartments.

**Attachment:**

Resolution

**Pecan Manor/Spanish Spur Apartments**

**CERTIFICATE FOR RESOLUTION**

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

15. In accordance with the bylaws of the Issuer, the Board of Directors of the Issuer (the “Board”) held a meeting on September 16, 2022 (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 SPANISH  
PECAN APTS LP RELATING TO THE PROPOSED FINANCING OF UP  
TO \$25,000,000 OF THE COSTS OF THE ACQUISITION,  
REHABILITATION, CONSTRUCTION AND EQUIPPING OF THE  
PECAN MANOR/SPANISH SPUR 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.

16. 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 September 16, 2022.

\_\_\_\_\_  
Pedro A. Alanis, Assistant Secretary



**RESOLUTION CONCERNING THE APPLICATION OF SPANISH PECAN APTS LP RELATING TO THE PROPOSED FINANCING OF UP TO \$25,000,000 OF THE COSTS OF THE ACQUISITION, REHABILITATION, CONSTRUCTION AND EQUIPPING OF THE PECAN MANOR/SPANISH SPUR 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 Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the “Act”), approved and created the San Antonio Housing Trust Public Facility Corporation, a nonstock, nonprofit public facility 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, Spanish Pecan Apts LP, a Texas limited partnership or another affiliate of the developer (the “User”), has filed an Application for financing (the “Application”), requesting that (i) the Issuer finance the acquisition, rehabilitation, construction and equipping of a 256-unit multifamily housing facility for seniors located at approximately 6840 Pecan Valley Drive and known as the Pecan Manor/Spanish Spur Apartments (the “Project”); and (ii) the Issuer file and/or refile a 2023 and/or 2024 Allocation Application (defined hereafter) and/or any carryforward applications to the Texas Bond Review Board as described herein;

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

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

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

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

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

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

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

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

WHEREAS, in order to satisfy, in part, the provisions of the Allocation Act, the Issuer must submit an “Application for Allocation of Private Activity Bonds” or an “Application for Carryforward for Private Activity Bonds” (together, 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, rehabilitation, 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 PUBLIC FACILITY CORPORATION THAT:

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

(a) Subject to the negotiation of mutually acceptable agreements, issue the Bonds, in an amount not to exceed \$25,000,000;

(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, rehabilitation, 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, rehabilitation, 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, rehabilitation, 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 2023 and/or 2024 Allocation Application and/or any carryforward applications, together with all required attachments (including obtaining the Issuer's Certificate of Good Standing from the Comptroller of Public Accounts for the State of Texas) in the form required by the Texas Bond Review Board.

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

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

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

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

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

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

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

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

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

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

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

\* \* \*

**San Antonio Housing Trust Public Facility Corporation  
Agenda Item 14**

***Briefing, discussion and possible action regarding a resolution concerning the application of ACG Cattleman Square, LP and Alamo Community Group relating to the proposed financing of up to \$38,000,000 of the costs of the acquisition, construction, and equipping of the Cattleman Square Lofts Apartments; and other matters in connection therewith***

Alamo Community Group, a local affordable housing non-profit seeking to partner with the SAHT PFC to develop a proposed 138-unit new construction 4% bond development targeted for our low-income downtown workforce.

The *Cattlemen's Square Apartments* will be a mix of affordable units for households whose incomes average from 30% to 60% of area median income (AMI).



**Property Information**

As currently proposed, the development will include a mix of efficiencies, one-, and two-bedroom workforce apartments. Of the 138 total apartment homes, 21 units (10%) will be restricted for those households earning up to 30% AMI; 14 units will be restricted for those households earning up to 50% AMI; and 103 units will be restricted for those households earning up to 60% AMI. See the below targeted unit mix and bedroom sizes.

Unit Mix & Affordability				
	<30% AMI	50% AMI	60% AMI	Total
Efficiency	8	5	23	36
1 Bedroom	10	5	64	79
2 Bedroom	3	4	16	23
Total	21	14	103	138

The unit mix will assist the City in meeting SHIP goals and SAHT affordability targets for 30%, 50% and 60% AMI newly constructed units.

The *Cattlemen's Square Apartments* will feature both residential amenities and services provided by onsite staff management through Alamo Community Group. Amenities include a dog park,

roof top terrace, library, and computer center. Alamo Community Group will offer an array of high quality on-site educational and community building programs including workforce development and daycare services out of the historic portion of the property.

### **Development Team**

Alamo Community Group is a San Antonio 501(C)(3) non-profit affordable housing provider whose mission is to develop, acquire, own and manage affordable housing in a community environment that promotes resident education, self-sufficiency, leadership and volunteerism through successful partnerships. Alamo Community Group has been providing quality affordable housing to working families throughout Bexar County since 1990 and is a chartered member of the national NeighborWorks® America is based in Italy and has offices in six different countries.

