

## AGENDA

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A Regular Board Meeting for:  
**SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION**  
will be held at the  
San Antonio Housing Trust  
8200 IH-10 W, Suite 501, San Antonio, TX 78230  
and virtually via ZOOM:

<https://us02web.zoom.us/j/88070033634?pwd=SnRLdUR6MVhpNFp1TzIUUnhaZzhvQT09>

**DIAL-IN NUMBER: 1-346-248-7799 MEETING ID: 880 7003 3634 PASSWORD: 396957**

**On Friday, January 26, 2024 beginning at 2:00 p.m. or immediately following the adjournment of the San Antonio Housing Trust Foundation board meeting.**

***NOTICE:** A quorum of the board of directors will be physically located at 8200 IH-10 W, Suite 501, San Antonio, TX 78230 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 November 27, 2023.
3. Public Comment – Interested speakers will have 3 minutes each to address the Board on agenda items or housing policy related matters.
4. Briefing, discussion, and possible action regarding the Single Asset Entity Phase of the **VIDA Development** in Council District 4
5. Briefing, discussion, and possible action regarding the Stones Crossing Apartment Homes as follows:
  - a. Resolution concerning the application of the Pedcor Investments-2023-CXCV, L.P., relating to the proposed financing of the greater of \$50,000,000 or 1.7% of the state ceiling, but not to exceed \$60,000,000 of the costs of the acquisition, construction, and equipping of the **Stones Crossing Apartment Homes** and other matters in connection therewith.
  - b. Resolution inducing the **Stones Crossing Apartment Homes** 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 approving and authorizing the execution of a memorandum of understanding; and other matters in connection therewith
6. Resolution authorizing and ratifying amendments for the **Preserve at the Port Apartments**, including authorizing and ratifying additional debt, authorizing amendments to various equity documents and authorizing and ratifying the execution of a side letter agreement related thereto and other matters in connection therewith.

## 7. Executive Session

- i. The SAHT PFC Board of Directors will meet in Executive Session pursuant to Texas Government Code Section 551.071, Attorney Client Communication to receive advice on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter related to discussion of contracts related to tax credit developments and Section 551.072, Real Estate matters to deliberate the purchase, exchange, lease, or value of real property which will have a detrimental effect on the position of the SAHT PFC related to negotiations of real estate purchases relating to tax credit projects.
- ii. The SAHT PFC Board of Directors will meet in Executive Session pursuant to Texas Government Code Section 551.072, Real Estate matters to discuss and deliberate the acquisition of land parcels for the purpose of land banking and possible development.

## 8. Adjournment.

### **\*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 Sukh Kaur (District 1), 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), 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 accommodation or interpretative services must be made 48 hours prior to this meeting. Please contact Nicole Collazo, for concerns or requests, at (210) 735-2772.

Posted on: January 18, 2024 3:30 PM

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

This item includes the approval of minutes from the **November 27, 2023**, meeting.

**SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION**

**2023 OFFICIAL MEETING MINUTES**

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**DATE: November 27, 2023**

**TIME AND PLACE:** The Public Facility Corporation met in session at 1:17 p.m., via Zoom and in person at 114 W Commerce, San Antonio, TX 78205.

**PRESENT:** Antoinette Brumfield, Mark Carmona, Councilmember Teri Castillo, Eric Cooper, Rachell Hathaway, Councilmember Sukh Kaur, Councilmember Jalen McKee-Rodriguez, Marinella Murillo, Councilmember Adriana Rocha Garcia, and Councilmember Phyllis Viagran.

**ABSENT:** Jordan Ghawi and Jane Paccione

**STAFF/VISITORS PRESENT:**

Pedro Alanis- Executive Director San Antonio Housing Trust Foundation; Nicole Collazo- Director of Operations San Antonio Housing Trust Foundation; Susan Snowden- Financial Director San Antonio Housing Trust Foundation; Tom Roth- Director of Development San Antonio Housing Trust Foundation; Jessica Kuehne- Director of Asset Management San Antonio Housing Trust Foundation; John Hernandez- Senior Asset Manager San Antonio Housing Trust Foundation; Lauren Bejaran- Senior Administrative Assistant San Antonio Housing Trust Foundation; Ruben Lizalde- D3; Edward Mungia- D4; Justin Renteria- D5; Mirla Lopez- SEFLA Languages Interpreter; Clarissa Rodriguez- Denton Navarro Rocha Bernal & Zech, P.C.; James Plummer- Bracewell; Summer Greathouse- Bracewell; Jean Latsha- Pedcor.

