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/89237353907?pwd=WE1BeWMvRk5LU2x6bTFINnFmY3ZZUT09
DIAL-IN NUMBER: 1-346-248-7799 MEETING ID: 892 3735 3907 PASSWORD: 056422
On Friday, Friday 17, 2023, beginning at 2:00 p.m.

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 January 20, 2023.
3. Public Comment – Interested speakers will have 3 minutes each to address the Board on agenda items or housing policy related matters.
4. Resolution inducing the **Ellison Apartments** transaction; and authorizing all filings and agreements with Texas Department of Housing and Community Affairs in connection with applications for Low Income Housing Tax Credits; and authorizing the negotiation and execution of a Memorandum of Understanding; and other matters in connection therewith.
5. Resolution inducing the **Cattleman Square Lofts Apartments** transaction; and authorizing all filings and agreements with Texas Department of Housing and Community Affairs in connection with applications for Low Income Housing Tax Credits; and authorizing the negotiation and execution of a Memorandum of Understanding; and other matters in connection therewith.
6. Resolution inducing the **Winston Square/Roselawn Apartments** transaction; and authorizing all filings and agreements with Texas Department of Housing and Community Affairs in connection with applications for Low Income Housing Tax Credits; and authorizing the negotiation and execution of a Memorandum of Understanding; and other matters in connection therewith.
7. Resolution inducing the **Pecan Manor/Spanish Spur Apartments** transaction; and authorizing all filings and agreements with Texas Department of Housing and

Community Affairs in connection with applications for Low Income Housing Tax Credits; and authorizing the negotiation and execution of a Memorandum of Understanding; and other matters in connection therewith.

8. Resolution inducing the **Palladium Crestway Apartments** transaction; and authorizing all filings and agreements with Texas Department of Housing and Community Affairs in connection with applications for Low Income Housing Tax Credits; and authorizing the negotiation and execution of a Memorandum of Understanding; and other matters in connection therewith.

9. Resolution inducing the **Legacy Senior Residences** transaction; and authorizing all filings and agreements with Texas Department of Housing and Community Affairs in connection with applications for Low Income Housing Tax Credits; and authorizing the negotiation and execution of a Memorandum of Understanding; and other matters in connection therewith.

10. Resolution inducing the **Pavilion at Culebra Apartments** transaction; and authorizing all filings and agreements with Texas Department of Housing and Community Affairs in connection with applications for Low Income Housing Tax Credits; and authorizing the negotiation and execution of a Memorandum of Understanding; and other matters in connection therewith.

***Executive Session**

The San Antonio Housing Trust Public Facility Corporation 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 **January 20, 2023**, meeting.

SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION
OFFICIAL MEETING MINUTES

DATE: January 20, 2023

TIME AND PLACE: The Public Facility Corporation met in session at 2:05 p.m., via Zoom and in person at 114 W Commerce, San Antonio, TX 78205.

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

ABSENT: Mark Carmona

STAFF/VISITORS PRESENT:
Pedro Alanis- Executive Director San Antonio Housing Trust Foundation INC.; Jessica Kuehne- Director of Asset Management San Antonio Housing Trust Foundation INC.; John Hernandez- Senior Asset Manager; Ruben Lizalde- D3; Edward Muniga- D4; Ileana Sandoval- D9; Summer Greathouse- Attorney Bracewell; Clarissa Rodriguez- Attorney DNRBZ.

1. **CALL TO ORDER AND ROLL CALL:** The meeting was called to order by Vice President Jane Paccione and the roll was called by Lauren Bejaran.

   Rachell Hathaway joins the PFC meeting at 2:08 p.m.

   Jordan Ghawi joins the PFC meeting at 2:10 p.m.

2. **DISCUSSION AND POSSIBLE ACTION TO APPROVE MINUTES OF DECEMBER 13, 2022.**
   Councilman Jalen McKee-Rodriguez motioned, and Councilwoman Phyllis Viagran seconded for approval of the December 13, 2022, minutes with the noted corrections.
   AYES: 7
   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.**
   NONE.
   NO ACTION WAS TAKEN.

4. **DISCUSSION AND POSSIBLE ACTION TO APPROVE A RESOLUTION INDUCING THE FOUR25 SAN PEDRO APARTMENTS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO**

OBTAIN THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING ALL FILLINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; AND OTHER MATTERS IN CONNECTION THEREWITH.

Pete Alanis briefed the board about the LIHTC Franklin Development partnership project, Four25.

MINUTES COMMISSION ACTION:

Councilwoman Teri Castillo motioned, and Councilman Jalen McKee-Rodriguez seconded to approve Item #4 for the Four25 San Pedro Apartments.

AYES: 7
NAYS:
ABSTAINED:
THE MOTION PASSED.

5. **DISCUSSION AND POSSIBLE ACTION TO APPROVE AMENDMENTS FOR THE PRESERVE AT THE PORT APARTMENTS, INCLUDING RESTRUCTURING THE DEBT FOR THE PROJECT, AUTHORIZING ADDITIONAL DEBT, AUTHORIZING BRASS REALTY AND ITS AFFILIATES TO BE SUBSTITUTED IN FOR JOEY GUERRA AND HIS AFFILIATES IN VARIOUS ENTITIES AND POSITIONS AND OTHER MATTERS IN CONNECTION THEREWITH.**

Pete Alanis briefed to the board about the Financial Restructuring for the Preserve at the Port Apartments that will allow for the completion of the 368-unit affordable housing development, while preserving the long-term affordability and financial viability of the project.

MINUTES COMMISSION ACTION:

Councilwoman Teri Castillo motioned, and Councilman Jalen McKee-Rodriguez seconded to approve Item #5 for the Preserve at the Port Apartments.

AYES: 7
NAYS:
ABSTAINED:
THE MOTION PASSED.

6. **EXECUTIVE SESSION: THE SAN ANTONIO HOUSING TRUST PFC WILL CONVENE INTO EXECUTIVE SESSION PURSUANT TO TEXAS GOVERNMENT CODES SECTION 551.072, (REAL PROPERTY) AND 551.071 (CONSULTATION WITH ATTORNEY) TO DISCUSS AND DELIBERATE THE ACQUISITION OF LAND FOR AFFORDABLE HOUSING.**

A.) RECONVENE INTO OPEN SESSION AND ACTION AS NECESSARY AS DISCUSSED IN EXECUTIVE SESSION.

Vice President Jane Paccione convened The San Antonio Housing Trust Public Facility Corporation into Executive Session at 2:45 p.m. to discuss Item Number 6.

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), and 551.087 (economic development). ANY ITEM DISCUSSED IN EXECUTIVE SESSION MAY BE ACTED ON IN OPEN SESSION.

Vice President Jane Paccione convened The San Antonio Housing Trust Public Facility Corporation into open session at 3:45 p.m. No action was taken during Executive Session.

NO ACTION TAKEN.

7. ADJOURNMENT

Vice President Jane Paccione adjourned the meeting. There being no further business, the meeting adjourned at 4:08 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.

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

Los oradores interesados tendrán 3 minutos cada uno para dirigirse a la Junta sobre temas de la agenda o asuntos relacionados con la política de vivienda; Se proporcionará un total de 15 minutos.

Para inscribirse en Comentario Público, llame al 210-735-2772 24 horas antes de esta reunión para incluir su nombre en la lista.

San Antonio Housing Trust Public Facility
Agenda Item 4

RESOLUTION INDUCING THE ELLISON APARTMENTS TRANSACTION; AND AUTHORIZING ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; AND AUTHORIZING THE NEGOTIATION AND EXECUTION OF A MEMORANDUM OF UNDERSTANDING; AND OTHER MATTERS IN CONNECTION THEREWITH

Background

In September 2022, the PFC board approved a non-binding bond inducement resolution for the Ellison Apartments TBRB application for proposed financing of up to $43M. The Ellison Apartments are located within *Port San Antonio Regional Center* on 21 acres of vacant land currently zone C-2. The project was awarded a $43M allocation of private activity bonds by the Texas Bond review Board and has submitted a 4% LIHTC application with the Texas Department of Housing and Community Affairs and will need to close on the financing by July 16, 2023

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

Unit Mix & Affordability			
	<30% AMI	60% AMI	Total
1 Bedroom	10	65	75
2 Bedroom	19	95	114
3 Bedroom	18	101	119
Total	**47**	**261**	**308**

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 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, Sports Soccer Complex and other commercial neighborhood assets.

Financial Considerations:

The project is anticipated to be a $73.9 million project. The project was awarded a $43 Million reservation through the Texas Bond review Board to be eligible for the 4% Low Income Housing Tax Credit Program through TDHCA. The private activity bonds will be issued by SAHTPFC. The project will also require a 100% Sales and Property Tax Exemption through the PFC being part of the Tax Credit Partnership

The project has an estimated $3.1 million gap. The developer plans on submitting a funding application for the second RFP for available COSA housing bond funds. SAHT is anticipated to receive the following:

- 1% Bond Issuance Fee (est. $430,000)
- $50/unit Annual Bond Fee (est. 15,400 annually)

- 40% Development/Def Fee (est. $3,408,000)
- 50% of future cash flow after Dev Fee
- 25% of the sales tax savings

Recommendation:

Staff recommend approving Inducement resolution to support the Ellison Apartments.

