

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

<https://us02web.zoom.us/j/85079822905?pwd=eTc5dGVxYUdmQWdlUEhGOXhCZEt4Zz09>
OR DIAL IN 1 (346) 248-7799 MEETING ID: 850 7982 2905 PASSWORD: 435544

ON

WEDNESDAY, AUGUST 26, 2020 AT 11:00 A.M.,

TO CONSIDER THE FOLLOWING MATTERS:

Briefing and Possible Action on:

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

SAN ANTONIO HOUSING TRUST FINANCE CORPORATION BOARD MEMBERS:

Council Member Roberto C. Trevino (District 1), Council Member Rebecca J. Viagran (District 3), Council Member Dr. Adriana Rocha Garcia (District 4), Council Member Shirley Gonzales (District 5), Council Member John Courage (District 9)

**San Antonio Housing Trust Finance
Corporation Agenda Memorandum**

File Number _____

Agenda Item Number: 1

Agenda Date: 8-26-20

In Control: San Antonio Housing Trust Finance Corporation

DEPARTMENT: San Antonio Housing Trust Finance Corporation

DEPARTMENT HEAD: Pedro Alanis

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Approval of minutes

SUMMARY:

This item includes the approval of minutes from the July 29, 2020 meeting

SAN ANTONIO HOUSING TRUST FINANCE CORPORATION
OFFICIAL MEETING MINUTES
July 29, 2020

- The Finance Corporation met in session at 10:37 a.m., via zoom
- The meeting was called to order by Councilwoman Rebecca Viagran and the roll was called by Maria Bradley.

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

ABSENT:

Staff/Visitors Present:

Pedro Alanis- Interim Executive Director San Antonio Housing Trust Public Facility Corporation; Nicole Collazo- Assistant Director San Antonio Housing Trust Public Facility Corporation; JD Hernandez – Asset Manager San Antonio Housing Trust Public Facility Corporation; Sharon Jennings-Contract Officer San Antonio Housing Trust Public Facility Corporation; Maria Bradley - Administrative Assistant, San Antonio Housing Trust Public Facility Corporation; James Plummer- Bracewell LLP; Summer Greathouse-Bracewell LLC; Allison Shea, NHSD; Mitchell Parton, San Antonio Business Journal; Martza Carmiol, Creative Communications; Jay Johnson, Cohen Esrey.

1. Approval of minutes April 28, 2020.

MINUTES COMMISSION ACTION:

The motion was made by Councilwoman Gonzales and seconded by Councilwoman Dr. Rocha Garcia to approve the meeting minutes from April 28, 2020.

AYES: 4

NAYS: 0

ABSTAIN: 0

THE MOTION CARRIED.

2. Public Comment-

NONE.

3. Resolution authorizing San Antonio Housing Trust Finance Corporation

Multifamily Housing Revenue Bonds (Greenline North Apartments), Series 2020; and other matters in connection therewith.

Pete Alanis commented that the same project as discussed in the Public Facility Corporation meeting. This resolution authorizes the Finance Corporation to issue the bonds for this project. In the amount of \$33 million in Tax Exempt Bonds. The Finance Corporation will receive an inducement fee in the amount of \$330,000 as \$30 per door annual bond fee over the next 40 years. Staff is recommending approval of resolution to issue bonds for Greenline North Apartments.

COMMISSION ACTION:

The motion was made by Councilwoman Gonzales and seconded by Dr. Rocha Garcia to approve resolution authorizing San Antonio Housing Finance Corporation Multifamily Housing Revenue Bonds for Greenline North Apartments.

AYES:4

NAYS: 0

ABSTAIN: 0

THE MOTION CARRIED.

4. Resolution authorizing San Antonio Housing Trust Finance Corporation Multifamily Housing Revenue Bonds (Preserve at Billy Mitchell Apartments), Series 2020; and other matters in connection therewith

Pete Alanis commented that this project was also discussed in the Public Facility meeting. This resolution is for approval of the bond issuance of up to \$37 million for the Preserve at Billy Mitchell Apartments. The Finance Corporation will receive a 1% issuance fee as well as \$30 per door over the life of the bonds. Staff is recommending the approval of the issuance of the bonds for Preserve at Billy Mitchell Apartments.

COMMISSION ACTION:

The motion was made by Councilwoman Gonzales and seconded by Councilwoman Dr. Rocha Garcia to approve the resolution authorizing San Antonio Housing Trust Finance Corporation Multifamily Housing Revenue bonds for Preserve at Billy Mitchell Apartments.

AYES:4

NAYS: 0

ABSTAIN: 0

THE MOTION CARRIED.