1. **CALL TO ORDER AND ROLL CALL:** The meeting was called to order by President Rocha Garcia and roll call was called by Lauren Bejaran.
2. **DISCUSSION AND POSSIBLE ACTION TO APPROVE MINUTES OF OCTOBER 20, 2023.**

**MINUTES COMMISSION ACTION:**

Councilmember Jalen McKee-Rodriguez motioned, and Councilmember Teri Castillo seconded to approve the minutes of October 20, 2023.

**AYES: 9**

**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.**

**NONE.**

**NO ACTION TAKEN.**

4. **BRIEFING, DISCUSSION, AND POSSIBLE ACTION REGARDING THE ACQUISITION OF 19.68 ACRES OF VACANT LAND LOCATED ALONG THE WEST SIDE OF S. ZARZAMORA, SOUTH OF 410 IN PHASE II OF THE VIDA**

**DEVELOPMENT IN COUNCIL DISTRICT 4.**

Pete Alanis briefed the board on the proposed resolution authorizing the Assistant Secretary of The San Antonio Housing Trust Public Facility Corporation, to take any necessary actions to close financing on the acquisition of 19.68 acres of vacant land located along the west side of S. Zarzamora, south of 410 in Phase II of The Vida Development.

**MINUTES COMMISSION ACTION:**

Councilmember Jalen McKee-Rodriguez motioned, and Councilmember Teri Castillo seconded to approve Item #4 for the 19.68 acres of vacant land in Phase II of The Vida Development.

**AYES: 9**

**NAYS:**

**ABSTAINED:**

**THE MOTION PASSED.**

**5. BRIEFING, DISCUSSION, AND POSSIBLE ACTION REGARDING A RESOLUTION INDUCING THE CREEK BEND APARTMENT HOMES 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 APPROVING AND AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING; AND OTHER MATTERS IN CONNECTION THEREWITH.**

Pete Alanis briefed the board on the proposed resolution inducing the PFC and Pedcor partnership, Creek Bend Apartment Homes Transaction, and subsequent matters therewith. Councilman John Courage of City Council District 9 did approve of the project.

Eric Cooper asked Pete Alanis if the \$310,000 cost per apartment unit is high due to the land acquisition costs. Jean Latsha from Pedcor answered, stating, that Phase I of the Creek Bend Apartment units are expensive due to the land acquisition and infrastructure costs associated with utilities on site. Eric Cooper asked if there is any opportunity in Phase II of the Creek Bend Apartments to increase the number of affordable units. Jean Latsha stated there will be more affordable units in Phase II.

Councilmember Sukh Kaur asked Pete how Creek Bend's \$3.3 million dollar GAP will be paid. Pete Alanis stated the project is in the early stages and it will be too early to know from an interest rate standpoint where the final numbers are going to be. The final tax credit equity pricing will come in later for the project. Jean Latsha stated Pedcor has closed financing on a project with a \$1 million dollar gap that Pedcor filled themselves. Jean assured that if Creek Bend does have a gap, they would be able to fill the gap.

**MINUTES COMMISSION ACTION:**

Councilmember Sukh Kaur motioned, and Councilmember Jalen McKee-Rodriguez seconded, to approve a resolution inducing the Creek Bend Apartment Homes Transaction.

**AYES: 9**

**NAYS:**

**ABSTAINED:**

**THE MOTION PASSED.**

**6. BRIEFING, DISCUSSION, AND POSSIBLE ACTION REGARDING A RESOLUTION CONCERNING THE APPLICATION OF ORION I APARTMENTS RELATING TO THE PROPOSED FINANCING OF UP TO \$50,000,000 OF THE**

**COST OF ACQUISITION, CONSTRUCTION, AND EQUIPPING OF A 312-UNIT MULTIFAMILY DEVELOPMENT LOCATED AT PALO ALTO AND 410; AND OTHER MATTERS IN CONNECTION THEREWITH.**

Pete Alanis briefed the board about the proposed resolution inducing the Orion I Apartments.

**MINUTES COMMISSION ACTION:**

Councilmember Teri Castillo motioned, and Councilmember Jalen McKee-Rodriguez seconded to approve Item #6 for the Orion I Apartments.

**AYES: 9**

**NAYS:**

**ABSTAINED:**

**THE MOTION PASSED.**

- 7. BRIEFING, DISCUSSION, AND POSSIBLE ACTION REGARDING A RESOLUTION CONCERNING THE APPLICATION OF ORION II APARTMENTS RELATING TO THE PROPOSED FINANCING OF UP TO \$35,000,000 OF THE COST OF ACQUISITION, CONSTRUCTION, AND EQUIPPING OF A 240-UNIT MULTIFAMILY DEVELOPMENT LOCATED AT PALO ALTO AND 410; AND OTHER MATTERS IN CONNECTION THEREWITH.**

Pete Alanis briefed the board about the proposed resolution inducing the Orion II Apartments.