Attachments:

- Resolution

ELLISON APARTMENTS

CERTIFICATE FOR RESOLUTION

The undersigned officer of the San Antonio Housing Trust Public Facility Corporation, a Texas nonprofit corporation created pursuant to the laws of the State of Texas ("SAHTPFC") hereby certifies as follows:

1. In accordance with its bylaws, the Board of Directors of SAHTPFC (the "Board") held a meeting on February 17, 2023 (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 INDUCING THE ELLISON APARTMENTS TRANSACTION; AND AUTHORIZING ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; AND AUTHORIZING THE NEGOTIATION AND EXECUTION OF A MEMORANDUM OF UNDERSTANDING; 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 Bylaws of SAHTPFC.

SIGNED February 17, 2023.

_____

Pedro A. Alanis, Assistant Secretary

RESOLUTION INDUCING THE ELLISON APARTMENTS TRANSACTION; AND AUTHORIZING ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; AND AUTHORIZING THE NEGOTIATION AND EXECUTION OF A MEMORANDUM OF UNDERSTANDING; 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 Corporations 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 ("SAHTPFC");

WHEREAS, SAHTPFC, on behalf of the City, is empowered to finance the costs of public facilities that will provide decent, safe, and sanitary housing at affordable prices for residents of the City;

WHEREAS, Ellison Apartments Limited Partnership, a Texas limited partnership (the "Partnership"), and SAHT Ellison GP, LLC, a Texas limited liability company and its general partner (the "General Partner"), have been formed to acquire and construct an approximately 308-unit multifamily housing facility (the "Housing Facility") to be located at approximately the northeast corner of Ray Ellison Boulevard and Old Pearsall Road, San Antonio, Texas (the "Land," together with the Housing Facility, the "Project");

WHEREAS, at the request of the Partnership, SAHTPFC has agreed to (i) serve as the sole member of the General Partner of the Partnership in connection with the financing of the Project, (ii) acquire the Land and lease it to the Partnership pursuant to a Ground Lease, and (iii) serve as the general contractor for the Project;

WHEREAS, this Resolution shall constitute SAHTPFC's preliminary, non-binding commitment, subject to the terms hereof, to proceed;

WHEREAS, SAHTPFC and the Partnership or an affiliate or affiliates thereof will define their mutual relationship in a Memorandum of Understanding (the "MOU");

WHEREAS, the Partnership has also requested that SAHTPFC issue its Multifamily Housing Revenue Bonds (Ellison Apartments) Series 2023 (the "Bonds") to finance the Project (the "Bond Financing");

WHEREAS, Lincoln Avenue Capital (the "Developer"), on behalf of the Partnership, has applied or will simultaneously herewith apply for low-income housing tax credits (the "LIHTCs") from the Texas Department of Housing and Community Affairs ("TDHCA");

WHEREAS, in connection with the application for LIHTCs, it is anticipated that the General Partner and/or SAHTPFC will be required to execute, complete and deliver various applications, agreements, documents, certificates and instruments to TDHCA (the "TDHCA Documents");

WHEREAS, the Partnership will contribute equity to the construction of the Project, which will be contributed by a limited partner to be determined at a later date (the "Equity Financing");

WHEREAS, in order to provide additional funding for the Project, the Partnership may enter into one or more subordinate loans ("Subordinate Loans");

WHEREAS, the Board of Directors of SAHTPFC (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 Partnership may construct the Project;

WHEREAS, this Board has reviewed the foregoing and determined that the action herein authorized is in furtherance of the public purposes of SAHTPFC;

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

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

(a) cooperate with the Partnership with respect to the Project, and, if arrangements therefor satisfactory to the Partnership and SAHTPFC 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 Partnership or SAHTPFC in connection with the Project (collectively, the "Contracts"), providing among other things for financing, acquisition, construction, equipping, and improvement of the Project; and use, operation, and maintenance of the Project, all as shall be authorized, required, or permitted by law and as shall be satisfactory to the Corporation and the Partnership; and

(b) 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 President, any Vice President, the Secretary, the Treasurer, the Executive Director, any Assistant Secretary, or any of them, are hereby authorized to execute the Contracts including, but not limited to, any and all applications, term sheets and other agreements required for the financing and construction of the Project and documents related to the Bond Financing, LIHTCs, Equity Financing and Subordinate Loans to which the Partnership, the General Partner, and/or SAHTPFC is a party.

Section 3. The President, any Vice President, the Secretary, the Treasurer, the Executive Director, any Assistant Secretary, or any of them, and, if required by the form of the document, the Secretary and any Assistant Secretary, or any of them, of SAHTPFC are authorized and directed to modify, execute and deliver any of the documents to be signed by or consented to by SAHTPFC, and any and all certificates and other instruments necessary to carry out the intent thereof and hereof, including, without limitation, the TDHCA Documents and all filings or other actions required by the TDHCA in connection with the LIHTCs. The President, any Vice

President, the Secretary, the Treasurer, the Executive Director, any Assistant Secretary, or any of them, are authorized to negotiate and approve such changes in, or additions to, the terms of any of the documents, including amendments, renewals, and extensions, as such officers shall deem necessary or appropriate upon the advice of counsel to SAHTPFC, and approval of the terms of any of the documents by such officers and this Board shall be conclusively evidenced by the execution and delivery of such documents.

Section 4. It is understood by SAHTPFC and the Partnership and Developer have represented to SAHTPFC, that in consideration of SAHTPFC's adoption of this Resolution, and subject to the terms and conditions hereof, that the Partnership and Developer have agreed that

(a) the Partnership and Developer will (1) pay all Project costs that are not or cannot be paid or reimbursed from the proceeds of any debt and (2) indemnify and hold harmless SAHTPFC and the City against all losses, costs, damages, expenses and liabilities of whatsoever nature (including but not limited to reasonable attorneys' fees, litigation and courts costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to the Project, 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 SAHTPFC or the City).

Section 5. This Resolution shall be deemed to constitute the acceptance of the Partnership's and Developer's proposal that it be further induced to proceed with providing the Project. **Provided that neither the Partnership nor the Developer nor any other party is entitled to rely on this Resolution as a commitment to enter into the proposed transaction, and SAHTPFC reserves the right not to enter into the proposed transaction either with or without cause and with or without notice, and in such event SAHTPFC shall not be subject to any liability or damages of any nature. Neither the Partnership nor the Developer nor anyone claiming by, through or under the Partnership or the Developer, nor any investment banking firm or potential purchaser shall have any claim against SAHTPFC whatsoever as a result of any decision by SAHTPFC not to enter into the proposed transaction.**

Section 6. The Board authorizes the negotiation and execution by any officer(s) of the Board of the MOU setting forth the details of the Project.

Section 7. 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 documents approved hereby or otherwise to give effect to the actions authorized hereby and the intent hereof.

Section 8. The officers of this Board hereby approve the selection of Bracewell LLP as counsel to the General Partner and SAHTPFC for this transaction.

Section 9. If any section, paragraph, clause, or provisions 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 and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

Section 10. 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 11. 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 12. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 13. This Resolution shall be in force and effect from and after its passage.

San Antonio Housing Trust Public Facility
Agenda Item 5

RESOLUTION INDUCING THE CATTLEMAN SQUARE LOFTS APARTMENTS TRANSACTION; AND AUTHORIZING ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; AND AUTHORIZING THE NEGOTIATION AND EXECUTION OF A MEMORANDUM OF UNDERSTANDING; AND OTHER MATTERS IN CONNECTION THEREWITH

Background

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.

In September 2022, the PFC board approved a non-binding inducement resolution for the 4% LIHTC Cattleman Square Apartments application. The project previously withdrew from the 2022 LIHTC/Bond process in June last year, due to the inability to secure suitable gap financing prior to closing. The project was awarded a $38M allocation of private activity bonds by the Texas Bond Review Board and has submitted a 4% LIHTC application to TDHCA. The deadline to close financing is July 16, 2023.

The project currently has a $3.06 million gap.

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 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 though 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.

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 at least 14 bus routes.

Financial Considerations:

The project is anticipated to be a $36.5M project. The project was awarded a $38M bond reservation through the Texas Bond Review Board to be eligible for the 4% Low Income Housing Tax Credit Program through TDHCA. The project is funded by a combination of bond debt, tax credit equity, county and city grants/loans, and $2M allocation from 1st round of City Housing Bond Funding. The project will also require a 100% Sales and Property Tax Exemption through the PFC being part of the Tax Credit Partnership.

The project has a $3.06M gap. ACG is seeking to re-apply to the City through the 2nd round of City Housing Bond Funding and ICIF funds to close the gap. Cattlemen's is also requesting funding SAHT PFC in the amount of $1.23M, which will be repaid when the project refinances at year 16. If ACG is successful at securing City funding to cover the $1.83 M gap, staff will support a $1.23M loan from PFC.

SAHT is anticipated to receive the following:

- $380,000 Bond Issuance Fee (1% of the Final Bond Issuance Amount)
- $30/unit Annual Bond Fee (62,100 over 15 years)
- 10% Development/Deferred Fee of $422,000
- 25% of cash flow after payment of the development fee.

Recommendation:

Due to the long-term community impact to this portion of Cattlemen's Square and the opportunity for long term affordability near a transit center, staff is supportive of providing up to $1.23M in PFC funds which would be repaid when the project is refinanced in year 16.

However, staff also recommend, if the project is unable to close financing by the July 16th deadline, that SAHT withdraw its commitments to the project.