5. Resolution concerning the application of a to-be-formed affiliate of Cohen Esrey Development Group relating to the proposed financing of up to \$20,000,000 of the costs of the acquisition, construction, and equipping of the Hope Lofts, to be located at approximately 363 N. General McMullen Drive; and other matters in connection therewith

Pete Alanis stated this project was recommended by staff of the City of San Antonio Neighborhood Housing Services department. The current property owner is SA Hope Center which is a 503c nonprofit. Their headquarters is adjacent to six and half acres of vacant land that they own. They worked with staff at NHSD through the Mission-Oriented Development program in order to guide this nonprofit on how they can make this land available for affordable housing. The SA Hope Center board recently approved selling of the land to Cohen Esrey. Cohen Esrey is a large developer. They plan on developing a 149-unit low income tax credit project. The property is located on General McMullen across Rosedale park. The developer is seeking a non-binding resolution in order to get in line for a bond reservation. Staff will be working with the developer on a PFC structure which will be presented to the board in August.

Pete stated that Jim Plummer would like to introduce the associate who will be involved in the negotiation of this project. Jim Plummer introduced to the board a new associate Levi Stoneking who will be handling all the applications for getting the volume cap deals and assist with negotiations of this project. Levi third year lawyer from Houston moving back to San Antonio. Jim also pointed out that this inducement has not been negotiated with regards of the terms and conditions. He expects that the numbers will change as the negotiate process takes place. Councilwoman Viagran thanked Jim Plummer for pointing out that this action is to approve a non-binding resolution and that the 60%AMI can change.

Councilwoman Gonzales commented that this is the former Christian Center, Megan Legacy is the director. The center provides emergency food pantry, support for young mothers, domestic violence prevention as well as a variety of other services for many years. Councilwoman Gonzales is glad to see them expand their services. Councilwoman Gonzales asked if the project will be providing other services beyond housing. Pete responded that it is the SA Hope Center's intent to work with Developer to provide those critical services to tenants of the SA Hope Center Lofts. Jay Johnson who is the lead developer for Cohen Esrey Development Group and he is definitely aware that SA Hope Center wants to be involved in serving those residents. Jay Johnson commented that part of their proposal is to include SA Hope Center as their long-term resident services provider. Councilwoman Gonzales asked for more information about the Developer because she is not familiar with Cohen Esrey. Jay Johnson is based in San Antonio. Cohen Esrey Development has been in Texas for 2 years now. They recently closed on their first San Antonio in Northeast Bexar County. Cohen Esrey operates in 15 states throughout the United States. Councilwoman Gonzales stated that there has not been any new construction in her District especially in the Edgewood area for many decades. Councilwoman Gonzales looks forward to project with SA Hope Center which have been a great partner for the community.

Councilwoman Dr. Rocha Garcia expressed her excitement for this project. Councilwoman Dr. Rocha Garcia had mentioned to Pete that this would be a great opportunity to consider how to leverage some of the partner organizations in the area. Even though this project may have services built in even for the Billy Mitchell project which is in the same area may consider working with service providers in the area. St. Mary's University and Our Lady of the Lake University as well as the Neighborhood Place are nearby. Project Quest is also in the campus of Port San Antonio. Councilwoman Dr. Rocha Garcia stated that this a perfect opportunity to reach out to those organizations that there will be tenants with various needs.

Councilwoman Viagran expressed who appreciation for Jay Johnson with Cohen Esrey was able to attend the meeting. Cohen Esrey has a great opportunity to build a stellar product at this site.

COMMISSION ACTION:

The motion was made by Councilwoman Gonzales and seconded by Councilwoman Dr. Rocha Garcia to approve the non-binding inducement resolution for Hope Lofts.

AYES:5

NAYS: 0

ABSTAIN: 0

THE MOTION CARRIED.

- 6. Resolution concerning the application of Pedcor Investments-2020-CLXXVIII (an affiliate of Pedcor Development) relating to the proposed financing of up to \$45,000,000 of the costs of the acquisition, construction, and equipping of the Crosswinds at Bulverde, to be located at approximately the 4000 block of N Loop 1604 E; and other matters in connection therewith**

Pete Alanis stated that this located on 21 acres on Bulverde and O'Connor Road. The project is anticipated to be 321 units with incomes averaging 30%-70% AMI levels. The Developer is going to be requesting a tax exemption through the Public Facility Corporation which will be presented to board in August. This is a 4% low income housing project seeking \$45 million in bonds. The Finance Corporation will receive 1% issuance fee at closing and \$30 per door over the life of bonds.

Staff recommends approval of the inducement resolution. Pete confirmed that he has spoken to Councilman Perry and he is in support of the project. Councilwoman Viagran noted that the income averaging is part of the negotiations.

COMMISSION ACTION:

The motion was made by Councilman Courage and seconded by Councilman Treviño to approve the non-binding inducement resolution for Crosswinds at Bulverde.

AYES:5

NAYS: 0

ABSTAIN: 0

THE MOTION CARRIED.