**MINUTES COMMISSION ACTION:**

Councilmember Jalen McKee-Rodriguez motioned, and Councilmember Teri Castillo to approve Item #7 for the Orion II Apartments.

**AYES: 9**

**NAYS:**

**ABSTAINED:**

**THE MOTION PASSED.**

- 8. EXECUTIVE SESSION: THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY WILL MEET IN EXECUTIVE SESSION PURSUANT TO GOVERNMENT CODES 551.071 CONSULTATION WITH ATTORNEY AND 551.072, REAL PROPERTY TO RECEIVE ADVICE AND UPDATES ON PENDING OR CONTEMPLATED LITIGATION AND AS FOLLOWS:**

**A. TAX CREDIT ASSET MANAGEMENT (“TCAM”) AGREEMENT**

**B. MISSION ROAD DEVELOPMENTAL CENTER V. CAL-TEX INTERIORS, INC., ET AL.; IN THE 73<sup>RD</sup> DISTRICT COURT OF BEXAR COUNTY, TEXAS, CAUSE NO. 2023-CI-08474.**

**C. TO DISCUSS AND DELIBERATE THE ACQUISITION OF LAND PARCELS FOR THE PURPOSE OF LAND BANKING AND POSSIBLE DEVELOPMENT.**

President Rocha Garcia convened the San Antonio Housing Trust PFC meeting into Executive Session at 1:57 p.m.

*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 THE EXECUTIVE SESSION MAY BE ACTED ON IN OPEN SESSION.*

President Rocha Garcia reconvened the San Antonio Housing Trust Foundation meeting into Open Session at 2:04 p.m. No action was taken place during the Executive Session.

**9. BRIEFING, DISCUSSION, AND POSSIBLE ACTION REGARDING A RESOLUTION BY THE BOARD OF DIRECTORS OF THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION APPOINTING NICOLE COLLAZO AS AN ASSISTANT SECRETARY.**

**MINUTES COMMISSION ACTION:**

Councilmember Sukh Kaur motioned, and Councilmember Teri Castillo to approve a resolution appointing Nicole Collazo as an Assistant Secretary.

**AYES: 9**

**NAYS:**

**ABSTAINED:**

**THE MOTION PASSED.**

**10. ADJOURNMENT**

President Rocha Garcia adjourned the meeting. There being no further business, the meeting adjourned at 2:05 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 Corporation**  
**Agenda Item 4**

*Briefing, discussion, and possible action regarding the creation of a Single Asset Entity for the VIDA Development in Council District 4.*

In December 2023, the San Antonio Housing Trust Public Facility Corporation purchased 19.68 acres of land along the westside of S. Zarzamora, south of I-410 within the Phase II of the VIDA Master Development in City Council District 4. This action was taken through a resolution approved by the board on November 27, 2023. However, the resolution did not contain the necessary approval to create a separate limited liability company (LLC) to hold the land. This would reduce any risk or liability to the Public Facility Corporation itself. Staff have discussed the assignment/transfer of the land into a separate LLC with our lender, legal counsel, and our insurance provider.

**Recommendation:**

Staff recommends the PFC Board authorize a resolution to create a separate single asset limited liability company (LLC) under the San Antonio Housing Trust Public Facility Corporation (SAHTPFC) serving as the sole member of the LLC. Once the entity is created, title to the 19.68-acre VIDA land parcel will be transferred from SAHT PFC to the new entity.

**Attachments:**

Resolution

**SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION**

**A RESOLUTION BY THE BOARD OF DIRECTORS AUTHORIZING THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION TO CREATE A SINGLE-ASSET LIMITED LIABILITY CORPORATION FOR THE TRANSFER OF THE REAL PROPERTY ACQUIRED PURSUANT TO PROJECT VIDA; PROVIDING FOR MEMBERSHIP; AUTHORIZING THE CREATION, EXECUTION, AND FILING OF ALL DOCUMENTATION REQUIRED TO CREATE THE CORPORATION; AUTHORIZING SIGNATORIES; AND ADDRESSING RELATED MATTERS.**

**RECITALS**

**WHEREAS**, the San Antonio Housing Trust Public Facility Corporation (sometimes “PFC”) was created pursuant to Chapter 303 of the Texas Local Government Code, and as such is bestowed with broad powers to finance or to provide for the acquisition, construction, rehabilitation, renovation, repair, equipping, furnishing, and placement in service of public facilities in an orderly, planned manner and at the lowest possible borrowing costs; and

**WHEREAS**, the San Antonio Housing Trust, uses the PFC to create new affordable housing opportunities with the development community while using tax exemptions and various structured deals to enable affordable housing projects to be financially feasible.