Attachment:

- Resolution

CATTLEMAN SQUARE LOFTS APARTMENTS

CERTIFICATE FOR RESOLUTION

The undersigned officer of the San Antonio Housing Trust Public Facility Corporation, a Texas nonprofit corporation created pursuant to the laws of the State of Texas ("SAHTPFC") hereby certifies as follows:

3. In accordance with its bylaws, the Board of Directors of SAHTPFC (the "Board") held a meeting on February 17, 2023 (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 INDUCING THE CATTLEMAN SQUARE LOFTS APARTMENTS TRANSACTION; AND AUTHORIZING ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; AND AUTHORIZING THE NEGOTIATION AND EXECUTION OF A MEMORANDUM OF UNDERSTANDING; 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 Bylaws of SAHTPFC.

SIGNED February 17, 2023.

_____

Pedro A. Alanis, Assistant Secretary

RESOLUTION INDUCING THE CATTLEMAN SQUARE LOFTS APARTMENTS TRANSACTION; AND AUTHORIZING ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; AND AUTHORIZING THE NEGOTIATION AND EXECUTION OF A MEMORANDUM OF UNDERSTANDING; 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 Corporations 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 ("SAHTPFC");

WHEREAS, SAHTPFC, on behalf of the City, is empowered to finance the costs of public facilities that will provide decent, safe, and sanitary housing at affordable prices for residents of the City;

WHEREAS, ACG Cattleman Square, LP, a Texas limited partnership (the "Partnership"), and SAHT Cattleman Square GP, LLC, a Texas limited liability company and its general partner (the "General Partner"), have been formed to acquire and construct an approximately 138-unit multifamily housing facility (the "Housing Facility") to be located at approximately 811 West Houston Street, San Antonio, Texas (the "Land," together with the Housing Facility, the "Project");

WHEREAS, at the request of the Partnership, SAHTPFC has agreed to (i) serve as the sole member of the General Partner of the Partnership in connection with the financing of the Project, (ii) acquire the Land and lease it to the Partnership pursuant to a Ground Lease, and (iii) serve as the general contractor for the Project;

WHEREAS, this Resolution shall constitute SAHTPFC's preliminary, non-binding commitment, subject to the terms hereof, to proceed;

WHEREAS, SAHTPFC and the Partnership or an affiliate or affiliates thereof will define their mutual relationship in a Memorandum of Understanding (the "MOU");

WHEREAS, the Partnership has also requested that SAHTPFC issue its Multifamily Housing Revenue Bonds (Cattleman Square Lofts Apartments) Series 2023 (the "Bonds") to finance the Project (the "Bond Financing");

WHEREAS, Alamo Community Group (the "Developer"), on behalf of the Partnership, has applied or will simultaneously herewith apply for low-income housing tax credits (the "LIHTCs") from the Texas Department of Housing and Community Affairs ("TDHCA");

WHEREAS, in connection with the application for LIHTCs, it is anticipated that the General Partner and/or SAHTPFC will be required to execute, complete and deliver various applications, agreements, documents, certificates and instruments to TDHCA (the "TDHCA Documents");

WHEREAS, the Partnership will contribute equity to the construction of the Project, which will be contributed by a limited partner to be determined at a later date (the "Equity Financing");

WHEREAS, in order to provide additional funding for the Project, the Partnership may enter into one or more subordinate loans ("Subordinate Loans");

WHEREAS, the Board of Directors of SAHTPFC (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 Partnership may construct the Project;

WHEREAS, this Board has reviewed the foregoing and determined that the action herein authorized is in furtherance of the public purposes of SAHTPFC;

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

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

(a) cooperate with the Partnership with respect to the Project, and, if arrangements therefor satisfactory to the Partnership and SAHTPFC 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 Partnership or SAHTPFC in connection with the Project (collectively, the "Contracts"), providing among other things for financing, acquisition, construction, equipping, and improvement of the Project; and use, operation, and maintenance of the Project, all as shall be authorized, required, or permitted by law and as shall be satisfactory to the Corporation and the Partnership; and

(b) 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 President, any Vice President, the Secretary, the Treasurer, the Executive Director, any Assistant Secretary, or any of them, are hereby authorized to execute the Contracts including, but not limited to, any and all applications, term sheets and other agreements required for the financing and construction of the Project and documents related to the Bond Financing, LIHTCs, Equity Financing and Subordinate Loans to which the Partnership, the General Partner, and/or SAHTPFC is a party.

Section 3. The President, any Vice President, the Secretary, the Treasurer, the Executive Director, any Assistant Secretary, or any of them, and, if required by the form of the document, the Secretary and any Assistant Secretary, or any of them, of SAHTPFC are authorized and directed to modify, execute and deliver any of the documents to be signed by or consented to by SAHTPFC, and any and all certificates and other instruments necessary to carry out the intent thereof and hereof, including, without limitation, the TDHCA Documents and all filings or other actions required by the TDHCA in connection with the LIHTCs. The President, any Vice

President, the Secretary, the Treasurer, the Executive Director, any Assistant Secretary, or any of them, are authorized to negotiate and approve such changes in, or additions to, the terms of any of the documents, including amendments, renewals, and extensions, as such officers shall deem necessary or appropriate upon the advice of counsel to SAHTPFC, and approval of the terms of any of the documents by such officers and this Board shall be conclusively evidenced by the execution and delivery of such documents.

Section 4. It is understood by SAHTPFC and the Partnership and Developer have represented to SAHTPFC, that in consideration of SAHTPFC's adoption of this Resolution, and subject to the terms and conditions hereof, that the Partnership and Developer have agreed that

(a) the Partnership and Developer will (1) pay all Project costs that are not or cannot be paid or reimbursed from the proceeds of any debt and (2) indemnify and hold harmless SAHTPFC and the City against all losses, costs, damages, expenses and liabilities of whatsoever nature (including but not limited to reasonable attorneys' fees, litigation and courts costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to the Project, 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 SAHTPFC or the City).

Section 5. This Resolution shall be deemed to constitute the acceptance of the Partnership's and Developer's proposal that it be further induced to proceed with providing the Project. **Provided that neither the Partnership nor the Developer nor any other party is entitled to rely on this Resolution as a commitment to enter into the proposed transaction, and SAHTPFC reserves the right not to enter into the proposed transaction either with or without cause and with or without notice, and in such event SAHTPFC shall not be subject to any liability or damages of any nature. Neither the Partnership nor the Developer nor anyone claiming by, through or under the Partnership or the Developer, nor any investment banking firm or potential purchaser shall have any claim against SAHTPFC whatsoever as a result of any decision by SAHTPFC not to enter into the proposed transaction.**

Section 6. The Board authorizes the negotiation and execution by any officer(s) of the Board of the MOU setting forth the details of the Project.

Section 7. 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 documents approved hereby or otherwise to give effect to the actions authorized hereby and the intent hereof.

Section 8. The officers of this Board hereby approve the selection of Bracewell LLP as counsel to the General Partner and SAHTPFC for this transaction.

Section 9. If any section, paragraph, clause, or provisions 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 and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

Section 10. 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 11. 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 12. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 13. This Resolution shall be in force and effect from and after its passage.

San Antonio Housing Trust Public Facility
Agenda Item 6

RESOLUTION INDUCING THE WINSTON SQUARE/ROSELAWN APARTMENTS TRANSACTION; AND AUTHORIZING ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; AND AUTHORIZING THE NEGOTIATION AND EXECUTION OF A MEMORANDUM OF UNDERSTANDING; AND OTHER MATTERS IN CONNECTION THEREWITH

Background

In September 2022, the PFC board approved a non-binding inducement resolution for the 4% LIHTC project Winston/Roselawn Apartments. The project was awarded a $25,000,000 allocation of private activity bonds by the Texas Bond review Board and has submitted a 4% LIHTC application with the Texas Department of Housing and Community Affairs and will need to close on the financing by July 17, 2023

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

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 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 $105k 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.

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 $44.3 million project that will be funded by a $25 Million bond reservation through the Texas Bond Review Board, with the private activity bonds issued by SAHTPFC, tax credits, CoSA affordable bond funds, and fee waivers. The project will also require a 100% Sales and Property Tax Exemption through the PFC being part of the Tax Credit Partnership

The project as presented has "*no financing gap*". The scope of the rehabilitation work was expanded due to the awarding of $4.7 million in COSA bond funds. The projected hard and soft rehabilitation costs have increased to $105K per unit. Additionally, partnering with SATPFC will provide a full exemption on real estate taxes and the sales tax on materials for the rehabilitation of the property.

SAHT is anticipated to receive the following:

- 1% Bond Issuance Fee (est. $250,000)
- $30/unit Annual Bond Fee (est. 93,600)
- 10% Development/Deferred fees (est. $540,000)
- 25% of cash flow after Development Fee

Recommendation:

Staff recommend approving Inducement resolution to support 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, a Texas nonprofit corporation created pursuant to the laws of the State of Texas ("SAHTPFC") hereby certifies as follows:

5. In accordance with its bylaws, the Board of Directors of SAHTPFC (the "Board") held a meeting on February 17, 2023 (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 INDUCING THE WINSTON SQUARE/ROSELAWN APARTMENTS TRANSACTION; AND AUTHORIZING ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; AND AUTHORIZING THE NEGOTIATION AND EXECUTION OF A MEMORANDUM OF UNDERSTANDING; 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 Bylaws of SAHTPFC.