7. Resolution concerning the application of a to-be-formed affiliate of Prospera Housing Community Services and Versa Development, LLC relating to the proposed financing of up to \$30,000,000 of the costs of the acquisition, rehabilitation, construction, and equipping of the Country Club Village, to be located at approximately 3500 Magic Drive; and other matters in connection therewith

Pete Alanis mentioned that staff did have a conversation with district 7 Councilwoman Sandoval and she is supportive of the project. This is a non-binding resolution to get in line for a bond reservation. Bond application for \$20 million which may change to up to \$30 million. The Developer is not looking to partner with Public Facility Corporation because Verse Development is Co-Developing with Prospera a Non-Profit CHDO. The non-profit CHDO provides a 50% tax exemption. The project is an acquisition rehabilitation of 82 age restricted units with 188 new construction units. Total of 270 to support senior housing.

Staff recommends approval of non-binding resolution for Country Club Village. Councilwoman Viagran asked if Galaxy builders has other products in San Antonio. Pete replied yes. Galaxy Builders has done many apartment complexes. Manish Verma and family own Galaxy Builders. Jim Plummer stated that Neilesh Verma is the principal and Manish Verma is the developer for this project. Galaxy has probably built the most apartment complexes in San Antonio than anyone else. Galaxy Builders has had consistent involvement in rehab projects.

Councilman Courage asked where the exact location of the project. Pete replied that the project will be located on Magic Drive.

COMMISSION ACTION:

The motion was made by Councilwoman Dr. Rocha Garcia and seconded by Councilman Treviño to approve the non-binding inducement resolution for Country Club Village.

AYES:5

NAYS: 0

ABSTAIN: 0

THE MOTION CARRIED.

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

Resolution authorizing Pete Alanis to execute documents on behalf of the Finance Corporation.

COMMISSION ACTION:

The motion was made by Councilman Treviño and seconded by Councilwoman Dr. Rocha

Garcia to approve to appoint Pedro Alanis as Assistant Secretary of the Finance Corporation.

AYES:5

NAYS: 0

ABSTAIN: 0

THE MOTION CARRIED.

Adjournment

The meeting was adjourned by Councilwoman Viagran at 10:55 a.m.

**San Antonio Housing Trust Finance
Corporation Agenda Memorandum**

File Number _____

Agenda Item Number: 2

Agenda Date: 8-26-20

In Control: San Antonio Housing Trust Finance Corporation

DEPARTMENT: San Antonio Housing Trust Finance Corporation

DEPARTMENT HEAD: Pedro Alanis

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Public Comment

SUMMARY:

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

**San Antonio Housing Trust Finance
Corporation Agenda Memorandum**

File Number _____

Agenda Item Number: 3

Agenda Date: 8-26-20

In Control: San Antonio Housing Trust Finance Corporation

DEPARTMENT: San Antonio Housing Trust Finance Corporation

DEPARTMENT HEAD: Pedro Alanis

COUNCIL DISTRICTS IMPACTED: District 3

SUBJECT:

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

SUMMARY:

Approving an Amended and Restated Resolution for the Greenline North Apartments transaction amending the resolution to allow the bonds to bear interest at a greater rate than originally approved.

BACKGROUND:

The Project is a 292-unit multifamily 4% tax credit project located at 7402 South New Braunfels Street on 11.171 acres in District 3. All units, which are both 2 and 3-bedroom units, will be rented to individuals whose income averages at or below 60% of median family income.

As previously approved, the San Antonio Housing Trust Public Facility Corporation has created a single-member LLC, which will act as the sole general partner of ARDC City Base, Ltd. The Project is expected to cost approximately \$51,416,607 with \$33,000,000 in tax exempt bonds being issued as a requirement for the 4% LIHTC Program.

The sources of funds are as follows: \$30,105,414 in first lien debt; \$16,731,698 in tax credit equity; \$4,200,000 in City of San Antonio Affordable Housing Bond Grant and a deferred development fee of \$526,959. The City's Grant shall be to the PFC and loaned to ARDC City Base, Ltd. to be repaid through cash flow.

ISSUE:

On July 29, 2020, the Finance Corporation Board originally approved a Resolution authorizing the issuance of tax-exempt bonds for ARDC City Base, Ltd. and the Greenline North Apartments in the original principal amount of up to \$33,000,000, with an interest rate (not including applicable premium) of not to exceed 3.6%, to pay the costs of the acquisition, construction, and equipping of the Greenline North Apartments, to be located at 7402 South New Braunfels Avenue; and other matters in connection therewith.

Due to market changes since the Finance Corporation Board passed the original Resolution, the appropriate maximum interest rate has increased and the Finance Corporation Board has been requested to increase the approved permanent rate from 3.6% to 3.8% and to allow the construction rate to be variable. There are no other changes to the Resolution you approved in July and the amount of bonds requested will remain the same.