**WHEREAS**, the PFC has recently acquired certain real property consisting of 19.68 acres and located along South Zarzamora Street in San Antonio, pursuant to Project Vida (the “Property”) and subject to that Deed of Trust dated December 21, 2023 (the “Deed of Trust”), and wishes to create a single-asset limited liability corporation (LLC) to which the PFC would transfer ownership of the Property; and

**WHEREAS**, upon the transfer of the Property ownership, the LLC would pledge the Property in writing as collateral to secure the financing in the Deed of Trust; and

**WHEREAS**, the PFC Board of Directors hereby finds that it is beneficial to the PFC to create the LLC in order to better allocate its resources and manage its holding, thereby bettering the PFC capacity to acquire land or property for affordable housing;

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

**Section 1.** The above Recitals are true and correct and are a material part of this Resolution and are incorporated herein for all purposes.

**Section 2.** The Board of Directors of the San Antonio Housing Trust Public Facility Corporation hereby authorizes the creation of a single-asset, member-managed LLC, to be known as “SAHT Vida, LLC,” and the sole member of whom will be the San Antonio Housing Trust Public Facility Corporation.

**Section 3.** The Board of Directors further authorizes an Assistant Secretary of the PFC to effectuate, file, and cause the drafting and finalization of all required corporate formation documents,

including but not limited to a Certificate of Formation, a Corporate Agreement, and any other documentation or filing required to form the LLC.

**Section 4.** The Board of Directors further authorizes, upon the creation of the LLC, to convey the Property via deed to the LLC, and in accordance with the collateral and other requirements contained in the Deed of Trust.

**Section 5.** 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 6.** This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

**Section 7.** If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board of Directors hereby declares that this Resolution would have been enacted without such invalid provision.

**Section 8.** It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, Texas Government Code, as amended.

**Section 9.** This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

**PASSED AND APPROVED** this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

SIGNED:

\_\_\_\_\_  
Councilwoman Adriana Rocha Garcia  
President

ATTEST:

\_\_\_\_\_  
Jordan Ghawi, Secretary

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

*Briefing, discussion and possible action regarding a resolution concerning the bond application of **Stones Crossing Apartments** relating to the proposed private activity bond financing of up to \$60,000,000 and authorizing all filings and agreements with Texas Department of Housing and Community Affairs (TDHCA) for low-income housing tax credits; and authorizing the execution of a memorandum of understanding.*

**Background**

Pedcor is a highly qualified national firm seeking to partner with the SAHT PFC to develop a proposed 336-unit new construction 4% LIHTC development located near highway 281 north of Stone Oak parkway in Council District 9. As currently proposed, all the units in the development are to be restricted for individuals and families earning up to 60% of area median income (AMI). See the below targeted unit mix and bedroom sizes.

Unit Mix & Affordability		
	60% AMI	Total
1 BR	96	96
2 BR	180	180
3 BR	60	60
<b>Total</b>	<b>336</b>	<b>336</b>

The proposed development aligns with the City of San Antonio Strategic Housing Implementation Plan by providing affordability targets for 60% AMI Units.

**Property Information**

Stones Crossing Apartments will feature a swimming pool, fitness center, business center, furnished community room with wi-fi, covered pavilion, barbecue grills and picnic tables, playgrounds, and a dog park. Additional amenities will include covered entry; nine-foot ceilings in living room and all bedrooms (at minimum), a walk-in closet in at least one bedroom, breakfast bar, microwave oven, self-cleaning or continuous cleaning oven, refrigerator with icemaker, storage room, and a covered patio or balcony. While the clubhouse will include a laundry room for those residents without their own washer/dryer, all the units are also equipped with laundry connections.

Residential services Tenant services will be provided and may include services such as a weekly exercise program, annual health fair provided by a health care professional, notary services during regular business hours, twice monthly arts/crafts and other recreational activities, twice monthly on-site social events, and/or a food pantry.

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

## Development Team

Pedcor is one of the largest developers of affordable housing within the multifamily housing tax credit program and with reference to Affordable Housing Finance Magazine Pedcor consistently remains one of the Top 50 developers and owners/managers of LIHTC units in the country. Pedcor's development/investment portfolio includes 77 - conventionally financed 9% LIHTC partnerships, 94 - 4% LIHTC tax-exempt bond financed partnerships, 29 - work force housing projects with 51% of the units set aside for households at 80% AMI and 43 - market rate partnerships, and 1 special use facility providing a haven for women who have been victims of domestic violence. In summary, since its inception, Pedcor has successfully closed 242 partnerships consisting of 33,131 units (20,643 tax credit and 11,488 market) located within 186 communities throughout 21 states. This includes several prior partnerships with the Housing Trust.