SIGNED February 17, 2023.

_____

Pedro A. Alanis, Assistant Secretary

RESOLUTION INDUCING THE WINSTON SQUARE/ROSELAWN APARTMENTS TRANSACTION; AND AUTHORIZING ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; AND AUTHORIZING THE NEGOTIATION AND EXECUTION OF A MEMORANDUM OF UNDERSTANDING; 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 Corporations 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 ("SAHTPFC");

WHEREAS, SAHTPFC, on behalf of the City, is empowered to finance the costs of public facilities that will provide decent, safe, and sanitary housing at affordable prices for residents of the City;

WHEREAS, Winston Roselawn Apts LP, a Texas limited partnership (the "Partnership"), and SAHT Winston Roselawn GP, LLC, a Texas limited liability company and its general partner (the "General Partner"), have been formed to acquire and rehabilitate an multifamily housing facilities containing approximately 208 units total (together, the "Housing Facility") located at approximately 2069 S. General McMullen and 3346 Roselawn Road, San Antonio, Texas (the "Land," together with the Housing Facility, the "Project");

WHEREAS, at the request of the Partnership, SAHTPFC has agreed to (i) serve as the sole member of the General Partner of the Partnership in connection with the financing of the Project, (ii) acquire the Land and lease it to the Partnership pursuant to a Ground Lease, and (iii) serve as the general contractor for the Project;

WHEREAS, this Resolution shall constitute SAHTPFC's preliminary, non-binding commitment, subject to the terms hereof, to proceed;

WHEREAS, SAHTPFC and the Partnership or an affiliate or affiliates thereof will define their mutual relationship in a Memorandum of Understanding (the "MOU");

WHEREAS, the Partnership has also requested that SAHTPFC issue its Multifamily Housing Revenue Bonds (Winston Square/Roselawn Apartments) Series 2023 (the "Bonds") to finance the Project (the "Bond Financing");

WHEREAS, Pico-Union Housing Corp. (the "Developer"), on behalf of the Partnership, has applied or will simultaneously herewith apply for low-income housing tax credits (the "LIHTCs") from the Texas Department of Housing and Community Affairs ("TDHCA");

WHEREAS, in connection with the application for LIHTCs, it is anticipated that the General Partner and/or SAHTPFC will be required to execute, complete and deliver various applications, agreements, documents, certificates and instruments to TDHCA (the "TDHCA Documents");

WHEREAS, the Partnership will contribute equity to the construction of the Project, which will be contributed by a limited partner to be determined at a later date (the "Equity Financing");

WHEREAS, in order to provide additional funding for the Project, the Partnership may enter into one or more subordinate loans ("Subordinate Loans");

WHEREAS, the Board of Directors of SAHTPFC (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 Partnership may construct the Project;

WHEREAS, this Board has reviewed the foregoing and determined that the action herein authorized is in furtherance of the public purposes of SAHTPFC;

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

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

(a) cooperate with the Partnership with respect to the Project, and, if arrangements therefor satisfactory to the Partnership and SAHTPFC 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 Partnership or SAHTPFC in connection with the Project (collectively, the "Contracts"), providing among other things for financing, acquisition, construction, equipping, and improvement of the Project; and use, operation, and maintenance of the Project, all as shall be authorized, required, or permitted by law and as shall be satisfactory to the Corporation and the Partnership; and

(b) 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 President, any Vice President, the Secretary, the Treasurer, the Executive Director, any Assistant Secretary, or any of them, are hereby authorized to execute the Contracts including, but not limited to, any and all applications, term sheets and other agreements required for the financing and construction of the Project and documents related to the Bond Financing, LIHTCs, Equity Financing and Subordinate Loans to which the Partnership, the General Partner, and/or SAHTPFC is a party.

Section 3. The President, any Vice President, the Secretary, the Treasurer, the Executive Director, any Assistant Secretary, or any of them, and, if required by the form of the document, the Secretary and any Assistant Secretary, or any of them, of SAHTPFC are authorized and directed to modify, execute and deliver any of the documents to be signed by or consented to by SAHTPFC, and any and all certificates and other instruments necessary to carry out the intent thereof and hereof, including, without limitation, the TDHCA Documents and all filings or other actions required by the TDHCA in connection with the LIHTCs. The President, any Vice

President, the Secretary, the Treasurer, the Executive Director, any Assistant Secretary, or any of them, are authorized to negotiate and approve such changes in, or additions to, the terms of any of the documents, including amendments, renewals, and extensions, as such officers shall deem necessary or appropriate upon the advice of counsel to SAHTPFC, and approval of the terms of any of the documents by such officers and this Board shall be conclusively evidenced by the execution and delivery of such documents.

Section 4. It is understood by SAHTPFC and the Partnership and Developer have represented to SAHTPFC, that in consideration of SAHTPFC's adoption of this Resolution, and subject to the terms and conditions hereof, that the Partnership and Developer have agreed that

(a) the Partnership and Developer will (1) pay all Project costs that are not or cannot be paid or reimbursed from the proceeds of any debt and (2) indemnify and hold harmless SAHTPFC and the City against all losses, costs, damages, expenses and liabilities of whatsoever nature (including but not limited to reasonable attorneys' fees, litigation and courts costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to the Project, 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 SAHTPFC or the City).

Section 5. This Resolution shall be deemed to constitute the acceptance of the Partnership's and Developer's proposal that it be further induced to proceed with providing the Project. **Provided that neither the Partnership nor the Developer nor any other party is entitled to rely on this Resolution as a commitment to enter into the proposed transaction, and SAHTPFC reserves the right not to enter into the proposed transaction either with or without cause and with or without notice, and in such event SAHTPFC shall not be subject to any liability or damages of any nature. Neither the Partnership nor the Developer nor anyone claiming by, through or under the Partnership or the Developer, nor any investment banking firm or potential purchaser shall have any claim against SAHTPFC whatsoever as a result of any decision by SAHTPFC not to enter into the proposed transaction.**

Section 6. The Board authorizes the negotiation and execution by any officer(s) of the Board of the MOU setting forth the details of the Project.

Section 7. 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 documents approved hereby or otherwise to give effect to the actions authorized hereby and the intent hereof.

Section 8. The officers of this Board hereby approve the selection of Bracewell LLP as counsel to the General Partner and SAHTPFC for this transaction.

Section 9. If any section, paragraph, clause, or provisions 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 and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

Section 10. 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 11. 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 12. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 13. This Resolution shall be in force and effect from and after its passage.

San Antonio Housing Trust Public Facility
Agenda Item 7

RESOLUTION INDUCING THE PECAN MANOR/SPANISH SPUR APARTMENTS TRANSACTION; AND AUTHORIZING ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; AND AUTHORIZING THE NEGOTIATION AND EXECUTION OF A MEMORANDUM OF UNDERSTANDING; AND OTHER MATTERS IN CONNECTION THEREWITH

Background

In September 2022, the PFC board approved a non-binding inducement resolution for the 4% LIHTC project Pecan Manor and Spanish Spur Apartments. The project was awarded a $25,000,000 allocation of private activity bonds by the Texas Bond review Board and has submitted a 4% LIHTC application with the Texas Department of Housing and Community Affairs and will need to close on the financing by July 22, 2023

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 $95k 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.

Site Information

Pecan Manor/Spanish Spur Apartments 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, and the proposed Legacy Senior Development.

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 p*roviding 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 $51.2 million project that will be funded with $25 Million bond reservation through the Texas Bond Review Board to be eligible for the 4% Low Income Housing Tax Credit Program. The transaction will be funded with private activity bonds issued by SAHTPFC, 4% Low Income Housing Tax Credits through TDHCA, and CoSA affordable housing bonds.

The project as presented has “no financing gap”. The scope of the rehabilitation work was expanded due to the awarding of $4.3 million in COSA bond funds. The projected hard and soft rehabilitation costs have increased to $95K per unit. Additionally, partnering with SAHTPFC will provide a full exemption on real estate taxes and the sales tax on materials for the rehabilitation of the property.

SAHT is anticipated to receive the following:

- 1% Final Bond Issuance (est. $250,000)
- $30/unit Annual Bond Fee (est. 115,200)
- 10% of Development/Deferred Fees ($618,700)
- 25% of Cash Flow after Development Fee

Recommendation:

Staff recommends approving Inducement resolution to support 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, a Texas nonprofit corporation created pursuant to the laws of the State of Texas ("SAHTPFC") hereby certifies as follows:

7. In accordance with its bylaws, the Board of Directors of SAHTPFC (the "Board") held a meeting on February 17, 2023 (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 INDUCING THE PECAN MANOR/SPANISH SPUR APARTMENTS TRANSACTION; AND AUTHORIZING ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; AND AUTHORIZING THE NEGOTIATION AND EXECUTION OF A MEMORANDUM OF UNDERSTANDING; 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 Bylaws of SAHTPFC.

SIGNED February 17, 2023.