Alamo Community Group currently owns 1,317 multi-family apartment homes at 10 different communities in San Antonio and Kirby. These communities are either existing apartment communities that ACG has renovated or newly built communities that have rental rates set below market rates making them more affordable for low to moderate income families.

The project will utilize their inhouse property management team. They have also identified SAGE Architects and NE Construction as the General Contractor. The attorney team is Shackelford, Bowen, McKinley & Norton, LLP.

### **Site Information**

The property is located on 1.5 acres of a former Alamo Colleges property, located at 811 W. Houston Street just west of Downtown San Antonio and across from the Via Centro Plaza Transit Center. The site is zoned D which provides maximum development opportunity. There is a subsurface easement that run through the property that services the neighboring Motel 6. This will be required to be relocated. The property also has a historic building that will serve as a daycare for the residents. The Via Centro Plaza Transit Center is a major downtown connector servicing the 3, 17, 20, 24, 25, 26, 46, 66, 68, 75, 76, 89, 93, 100 bus lines.



**Financial Considerations:**

The project is anticipated to be a \$65.6 million project that will require the SAHT PFC to apply for a \$38 Million bond reservation through the Texas Bond Review Board to be eligible for the 4% Low Income Housing Tax Credit Program through TDHCA. The project will also require a 100% Sales and Property Tax Exemption through the PFC being part of the Tax Credit Partnership.

Sources	Perm Financing
LIHTC Equity	\$15,177,000
Bond Debt	8,132,900
County General Fund <i>(Committed)</i>	2,000,000
Deferred Developer Fee <i>(Committed)</i>	1,945,245
CITY Home Funds <i>(Committed)</i>	1,200,000
CITY/SAWS Fee Waivers <i>(Committed)</i>	500 000
CITY Bond RFP Grant <i>(Applying)</i>	4,362,942
CITY CDBG Grant <i>(Applying)</i>	1,270,807
CITY ICIF <i>(Applying)</i>	350,000
SAHT Grant <i>(Requesting)</i>	1,229,193
<b>Total Sources</b>	<b>\$36,168,088</b>
Uses	Amount
Acquisition	\$ 2,850,000
Construction Hard Costs	23,762,053
Project Soft Costs	2,460,296
Financing/Reserves	2,965,277
Developer Fee	4,130,462
<b>Total Sources</b>	<b>\$36,168,088</b>

The project has a \$7.2 million gap. ACG is seeking to apply to the City for \$5.99 million in a combination of Bond Funds, CDBG Funds, and ICIF dollars. They are also seeking a cash surplus loan from SAHT for \$1.23 million, which will be repaid when the project refinances at year 16. If ACG is successful at securing City funding, staff will support \$1.23 million in PFC funding for the project.

SAHT is anticipated to receive the following:

- Bond Issuance Fee of 1% of the Final Bond Issuance Amount
- Annual Bond Fee of \$30/unit for each year the Bonds are outstanding

**Recommendation:**

Staff supports re-authorization of a non-binding inducement resolution by the Public Facility Corporation to support the development of the Cattlemen's Square Apartments, 811 W. Houston, San Antonio TX 78207 in Council District 5.

**Attachment:**

Resolution



## Cattleman Square Lofts Apartments

### CERTIFICATE FOR RESOLUTION

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

17. In accordance with the bylaws of the Issuer, the Board of Directors of the Issuer (the “Board”) held a meeting on September 16, 2022 (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 ACG CATTLEMAN SQUARE, LP AND ALAMO COMMUNITY GROUP RELATING TO THE PROPOSED FINANCING OF UP TO \$38,000,000 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE CATTLEMAN SQUARE 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.

18. 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 September 16, 2022.

---

Pedro A. Alanis, Assistant Secretary

**RESOLUTION CONCERNING THE APPLICATION OF ACG CATTLEMAN SQUARE, LP AND ALAMO COMMUNITY GROUP RELATING TO THE PROPOSED FINANCING OF UP TO \$38,000,000 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE CATTLEMAN SQUARE 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 Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the “Act”), approved and created the San Antonio Housing Trust Public Facility Corporation, a nonstock, nonprofit public facility 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, ACG Cattleman Square, LP, 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 138-unit multifamily housing facility to be located at 811 West Houston Street and to be known as Cattleman Square Lofts Apartments (the “Project”); and (ii) the Issuer file and/or refile a 2023 and/or 2024 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 \$38,000,000 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” or an “Application for Carryforward for Private Activity Bonds” (together, 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 PUBLIC FACILITY 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 \$38,000,000;

(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 2023 and/or 2024 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 \$38,000,000. 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.

\* \* \*