Pedcor Property Management will be the Property Manager who has substantial experience in affordable housing in the Texas market including several SAHT partnered properties. They have also identified 5th Dimension Architects & Interiors LLC, who has worked with Pedcor on prior apartment communities. Pedcor Construction is the General Contractor.

## Site Information

The property is in city council district 9 near highway 281 north of Stone Oak parkway. The land is currently zoned MF-25 GC-3 MLOD-1MLR-2ERZD low density multifamily. The development is in the Northeast ISD and serviced by Roan Forest elementary, Tejada middle school, and Johnson high school. The site is within a mile of an HEB anchored shopping center and within a mile of the VIA Stone Oak Park and Ride transit center.

## Financial Considerations:

The project has an estimated cost of \$101.6 million and will require the SAHT PFC to apply for a \$50 million bond reservation (with ability to increase the reservation up to \$60 million based on availability) through the Texas Bond Review Board to be eligible for the 4% Low Income Housing Tax Credit Program through TDHCA. The project will also require a 100% Sales and Property Tax Exemption through the PFC participation in the tax credit partnership.

Sources	Financing
Bond Debt	\$49,700,000
LIHTC Equity	36,600,000
Deferred Developer Fee	9,748,000
DDF interest	577,000
Lease Up Rental Income	3,872,000
Accrued Interest	1,103,000
<b>Total Sources</b>	<b>\$101,600,000</b>

Uses	Amount
Acquisition	\$ 8,300,000
Construction Hard Costs	60,700,000
Construction Period Costs	11,400,000
Permanent Financing Costs	1,400,000
Capitalized Operating costs	2,000,000
Soft Costs	4,700,000
Reserves	1,400,000
Developer Fee	11,700,000
<b>Total Uses</b>	<b>\$101,600,000</b>

While the above source and uses are estimates for a project that will not likely close until late 2024 or early 2025 depending on the timeframe for securing a reservation of bonds. They do represent a higher cost per unit than we have previously seen in recent years. This is directly related to the higher cost of the land in this high opportunity northside area at \$8.3M, when

other developments in other parts of San Antonio have lower land costs. Additionally, both construction costs are still elevated from prior years, construction carrying costs (interest rates) are still high, and tax credit equity is currently priced lower than several years ago.

These uncontrollable market conditions strain a project's ability to achieve deeper affordability targeting while still being able to be underwritten by lenders and tax credit investors. Another challenge for this project is that an income averaging structure which sets a portion of units at 70%-80% AMI to get a portion of units between 30%-50% units, cannot currently be underwritten due to lack of performance of placed in service units at 70%/80% AMI level in this submarket.

**Recommendation:**

The Finance and Audit Committee recommended moving this item forward to the full board for consideration.

**Attachments:**

Resolutions

## STONES CROSSING APARTMENT HOMES

### CERTIFICATE FOR RESOLUTION

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

1. In accordance with the bylaws of the Issuer, the Board of Directors of the Issuer (the “Board”) held a meeting on January 19, 2024 (the “Meeting”) of the duly constituted officers and members of the Board, at which a duly constituted quorum was present. Whereupon among other business transacted at the Meeting, a written

**RESOLUTION CONCERNING THE APPLICATION OF PEDCOR INVESTMENTS-2023-CXCV, L.P., RELATING TO THE PROPOSED FINANCING OF THE GREATER OF \$50,000,000 OR 1.7% OF THE STATE CEILING, BUT NOT TO EXCEED \$60,000,000 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE STONES CROSSING APARTMENT HOMES AND OTHER MATTERS IN CONNECTION THEREWITH**

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

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

SIGNED January 19, 2024.

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Pedro A. Alanis, Assistant Secretary

**RESOLUTION CONCERNING THE APPLICATION OF PEDCOR INVESTMENTS-2023-CXCV, L.P., RELATING TO THE PROPOSED FINANCING OF THE GREATER OF \$50,000,000 OR 1.7% OF THE STATE CEILING, BUT NOT TO EXCEED \$60,000,000 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE STONES CROSSING APARTMENT HOMES AND OTHER MATTERS IN CONNECTION THEREWITH**

WHEREAS, the City Council of the City of San Antonio, Texas (the “City”), has, pursuant to the Texas Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the “Act”), approved and created the San Antonio Housing Trust Public Facility Corporation, a nonstock, nonprofit public facility corporation (the “Issuer”);

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

WHEREAS, Pedcor Investments-2023-CXCV, L.P., a Texas limited partnership (the “User”), has filed an Application for financing (the “Application”), requesting that (i) the Issuer finance the acquisition, construction, and equipping of a proposed approximately 336-unit multifamily housing facility to be located at approximately 23211 U.S. Highway 281 North and to be known as the Stones Crossing Apartment Homes (the “Project”); and (ii) the Issuer file and/or refile a 2024 and/or 2025 Allocation Application (defined hereafter) and/or any carryforward applications to the Texas Bond Review Board as described herein;