_____
Pedro A. Alanis, Assistant Secretary

RESOLUTION INDUCING THE PECAN MANOR/SPANISH SPUR APARTMENTS TRANSACTION; AND AUTHORIZING ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; AND AUTHORIZING THE NEGOTIATION AND EXECUTION OF A MEMORANDUM OF UNDERSTANDING; 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 Corporations 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 ("SAHTPFC");

WHEREAS, SAHTPFC, on behalf of the City, is empowered to finance the costs of public facilities that will provide decent, safe, and sanitary housing at affordable prices for residents of the City;

WHEREAS, Spanish Pecan Apts LP, a Texas limited partnership (the "Partnership"), and SAHT Spanish Pecan GP, LLC, a Texas limited liability company and its general partner (the "General Partner"), have been formed to acquire and rehabilitate multifamily housing facilities containing approximately 256 units total (together, the "Housing Facility") located at approximately 6835 and 6840 Pecan Valley Drive, San Antonio, Texas (the "Land," together with the Housing Facility, the "Project");

WHEREAS, at the request of the Partnership, SAHTPFC has agreed to (i) serve as the sole member of the General Partner of the Partnership in connection with the financing of the Project, (ii) acquire the Land and lease it to the Partnership pursuant to a Ground Lease, and (iii) serve as the general contractor for the Project;

WHEREAS, this Resolution shall constitute SAHTPFC's preliminary, non-binding commitment, subject to the terms hereof, to proceed;

WHEREAS, SAHTPFC and the Partnership or an affiliate or affiliates thereof will define their mutual relationship in a Memorandum of Understanding (the "MOU");

WHEREAS, the Partnership has also requested that SAHTPFC issue its Multifamily Housing Revenue Bonds (Pecan Manor/Spanish Spur Apartments) Series 2023 (the "Bonds") to finance the Project (the "Bond Financing");

WHEREAS, Pico-Union Housing Corp. (the "Developer"), on behalf of the Partnership, has applied or will simultaneously herewith apply for low-income housing tax credits (the "LIHTCs") from the Texas Department of Housing and Community Affairs ("TDHCA");

WHEREAS, in connection with the application for LIHTCs, it is anticipated that the General Partner and/or SAHTPFC will be required to execute, complete and deliver various applications, agreements, documents, certificates and instruments to TDHCA (the "TDHCA Documents");

WHEREAS, the Partnership will contribute equity to the construction of the Project, which will be contributed by a limited partner to be determined at a later date (the "Equity Financing")

WHEREAS, in order to provide additional funding for the Project, the Partnership may enter into one or more subordinate loans ("Subordinate Loans");

WHEREAS, the Board of Directors of SAHTPFC (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 Partnership may construct the Project;

WHEREAS, this Board has reviewed the foregoing and determined that the action herein authorized is in furtherance of the public purposes of SAHTPFC;

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

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

(a) cooperate with the Partnership with respect to the Project, and, if arrangements therefor satisfactory to the Partnership and SAHTPFC 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 Partnership or SAHTPFC in connection with the Project (collectively, the "Contracts"), providing among other things for financing, acquisition, construction, equipping, and improvement of the Project; and use, operation, and maintenance of the Project, all as shall be authorized, required, or permitted by law and as shall be satisfactory to the Corporation and the Partnership; and

(b) 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 President, any Vice President, the Secretary, the Treasurer, the Executive Director, any Assistant Secretary, or any of them, are hereby authorized to execute the Contracts including, but not limited to, any and all applications, term sheets and other agreements required for the financing and construction of the Project and documents related to the Bond Financing, LIHTCs, Equity Financing and Subordinate Loans to which the Partnership, the General Partner, and/or SAHTPFC is a party.

Section 3. The President, any Vice President, the Secretary, the Treasurer, the Executive Director, any Assistant Secretary, or any of them, and, if required by the form of the document, the Secretary and any Assistant Secretary, or any of them, of SAHTPFC are authorized and directed to modify, execute and deliver any of the documents to be signed by or consented to by SAHTPFC, and any and all certificates and other instruments necessary to carry out the intent thereof and hereof, including, without limitation, the TDHCA Documents and all filings or other actions required by the TDHCA in connection with the LIHTCs. The President, any Vice

President, the Secretary, the Treasurer, the Executive Director, any Assistant Secretary, or any of them, are authorized to negotiate and approve such changes in, or additions to, the terms of any of the documents, including amendments, renewals, and extensions, as such officers shall deem necessary or appropriate upon the advice of counsel to SAHTPFC, and approval of the terms of any of the documents by such officers and this Board shall be conclusively evidenced by the execution and delivery of such documents.

Section 4. It is understood by SAHTPFC and the Partnership and Developer have represented to SAHTPFC, that in consideration of SAHTPFC's adoption of this Resolution, and subject to the terms and conditions hereof, that the Partnership and Developer have agreed that

(a) the Partnership and Developer will (1) pay all Project costs that are not or cannot be paid or reimbursed from the proceeds of any debt and (2) indemnify and hold harmless SAHTPFC and the City against all losses, costs, damages, expenses and liabilities of whatsoever nature (including but not limited to reasonable attorneys' fees, litigation and courts costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to the Project, 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 SAHTPFC or the City).

Section 5. This Resolution shall be deemed to constitute the acceptance of the Partnership's and Developer's proposal that it be further induced to proceed with providing the Project. **Provided that neither the Partnership nor the Developer nor any other party is entitled to rely on this Resolution as a commitment to enter into the proposed transaction, and SAHTPFC reserves the right not to enter into the proposed transaction either with or without cause and with or without notice, and in such event SAHTPFC shall not be subject to any liability or damages of any nature. Neither the Partnership nor the Developer nor anyone claiming by, through or under the Partnership or the Developer, nor any investment banking firm or potential purchaser shall have any claim against SAHTPFC whatsoever as a result of any decision by SAHTPFC not to enter into the proposed transaction.**

Section 6. The Board authorizes the negotiation and execution by any officer(s) of the Board of the MOU setting forth the details of the Project.

Section 7. 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 documents approved hereby or otherwise to give effect to the actions authorized hereby and the intent hereof.

Section 8. The officers of this Board hereby approve the selection of Bracewell LLP as counsel to the General Partner and SAHTPFC for this transaction.

Section 9. If any section, paragraph, clause, or provisions 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 and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

Section 10. 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 11. 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 12. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 13. This Resolution shall be in force and effect from and after its passage.

San Antonio Housing Trust Public Facility
Agenda Item 8

RESOLUTION INDUCING THE PALLADIUM CRESTWAY APARTMENTS TRANSACTION; AND AUTHORIZING ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; AND AUTHORIZING THE NEGOTIATION AND EXECUTION OF A MEMORANDUM OF UNDERSTANDING; AND OTHER MATTERS IN CONNECTION THEREWITH

Background

In September 2022, the PFC board approved a non-binding inducement resolution for the 4% LIHTC project Palladium at Crestway Apartments. The project was awarded a $43M allocation of private activity bonds by the Texas Bond Review Board and has submitted a 4% LIHTC application with the TDHCA and will need to close on the financing by July 30, 2023

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
Total	**21**	**202**	**31**	**16**	**270**

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 $62.8 million project was awarded $43 million reservation through the Texas Bond Review Board to be eligible for the 4% Low Income Housing Tax Credit Program through TDHCA. The transaction will be funded with private activity bonds issued by SAHTPFC, and 4% LIHTCs issued by TDHCA. The project will also require a 100% Sales and Property Tax Exemption through the PFC being part of the Tax Credit Partnership.

The project has a $3M gap. The developer will apply for $3M in COSA housing bonds. Another potential to close the funding gap is to apply for HOME funds through TDHCA.

SAHT is anticipated to receive the following:

- 1% Bond Issuance Fee (est. $430,000)
- 30% of Development/Deferred fee (est. $848,577)
- $50/unit Annual bond Fee
- 25% of the sales tax savings
- Bargain Purchase Rights at Year 15

Recommendation:

Staff recommends approving Inducement resolution to support the Palladium at Crestway Apartments.

Attachment:

- Resolution

PALLADIUM CRESTWAY APARTMENTS

CERTIFICATE FOR RESOLUTION

The undersigned officer of the San Antonio Housing Trust Public Facility Corporation, a Texas nonprofit corporation created pursuant to the laws of the State of Texas ("SAHTPFC") hereby certifies as follows:

9. In accordance with its bylaws, the Board of Directors of SAHTPFC (the "Board") held a meeting on February 17, 2023 (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 INDUCING THE PALLADIUM CRESTWAY APARTMENTS TRANSACTION; AND AUTHORIZING ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; AND AUTHORIZING THE NEGOTIATION AND EXECUTION OF A MEMORANDUM OF UNDERSTANDING; 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 Bylaws of SAHTPFC.

SIGNED February 17, 2023.