ALTERNATIVES:

If the San Antonio Housing Trust Finance Corporation board does not approve rate adjustment in this transaction, then 292 affordable units will close financing and not be constructed.

FISCAL IMPACT:

The Issuer will receive a 1% Bond Issuance Fee of the final issuance amount anticipated to be \$310,000.

RECOMMENDATION:

Staff recommends approval of the attached Amended and Restated Resolution.

ATTACHMENT:

Amended and Restated Resolution

CERTIFICATE FOR RESOLUTION

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

1. In accordance with the bylaws of the Issuer, the Board of Directors of the Issuer (the “Board”) held a meeting on August 26, 2020 (the “Meeting”) of the duly constituted officers and members of the Board, at which a duly constituted quorum was present. Whereupon among other business transacted at the Meeting, a written

AMENDED AND RESTATED RESOLUTION AUTHORIZING SAN ANTONIO HOUSING TRUST FINANCE CORPORATION MULTIFAMILY HOUSING GOVERNMENTAL NOTE (GREENLINE NORTH APARTMENTS) SERIES 2020; AND OTHER MATTERS IN CONNECTION THEREWITH

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

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

SIGNED AND SEALED August 26, 2020.

Nicole Collazo, Assistant Secretary



AMENDED AND RESTATED RESOLUTION AUTHORIZING SAN ANTONIO HOUSING TRUST FINANCE CORPORATION MULTIFAMILY HOUSING GOVERNMENTAL NOTE (GREENLINE NORTH APARTMENTS) SERIES 2020; AND OTHER MATTERS IN CONNECTION THEREWITH

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

WHEREAS, the Issuer has been requested to issue its “Multifamily Housing Governmental Note (Greenline North Apartments) Series 2020” in the aggregate principal amount not to exceed \$33,000,000 (the “Bonds”), the proceeds of which will be used to finance the cost of acquiring, constructing, and equipping a proposed 292-unit multifamily apartment facility to be known as Greenline North Apartments, to be located at 7402 South New Braunfels Avenue, San Antonio, Texas 78223 (the “Project”) for ARDC City Base, Ltd., a Texas limited partnership (the “Borrower”);

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

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

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

WHEREAS, the Issuer is authorized to issue the Bonds pursuant to the Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code, as amended;

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

WHEREAS, on July 29, 2020, the Board approved a resolution (the “Original Resolution”) authorizing the issuance of the Bonds;

WHEREAS, the Board desires to amend and restate the Original Resolution as set forth herein to increase the amount of interest payable on the Bonds during the permanent period and to allow for a variable rate during the construction period;

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

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

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

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

Section 3. The Bonds, in the aggregate principal amount of not to exceed \$33,000,000, with a variable interest rate during construction and a permanent interest rate (not including applicable premium) not to exceed 3.8%, as set forth in the Funding Loan Agreement, and with a maturity date not to exceed December 31, 2058, in substantially the form and substance set forth in the Funding Loan Agreement, are hereby approved, and the President, the Vice President, the Secretary, the Treasurer, the Executive Director, and each Assistant Secretary, or any of them, is hereby authorized and directed, for and on behalf of the Issuer, to execute the Bonds or have their facsimile signatures placed upon it, and such officers are hereby authorized and directed to deliver the Bonds, and the seal of the Issuer is hereby authorized and directed to be affixed or placed by facsimile on the Bonds. Authentication of the Bonds upon the terms and conditions and in the manner described in the Funding Loan Agreement as the same may be modified is authorized by this Resolution. The final principal amounts, interest rates, maturity dates (not to exceed the amounts, the rates, and the maximum term set forth above), and final redemption date and price for the Bonds shall be set forth in the final form

of the Funding Loan Agreement, and the execution and delivery of the Purchase Agreement by the President, the Vice President, the Secretary, the Treasurer, the Executive Director, each Assistant Secretary, or any of them, shall constitute approval of the agreed final principal amount of, interest rates on the Bonds, maturity dates of the Bonds, and the final redemption date and price for the Bonds. The proceeds of the Bonds are hereby authorized to be utilized as set forth herein and in the Funding Loan Agreement and the Borrower Loan Agreement.

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

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

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

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

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

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

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

Section 11. The Bonds shall not constitute an indebtedness, liability, general, special, or moral obligation or a pledge or loan of the faith or credit or taxing power, within the meaning of any constitutional or statutory provision whatsoever, of the United States of America or any

agency or instrumentality thereof, the State of Texas, the City, or any other political subdivision or governmental unit.

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

Section 13. If any section, paragraph, clause, or provision of this Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution. In case any obligation of the Issuer authorized or established by this Resolution or the Bonds are held to be in violation of law as applied to any person or in any circumstance, such obligation shall be deemed to be the obligation of the Issuer to the fullest extent permitted by law.

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

* * *