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

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

WHEREAS, this Resolution shall constitute the Issuer’s commitment, subject to the terms hereof, to issue Bonds, or other obligations, pursuant to the Act in an amount prescribed by the User now contemplated to be equal to the greater of \$50,000,000 or 1.7% of the state ceiling, but not to exceed \$60,000,000 and to expend the proceeds thereof to pay Development Costs including costs of acquisition, construction, equipping, and improvement of the Project, funding a debt service or other reserve fund for the Project, and paying expenses and costs in connection with the issuance of the Bonds, including costs of obtaining credit enhancement, if any;



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

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

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

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

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

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

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

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

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

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

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

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

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

(a) Subject to the negotiation of mutually acceptable agreements, issue the Bonds, in an amount equal to the greater of \$50,000,000 or 1.7% of the state ceiling, but not to exceed \$60,000,000.

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

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

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

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

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

(a) Prior to or contemporaneously with the sale of the Bonds in one or more series or issues from time to time as the Issuer and the User shall hereafter agree to in writing, the User will enter into the Contracts with the Issuer under the terms of which the User will obligate itself, on a nonrecourse basis, to pay to the Issuer (or to a trustee, as the case may be) sums sufficient in the aggregate to pay the principal of, interest on, redemption premiums on, paying agents' and trustee's fees and charges, if any, on the

Bonds, as and when the same become due and payable, with such Contracts to contain the provisions described in Section 1 hereof and such other provisions as may be required or permitted by law and to be mutually acceptable to the Issuer and the User;

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

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

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

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

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

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

Section 8. The Issuer hereby adopts this Resolution in order to satisfy the requirements of the Allocation Act pertaining to the issuance of the Bonds and authorizes any officer or designee of the Issuer to prepare and file and/or refile a 2024 and/or 2025 Allocation Application and/or any carryforward applications, together with all required attachments (including obtaining the Issuer's Certificate of Good Standing from the Comptroller of Public Accounts for the State of Texas) in the form required by the Texas Bond Review Board.

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

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

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

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

Section 13. Based upon representations from the User, the Issuer reasonably expects to reimburse the Expenditures with proceeds of the Bonds in a principal amount equal to the greater of \$50,000,000 or 1.7% of the state ceiling, but not to exceed \$60,000,000. This Resolution shall constitute a declaration of official intent under the Treasury Regulation Section 1.150-2.

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

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

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

Section 17. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of

such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

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

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

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## STONES CROSSING APARTMENT HOMES

### 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 January 19, 2024 (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 STONES CROSSING APARTMENT HOMES 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 APPROVING AND AUTHORIZING THE 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 January 19, 2024.

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Pedro A. Alanis, Assistant Secretary

**RESOLUTION INDUCING THE STONES CROSSING APARTMENT HOMES 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 APPROVING AND AUTHORIZING THE 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, Pedcor Investments-2023 CXCVC, L.P. a Texas limited partnership (the “Partnership”), and SAHT Stones Crossing GP, LLC, a to-be-formed Texas limited liability company and its general partner (the “General Partner”), will acquire and construct a proposed approximately 336-unit multifamily housing facility to be known as the Stones Crossing Apartment Homes (the “Housing Facility”) to be located at approximately 23211 U.S. Highway 281 North, San Antonio, Texas 78258 (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 have defined their mutual relationship in a Memorandum of Understanding (the “MOU”);

WHEREAS, the Partnership has also requested that SAHTPFC issue its Multifamily Housing Revenue Bonds (Stones Crossing Apartment Homes) Series 2024 (the “Bonds”) to finance the Project (the “Bond Financing”);

WHEREAS, Pedcor Development Associates, 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 approves and authorizes the 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 Corporation  
Agenda Item 6**

*Resolution authorizing and ratifying amendments for the Preserve at the Port Apartments, including authorizing and ratifying additional debt, authorizing amendments to various equity documents, and authorizing and ratifying the execution of a side letter agreement related thereto and other matters in connection therewith.*

**Background:**

In April 2021, the PFC partnered with Integrated Realty Group to close financing on the Preserve at Billy Mitchell (Port), a 384-unit garden style multi-family rehabilitation using a combination of construction loan debt and historic tax credit equity. Since this time, the development project encountered the following challenges:

- Construction delays due to supply chain and material shortages.
- Vandalism to renovated and partially renovated units.
- Several fires caused by unauthorized occupants resulted in the loss of 24 units.
- Escalating construction financing variable interest rates

Due to these challenges, Integrated Realty Group (Joey Guerra) paused rehabilitation work on the project to seek options to restructure the project. On October 21, 2022, the PFC board authorized an adjustment to the project affordability unit mix considering the project’s challenges. Under the revised affordability stratification, 51% of the units will meet the city’s definition of affordability.