_____

Pedro A. Alanis, Assistant Secretary

RESOLUTION INDUCING THE PALLADIUM CRESTWAY APARTMENTS TRANSACTION; AND AUTHORIZING ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; AND AUTHORIZING THE NEGOTIATION AND EXECUTION OF A MEMORANDUM OF UNDERSTANDING; 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 Corporations 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 ("SAHTPFC");

WHEREAS, SAHTPFC, on behalf of the City, is empowered to finance the costs of public facilities that will provide decent, safe, and sanitary housing at affordable prices for residents of the City;

WHEREAS, Palladium San Antonio II, Ltd., a Texas limited partnership (the "Partnership"), and SAHT Palladium Crestway GP, LLC, a Texas limited liability company and its general partner (the "General Partner"), have been formed to acquire and construct an approximately 270-unit multifamily housing facility (the "Housing Facility") to be located at approximately 5319 Crestway Drive, San Antonio, Texas (the "Land," together with the Housing Facility, the "Project");

WHEREAS, at the request of the Partnership, SAHTPFC has agreed to (i) serve as the sole member of the General Partner of the Partnership in connection with the financing of the Project, (ii) acquire the Land and lease it to the Partnership pursuant to a Ground Lease, and (iii) serve as the general contractor for the Project;

WHEREAS, this Resolution shall constitute SAHTPFC's preliminary, non-binding commitment, subject to the terms hereof, to proceed;

WHEREAS, SAHTPFC and the Partnership or an affiliate or affiliates thereof will define their mutual relationship in a Memorandum of Understanding (the "MOU");

WHEREAS, the Partnership has also requested that SAHTPFC issue its Multifamily Housing Revenue Bonds (Palladium Crestway Apartments) Series 2023 (the "Bonds") to finance the Project (the "Bond Financing");

WHEREAS, Palladium USA International, Inc. (the "Developer"), on behalf of the Partnership, has applied or will simultaneously herewith apply for low-income housing tax credits (the "LIHTCs") from the Texas Department of Housing and Community Affairs ("TDHCA");

WHEREAS, in connection with the application for LIHTCs, it is anticipated that the General Partner and/or SAHTPFC will be required to execute, complete and deliver various applications, agreements, documents, certificates and instruments to TDHCA (the "TDHCA Documents");

WHEREAS, the Partnership will contribute equity to the construction of the Project, which will be contributed by a limited partner to be determined at a later date (the "Equity Financing");

WHEREAS, in order to provide additional funding for the Project, the Partnership may enter into one or more subordinate loans ("Subordinate Loans");

WHEREAS, the Board of Directors of SAHTPFC (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 Partnership may construct the Project;

WHEREAS, this Board has reviewed the foregoing and determined that the action herein authorized is in furtherance of the public purposes of SAHTPFC;

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

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

(a) cooperate with the Partnership with respect to the Project, and, if arrangements therefor satisfactory to the Partnership and SAHTPFC 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 Partnership or SAHTPFC in connection with the Project (collectively, the "Contracts"), providing among other things for financing, acquisition, construction, equipping, and improvement of the Project; and use, operation, and maintenance of the Project, all as shall be authorized, required, or permitted by law and as shall be satisfactory to the Corporation and the Partnership; and

(b) 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 President, any Vice President, the Secretary, the Treasurer, the Executive Director, any Assistant Secretary, or any of them, are hereby authorized to execute the Contracts including, but not limited to, any and all applications, term sheets and other agreements required for the financing and construction of the Project and documents related to the Bond Financing, LIHTCs, Equity Financing and Subordinate Loans to which the Partnership, the General Partner, and/or SAHTPFC is a party.

Section 3. The President, any Vice President, the Secretary, the Treasurer, the Executive Director, any Assistant Secretary, or any of them, and, if required by the form of the document, the Secretary and any Assistant Secretary, or any of them, of SAHTPFC are authorized and directed to modify, execute and deliver any of the documents to be signed by or consented to by SAHTPFC, and any and all certificates and other instruments necessary to carry out the intent thereof and hereof, including, without limitation, the TDHCA Documents and all filings or other actions required by the TDHCA in connection with the LIHTCs. The President, any Vice

President, the Secretary, the Treasurer, the Executive Director, any Assistant Secretary, or any of them, are authorized to negotiate and approve such changes in, or additions to, the terms of any of the documents, including amendments, renewals, and extensions, as such officers shall deem necessary or appropriate upon the advice of counsel to SAHTPFC, and approval of the terms of any of the documents by such officers and this Board shall be conclusively evidenced by the execution and delivery of such documents.

Section 4. It is understood by SAHTPFC and the Partnership and Developer have represented to SAHTPFC, that in consideration of SAHTPFC's adoption of this Resolution, and subject to the terms and conditions hereof, that the Partnership and Developer have agreed that

(a) the Partnership and Developer will (1) pay all Project costs that are not or cannot be paid or reimbursed from the proceeds of any debt and (2) indemnify and hold harmless SAHTPFC and the City against all losses, costs, damages, expenses and liabilities of whatsoever nature (including but not limited to reasonable attorneys' fees, litigation and courts costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to the Project, 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 SAHTPFC or the City).

Section 5. This Resolution shall be deemed to constitute the acceptance of the Partnership's and Developer's proposal that it be further induced to proceed with providing the Project. **Provided that neither the Partnership nor the Developer nor any other party is entitled to rely on this Resolution as a commitment to enter into the proposed transaction, and SAHTPFC reserves the right not to enter into the proposed transaction either with or without cause and with or without notice, and in such event SAHTPFC shall not be subject to any liability or damages of any nature. Neither the Partnership nor the Developer nor anyone claiming by, through or under the Partnership or the Developer, nor any investment banking firm or potential purchaser shall have any claim against SAHTPFC whatsoever as a result of any decision by SAHTPFC not to enter into the proposed transaction.**

Section 6. The Board authorizes the negotiation and execution by any officer(s) of the Board of the MOU setting forth the details of the Project.

Section 7. 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 documents approved hereby or otherwise to give effect to the actions authorized hereby and the intent hereof.

Section 8. The officers of this Board hereby approve the selection of Bracewell LLP as counsel to the General Partner and SAHTPFC for this transaction.

Section 9. If any section, paragraph, clause, or provisions 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 and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

Section 10. 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 11. 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 12. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

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

San Antonio Housing Trust Public Facility
Agenda Item 9

RESOLUTION INDUCING THE LEGACY SENIOR RESIDENCES TRANSACTION; AND AUTHORIZING ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; AND AUTHORIZING THE NEGOTIATION AND EXECUTION OF A MEMORANDUM OF UNDERSTANDING; AND OTHER MATTERS IN CONNECTION THEREWITH

Background

In September 2022, the PFC board approved a non-binding inducement resolution for the 4% LIHTC project Legacy Senior Apartments located at 6211 S. New Braunfels Avenue, San Antonio, TX 78223 in Council District 3. The project was awarded a $50M allocation of private activity bonds by the Texas Bond review Board and has submitted a 4% LIHTC application with the Texas Department of Housing and Community Affairs and will need to close on the financing by July 30, 2023

Property Information

As currently proposed, the development will include one and two-bedroom apartment homes for older adults earning from 30% up to 60% of AMI. See the below targeted unit mix and bedroom sizes. The unit mix will assist the city in meeting SHIP goals and SAHT affordability targets.

Unit Mix & Affordability			
	30% AMI	60% AMI	Total
1 Bedroom	6	45	51
2 Bedroom	12	117	129
Total	**18**	**162**	**180**

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 bisects the property requiring a multiple building design.

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 $43.6M project. The project was awarded a $5 Million reservation through the Texas Bond Review Board to be eligible for the 4% Low Income Housing Tax Credit Program through TDHCA. The transaction will be funded with $50M in private activity bonds issued by SAHTPFC and 4% LIHTCs issued by TDHCA. The project will also require a 100% Sales and Property Tax Exemption through the PFC being part of the Tax Credit Partnership.

The project currently has $6.7M funding gap. The developer will be applying to COSA for an estimated $2.5M housing bond allocation and will seek $4.2M request to TDHCA for National Housing Trust Funds.

SAHT is anticipated to receive the following:

- 1% Bond Issuance Fee (est. $500,000)
- 40% of Development/Deferred fee

- $50/unit Annual Bond Fee
- 50% of cash flow after Deferred Development Fees
- 25% of the sales tax savings

Recommendation:

Staff recommend approving Inducement resolution to support the Legacy Senior Residences.

Attachment:

- Resolution

LEGACY SENIOR RESIDENCES
CERTIFICATE FOR RESOLUTION

The undersigned officer of the San Antonio Housing Trust Public Facility Corporation, a Texas nonprofit corporation created pursuant to the laws of the State of Texas ("SAHTPFC") hereby certifies as follows:

11. In accordance with its bylaws, the Board of Directors of SAHTPFC (the "Board") held a meeting on February 17, 2023 (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 INDUCING THE LEGACY SENIOR RESIDENCES TRANSACTION; AND AUTHORIZING ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; AND AUTHORIZING THE NEGOTIATION AND EXECUTION OF A MEMORANDUM OF UNDERSTANDING; 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 Bylaws of SAHTPFC.

SIGNED February 17, 2023.

_____
Pedro A. Alanis, Assistant Secretary

RESOLUTION INDUCING THE LEGACY SENIOR RESIDENCES TRANSACTION; AND AUTHORIZING ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; AND AUTHORIZING THE NEGOTIATION AND EXECUTION OF A MEMORANDUM OF UNDERSTANDING; 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 Corporations 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 ("SAHTPFC");

WHEREAS, SAHTPFC, on behalf of the City, is empowered to finance the costs of public facilities that will provide decent, safe, and sanitary housing at affordable prices for residents of the City;

WHEREAS, Legacy-San An New Braunfels, LP, a Texas limited partnership (the "Partnership"), and SAHT Legacy GP, LLC, a Texas limited liability company and its general partner (the "General Partner"), have been formed to acquire and construct an approximately 180-unit multifamily housing facility (the "Housing Facility") to be located at approximately 6211 S. New Braunfels Avenue, San Antonio, Texas (the "Land," together with the Housing Facility, the "Project");

WHEREAS, at the request of the Partnership, SAHTPFC has agreed to (i) serve as the sole member of the General Partner of the Partnership in connection with the financing of the Project, (ii) acquire the Land and lease it to the Partnership pursuant to a Ground Lease, and (iii) serve as the general contractor for the Project;

WHEREAS, this Resolution shall constitute SAHTPFC's preliminary, non-binding commitment, subject to the terms hereof, to proceed;

WHEREAS, SAHTPFC and the Partnership or an affiliate or affiliates thereof will define their mutual relationship in a Memorandum of Understanding (the "MOU");

WHEREAS, the Partnership has also requested that SAHTPFC issue its Multifamily Housing Revenue Bonds (Legacy Senior Residences) Series 2023 (the "Bonds") to finance the Project (the "Bond Financing");

WHEREAS, Cornerstone Housing Group, LLC (the "Developer"), on behalf of the Partnership, has applied or will simultaneously herewith apply for low-income housing tax credits (the "LIHTCs") from the Texas Department of Housing and Community Affairs ("TDHCA");

WHEREAS, in connection with the application for LIHTCs, it is anticipated that the General Partner and/or SAHTPFC will be required to execute, complete and deliver various applications, agreements, documents, certificates and instruments to TDHCA (the "TDHCA Documents");

WHEREAS, the Partnership will contribute equity to the construction of the Project, which will be contributed by a limited partner to be determined at a later date (the "Equity Financing");

WHEREAS, in order to provide additional funding for the Project, the Partnership may enter into one or more subordinate loans ("Subordinate Loans");

WHEREAS, the Board of Directors of SAHTPFC (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 Partnership may construct the Project;

WHEREAS, this Board has reviewed the foregoing and determined that the action herein authorized is in furtherance of the public purposes of SAHTPFC;

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

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

(a) cooperate with the Partnership with respect to the Project, and, if arrangements therefor satisfactory to the Partnership and SAHTPFC 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 Partnership or SAHTPFC in connection with the Project (collectively, the "Contracts"), providing among other things for financing, acquisition, construction, equipping, and improvement of the Project; and use, operation, and maintenance of the Project, all as shall be authorized, required, or permitted by law and as shall be satisfactory to the Corporation and the Partnership; and

(b) 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 President, any Vice President, the Secretary, the Treasurer, the Executive Director, any Assistant Secretary, or any of them, are hereby authorized to execute the Contracts including, but not limited to, any and all applications, term sheets and other agreements required for the financing and construction of the Project and documents related to the Bond Financing, LIHTCs, Equity Financing and Subordinate Loans to which the Partnership, the General Partner, and/or SAHTPFC is a party.

Section 3. The President, any Vice President, the Secretary, the Treasurer, the Executive Director, any Assistant Secretary, or any of them, and, if required by the form of the document, the Secretary and any Assistant Secretary, or any of them, of SAHTPFC are authorized and directed to modify, execute and deliver any of the documents to be signed by or consented to by SAHTPFC, and any and all certificates and other instruments necessary to carry out the intent thereof and hereof, including, without limitation, the TDHCA Documents and all filings or other actions required by the TDHCA in connection with the LIHTCs. The President, any Vice

President, the Secretary, the Treasurer, the Executive Director, any Assistant Secretary, or any of them, are authorized to negotiate and approve such changes in, or additions to, the terms of any of the documents, including amendments, renewals, and extensions, as such officers shall deem necessary or appropriate upon the advice of counsel to SAHTPFC, and approval of the terms of any of the documents by such officers and this Board shall be conclusively evidenced by the execution and delivery of such documents.

Section 4. It is understood by SAHTPFC and the Partnership and Developer have represented to SAHTPFC, that in consideration of SAHTPFC's adoption of this Resolution, and subject to the terms and conditions hereof, that the Partnership and Developer have agreed that

(a) the Partnership and Developer will (1) pay all Project costs that are not or cannot be paid or reimbursed from the proceeds of any debt and (2) indemnify and hold harmless SAHTPFC and the City against all losses, costs, damages, expenses and liabilities of whatsoever nature (including but not limited to reasonable attorneys' fees, litigation and courts costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to the Project, 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 SAHTPFC or the City).

Section 5. This Resolution shall be deemed to constitute the acceptance of the Partnership's and Developer's proposal that it be further induced to proceed with providing the Project. **Provided that neither the Partnership nor the Developer nor any other party is entitled to rely on this Resolution as a commitment to enter into the proposed transaction, and SAHTPFC reserves the right not to enter into the proposed transaction either with or without cause and with or without notice, and in such event SAHTPFC shall not be subject to any liability or damages of any nature. Neither the Partnership nor the Developer nor anyone claiming by, through or under the Partnership or the Developer, nor any investment banking firm or potential purchaser shall have any claim against SAHTPFC whatsoever as a result of any decision by SAHTPFC not to enter into the proposed transaction.**

Section 6. The Board authorizes the negotiation and execution by any officer(s) of the Board of the MOU setting forth the details of the Project.

Section 7. 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 documents approved hereby or otherwise to give effect to the actions authorized hereby and the intent hereof.

Section 8. The officers of this Board hereby approve the selection of Bracewell LLP as counsel to the General Partner and SAHTPFC for this transaction.

Section 9. If any section, paragraph, clause, or provisions 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 and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

Section 10. 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 11. 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 12. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 13. This Resolution shall be in force and effect from and after its passage.

San Antonio Housing Trust Public Facility
Agenda Item 9

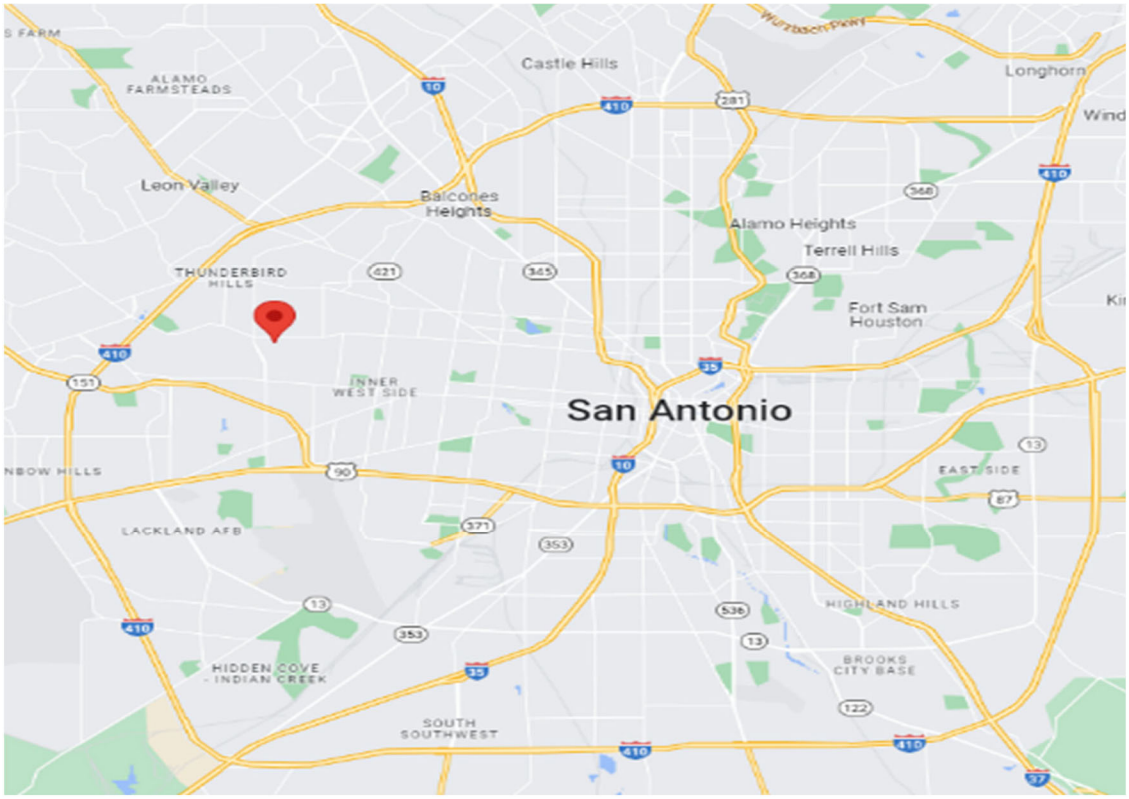
RESOLUTION INDUCING THE PAVILION AT CULEBRA APARTMENTS TRANSACTION; AND AUTHORIZING ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; AND AUTHORIZING THE NEGOTIATION AND EXECUTION OF A MEMORANDUM OF UNDERSTANDING; AND OTHER MATTERS IN CONNECTION THEREWITH

Background

Tirol Housing, LLC developer of the Pavilion at Culebra received an inducement resolution from ***Bexar County Housing Finance Corporation*** for a $28.5M reservation of Private Activity Bonds. On January 12, 2023, the project was awarded the $28.5M bond allocation from the Texas Bond Review Board (TBRB). The developer has filed an application with TDHCA for 4% Low Income Housing Tax Credits. The financing for this project must close by July 11, 2023. The developer has requested that SAHT PFC participate in the transaction as the general partner.

Property Information:

The 199-unit garden style development is located 6.96-acre parcel located at 4740 & 4742 Culebra Road between Mira Vista and El Centro Street.in council District 7.