	<b>AMI Stratification</b>					
	<b>30%</b>	<b>50%</b>	<b>60%</b>	<b>70%</b>	<b>100%</b>	<b>Total</b>
<b>Original</b>	19	58	0	307	0	<b>384</b>
<b>Revised</b>	20	35	131	0	182	<b>360*</b>

\*24 units were lost to fires and cannot be rebuilt due to historical designation

In December 2022, Joey Guerra, the principal of Integrated Realty Group, informed us that they were working with IBC Bank/42 Equity (the construction lender and tax credit purchaser) to transfer his interest to a new development partner who had the financial capacity and expertise to complete the project.

The new development partner is Brass Realty, LLC (Brass) which is owned by Rick Rodriguez who replaced Joey Guerra’s interest. Brass is a San Antonio based real estate investment and management firm that has been in existence since 1996. Their portfolio consists of office buildings and multifamily developments. The multifamily portfolio consists of 11 properties containing 3,181 units which were either newly constructed or acquired and rehabilitated. Most of these properties are affordable housing developments.

As part of the acquisition, IBC Bank extended the term of the existing construction loan by 3 years, reduced the interest rate, and provided additional debt of \$6,619,000 to complete the rehabilitation of the project. Additionally, Brass Realty would receive a \$1,206,000 preferred return which would be payable only after the following milestones were achieved:

1. Renovations are completed and certificates of occupancy have been issued for all buildings.
2. Occupancy is stabilized at 90% for ninety consecutive days.
3. A firm commitment is issued for permanent financing of at least \$44,000,000 (amount of IBC construction loan)

**Issue:**

Since acquiring the project, Brass Realty has invested an additional \$10,285,098 to fund interest payments, labor costs, materials, and soft costs associated with completing the project and obtaining the cost certification required to secure payment from the buyer of the federal and state historic tax credits. In late November, the PFC was informed that the project required an additional \$4,051,601 in debt to complete the remaining work required to secure the equity payments for the state and federal tax credits. Due to eligible increases in the project cost, it is estimated that the project is eligible for an additional \$10,392,994 in combined federal and state historic tax credits. The initial purchaser of the historic tax credits has committed to purchasing the additional historic tax credits.

**Financial Structure**

The total amount outstanding on this project consists of the following loan:

\$ 44,000,000	IBC construction loan
\$ 11,681,000	Midland Bank tax credit first bridge loan
\$ 6,619,000	IBC second bridge loan
\$ 4,051,601	IBC third bridge loan
<u>\$ 10,285,098</u>	Brass Realty additional equity contribution
\$ 76,636,699	Total

On December 22, 2023, the parties to this transaction executed a side letter agreement. The letter accomplished the following:

- Allowing the \$4,051,601 loan to complete the work needed to secure the equity payment.
- Acknowledged the \$10,285,098 equity contribution of Brass Realty.
- Established a payment preference upon receipt of the estimated \$24,679,446 equity payment:

\$ 11,681,000	Midland Bank first bridge loan
\$ 4,051,601	IBC third bridge loan
<u>\$ 6,619,000</u>	IBC second bridge loan
<b>\$ 22,351,601</b>	<b>Total Repayment</b>

The remaining \$2,327,845 will be held by the partnership until the project is stabilized and the permanent loan is funded. It is estimated that the property can support a perm loan of \$54,000,000. Once the construction loan of \$44,000,000 is paid in full, the parties will determine how the \$2,327,845 and any excess loan proceeds from the perm loan financing will be applied. However, the parties **must** agree based on revised projections that the deferred developer fee of \$3,875,000 (40% to SAHTPFC) will be repaid in 5 years to abide by the Historic Tax Credit Rules.

### **Recommendation**

Staff recommends approving an amendment to our agreements to reflect the above negotiated terms.

### **Attachments**

Resolution

Side Letter Agreement

## 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:

In accordance with its bylaws, the Board of Directors of SAHTPFC (the “Board”) held a meeting on January 19, 2024, (the “Meeting”) of the duly constituted officers and members of the Board, at which a duly constituted quorum was present. Whereupon among other business transacted at the Meeting, a written

**RESOLUTION AUTHORIZING AND RATIFYING AMENDMENTS FOR  
THE PRESERVE AT THE PORT APARTMENTS, INCLUDING  
AUTHORIZING AND RATIFYING ADDITIONAL DEBT, AUTHORIZING  
AMENDMENTS TO THE VARIOUS EQUITY DOCUMENTS AND  
AUTHORIZING AND RATIFYING THE EXECUTION OF A SIDE  
LETTER AGREEMENT RELATED THERETO 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.

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 San Antonio Housing Trust Public Facility Corporation.

SIGNED January 19, 2024.

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Pedro A. Alanis, Assistant Secretary

**RESOLUTION AUTHORIZING AND RATIFYING AMENDMENTS FOR THE PRESERVE AT THE PORT APARTMENTS, INCLUDING AUTHORIZING AND RATIFYING ADDITIONAL DEBT, AUTHORIZING AMENDMENTS TO THE VARIOUS EQUITY DOCUMENTS AND AUTHORIZING AND RATIFYING THE EXECUTION OF A SIDE LETTER AGREEMENT RELATED THERETO AND OTHER MATTERS IN CONNECTION THEREWITH**

WHEREAS, Port SA Redevelopment, LP (the “Partnership”) owns and operates the Preserve at Billy Mitchell Apartments (the “Project”) in partnership with San Antonio Housing Trust Public Facility Corporation (“SAHTPFC”), which is the sole member of the general partner of the Partnership and SAHTPFC also serves as a member of IDG-Port, LLC (“IDG-Port”);

WHEREAS, to finance the rehabilitation of the Project, the Partnership and certain of its partners entered into various documents in connection with the rehabilitation of, debt and equity financing for, and operation of the Project including without limitation, loan agreements, promissory notes, security agreements, guaranty agreements, partnership and limited liability company agreements, construction contracts and other related documents (collectively, the “Project and Financing Documents”);

WHEREAS, in connection with the rehabilitation and continued operation of the Project, the Partnership has incurred costs in excess of the originally estimated cost to complete the Project (the “Excess Costs”);

WHEREAS, Brass Realty, LLC and/or its affiliates (collectively, “Brass”), as the developer of the Project, have contributed approximately \$10,285,098.13 in additional equity (the “First Additional Contribution”) to the Partnership through IDG-Port to partially cover the Excess Costs;

WHEREAS, in February 2023, International Bank of Commerce (“IBC”) previously loaned the Partnership approximately \$6,619,000 (the “IBC Second Loan”);

WHEREAS, in December 2023, IBC loaned IDG-Port approximately \$4,051,601 (the “IBC Third Loan”), which was then contributed to the Partnership in the form of equity (the “Second Additional Contribution”) to cover a portion of the Excess Costs;

WHEREAS, due to the Excess Costs, at completion the Project is expected to generate additional Qualified Rehabilitation Expenditures, which will result in additional capital contributions to the Partnership (the “Additional Equity”) from 42EP IBC Fund II, LP, (the “Equity Investor”), which is expected to enable the Partnership to repay the IBC Second Loan and to make distributions to IDG-Port in an amount equal to (i) the Second Additional Contribution to repay the IBC Third Loan in full and (ii) the First Additional Contribution plus any preferred returns;

WHEREAS, the Partnership, IDG-Port and Brass requested to modify and amend the Project and Financing Documents and enter into or modify additional documents to, among other things, incur the IBC Third Loan and authorize the further amendment of the Project and Financing Documents to reflect the foregoing transactions and otherwise facilitate the completion of the Project (collectively, the “Amendment Documents”), all pursuant to a Side Letter Agreement (the “Side Letter Agreement”);

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 transactions necessary to consummate the modifications to the debt and equity structures (collectively, the “Amendments”);

WHEREAS, the 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. The First Additional Contribution, the Second Additional Contribution, the Amendments, the Amendment Documents and the Side Letter Agreement are hereby authorized, approved and ratified.

Section 2. The President, any Vice President, the Secretary, the Treasurer, any Assistant Secretary, or any of them, are hereby authorized to execute the Amendment Documents and any and all other documentation required to achieve the foregoing purposes, whether on behalf of SAHTPFC or the general partner of the Partnership.

Section 3. The President, any Vice President, the Secretary, the Treasurer, and the Assistant Secretaries, 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. The President, any Vice President, the Secretary, the Treasurer, 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. 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 5. That all actions heretofore taken by the President, any Vice President, the Secretary, the Treasurer, and the Assistant Secretaries, or any of them, that would have been authorized by these resolutions if taken after their adoption, are hereby approved, ratified and confirmed in all respects as the acts and deeds of SAHTPFC.

Section 6. The officers of this Board hereby approve and ratify the selection of Bracewell LLP as counsel to SAHTPFC for this transaction.

Section 7. 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.



Section 8. 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 9. 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 10. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 11. This Resolution shall be in force and effect from and after its passage.