The project originally proposed all 199 units at the 60% AMI level. Staff indicated our desire to require deeper affordability.

The revised unit mix and affordability structure is indicated below:

Unit Mix & Affordability			
	30% AMI	60% AMI	Total
1 Bedroom	9	79	88
2 Bedroom	9	79	88
3 Bedroom	3	20	23
Total	**21**	**178**	**199**

Development Team:

The developer is Tirol Housing, LLC which is based in Portland, Oregon was established in 2007. The organization, through their affiliate Pavilion Construction has completed over 100 multifamily projects (68 which were affordable) containing over 6,000 units. The organization has completed projects in Washington, Oregon, New Mexico, and Texas. The property will be professionally managed by Greystar Management, an experienced third-party management firm. Pavilion Construction will be the GC and has secured HEDK Architects along with Westwood Civil Engineers.

Site Information:

The development is a garden style 3-story walk up design. The property will be fully gated and include the following amenities:

- Swimming pool
- Playgrounds
- Clubhouse with exercise room, computer room, activity center
- Units will be internet/cable ready
- Energy star rated appliances and washer/dryers in each unit

The developer has committed to increasing the number of accessible units for mobility, visual, and hearing impaired from the required 5%/2% to 10%/4%.

The developer has obtained title to the land which is properly zoned MF 33. The site has good access to highway connectors and services along Culebra Road. There is a Via bus stop on the frontage road in front of the property along Culebra Road. The property is serviced by the San Antonio Independent School District.

Financial Considerations:

Total development cost is estimated at $42.2M. The project at all 60% AMI was not projecting a financial gap. With the PFC requiring 10% of units at 30% AMI. There is a projected funding gap of $1.8-$2.0M. The developer plans to apply to securing $1.5 million in COSA affordable housing bond funds, and $700k in fee waivers.

SAHT is anticipated to receive the following:

- 40% of Development/Deferred fee (estimated at $1,920,000)

- 50% of cash flow after Deferred Development Fees
- 25% of the sales tax savings

Recommendation:

Staff recommends approving Inducement resolution to support the Pavilion at Culebra Apartments.

Staff also recommends that the PFC move forward with the partnership at the 100% units at 60% AMI level, if the project is unable to secure soft funding due to the 30% AMI requirements.

Attachment:

- Resolution

PAVILION AT CULEBRA APARTMENTS

CERTIFICATE FOR RESOLUTION

The undersigned officer of the San Antonio Housing Trust Public Facility Corporation, a Texas nonprofit corporation created pursuant to the laws of the State of Texas ("SAHTPFC") hereby certifies as follows:

13. In accordance with its bylaws, the Board of Directors of SAHTPFC (the "Board") held a meeting on February 17, 2023 (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 INDUCING THE PAVILION AT CULEBRA APARTMENTS TRANSACTION; AND AUTHORIZING ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; AND AUTHORIZING THE NEGOTIATION AND EXECUTION OF A MEMORANDUM OF UNDERSTANDING; 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 Bylaws of SAHTPFC.

SIGNED February 17, 2023.

_____

Pedro A. Alanis, Assistant Secretary

RESOLUTION INDUCING THE PAVILION AT CULEBRA APARTMENTS TRANSACTION; AND AUTHORIZING ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; AND AUTHORIZING THE NEGOTIATION AND EXECUTION OF A MEMORANDUM OF UNDERSTANDING; 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 Corporations 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 ("SAHTPFC");

WHEREAS, SAHTPFC, on behalf of the City, is empowered to finance the costs of public facilities that will provide decent, safe, and sanitary housing at affordable prices for residents of the City;

WHEREAS, Culebra Road Apartments, L.P., a Texas limited partnership (the "Partnership"), and Culebra Road Apartments GP, LLC, a Texas limited liability company and its general partner (the "General Partner"), have been formed to acquire and construct an approximately 199-unit multifamily housing facility (the "Housing Facility") to be located at approximately 4740 Culebra Road, San Antonio, Texas (the "Land," together with the Housing Facility, the "Project");

WHEREAS, at the request of the Partnership, SAHTPFC has agreed to (i) serve as the sole member of the General Partner of the Partnership in connection with the financing of the Project, (ii) acquire the Land and lease it to the Partnership pursuant to a Ground Lease, and (iii) serve as the general contractor for the Project;

WHEREAS, this Resolution shall constitute SAHTPFC's preliminary, non-binding commitment, subject to the terms hereof, to proceed;

WHEREAS, SAHTPFC and the Partnership or an affiliate or affiliates thereof will define their mutual relationship in a Memorandum of Understanding (the "MOU");

WHEREAS, the Partnership has also requested that Bexar County Housing Finance Corporation issue its Multifamily Housing Revenue Bonds (Pavilion at Culebra Apartments) Series 2023 (the "Bonds") to finance the Project (the "Bond Financing");

WHEREAS, Tirol Housing, LLC (the "Developer"), on behalf of the Partnership, has applied or will simultaneously herewith apply for low-income housing tax credits (the "LIHTCs") from the Texas Department of Housing and Community Affairs ("TDHCA");

WHEREAS, in connection with the application for LIHTCs, it is anticipated that the General Partner and/or SAHTPFC will be required to execute, complete and deliver various applications, agreements, documents, certificates and instruments to TDHCA (the "TDHCA Documents");

WHEREAS, the Partnership will contribute equity to the construction of the Project, which will be contributed by a limited partner to be determined at a later date (the "Equity Financing");

WHEREAS, in order to provide additional funding for the Project, the Partnership may enter into one or more subordinate loans ("Subordinate Loans");

WHEREAS, the Board of Directors of SAHTPFC (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 Partnership may construct the Project;

WHEREAS, this Board has reviewed the foregoing and determined that the action herein authorized is in furtherance of the public purposes of SAHTPFC;

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

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

(a) cooperate with the Partnership with respect to the Project, and, if arrangements therefor satisfactory to the Partnership and SAHTPFC 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 Partnership or SAHTPFC in connection with the Project (collectively, the "Contracts"), providing among other things for financing, acquisition, construction, equipping, and improvement of the Project; and use, operation, and maintenance of the Project, all as shall be authorized, required, or permitted by law and as shall be satisfactory to the Corporation and the Partnership; and

(b) 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 President, any Vice President, the Secretary, the Treasurer, the Executive Director, any Assistant Secretary, or any of them, are hereby authorized to execute the Contracts including, but not limited to, any and all applications, term sheets and other agreements required for the financing and construction of the Project and documents related to the Bond Financing, LIHTCs, Equity Financing and Subordinate Loans to which the Partnership, the General Partner, and/or SAHTPFC is a party.

Section 3. The President, any Vice President, the Secretary, the Treasurer, the Executive Director, any Assistant Secretary, or any of them, and, if required by the form of the document, the Secretary and any Assistant Secretary, or any of them, of SAHTPFC are authorized and directed to modify, execute and deliver any of the documents to be signed by or consented to by SAHTPFC, and any and all certificates and other instruments necessary to carry out the intent thereof and hereof, including, without limitation, the TDHCA Documents and all filings or other actions required by the TDHCA in connection with the LIHTCs. The President, any Vice President, the Secretary, the Treasurer, the Executive Director, any Assistant Secretary, or any of them, are authorized to negotiate and approve such changes in, or additions to, the terms of any of the documents, including amendments, renewals, and extensions, as such officers shall deem necessary or appropriate upon the advice of counsel to SAHTPFC, and approval of the terms of

any of the documents by such officers and this Board shall be conclusively evidenced by the execution and delivery of such documents.

Section 4. It is understood by SAHTPFC and the Partnership and Developer have represented to SAHTPFC, that in consideration of SAHTPFC's adoption of this Resolution, and subject to the terms and conditions hereof, that the Partnership and Developer have agreed that the Partnership and Developer will (1) pay all Project costs that are not or cannot be paid or reimbursed from the proceeds of any debt and (2) indemnify and hold harmless SAHTPFC and the City against all losses, costs, damages, expenses and liabilities of whatsoever nature (including but not limited to reasonable attorneys' fees, litigation and courts costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to the Project, 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 SAHTPFC or the City).

Section 5. This Resolution shall be deemed to constitute the acceptance of the Partnership's and Developer's proposal that it be further induced to proceed with providing the Project. **Provided that neither the Partnership nor the Developer nor any other party is entitled to rely on this Resolution as a commitment to enter into the proposed transaction, and SAHTPFC reserves the right not to enter into the proposed transaction either with or without cause and with or without notice, and in such event SAHTPFC shall not be subject to any liability or damages of any nature. Neither the Partnership nor the Developer nor anyone claiming by, through or under the Partnership or the Developer, nor any investment banking firm or potential purchaser shall have any claim against SAHTPFC whatsoever as a result of any decision by SAHTPFC not to enter into the proposed transaction.**

Section 6. The Board authorizes the negotiation and execution by any officer(s) of the Board of the MOU setting forth the details of the Project.

Section 7. 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 documents approved hereby or otherwise to give effect to the actions authorized hereby and the intent hereof.

Section 8. The officers of this Board hereby approve the selection of Bracewell LLP as counsel to the General Partner and SAHTPFC for this transaction.

Section 9. If any section, paragraph, clause, or provisions 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 and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

Section 10. 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 11. 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 12. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 13. This Resolution shall be in force and effect from and after its passage.