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/84510790052?pwd=TmhlblZSOVhuYThuWG16M0JtVWFSdz09
DIAL-IN NUMBER: 1-346-248-7799 MEETING ID: 845 1079 0052 PASSWORD: 236502
On Friday, June 16, 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 May 19, 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 authorizing the San Antonio Housing Trust Public Facility Corporation Multifamily Housing Revenue Bonds (**Cattleman Square Lofts Apartments**), Series 2023; and other matters in connection therewith.
5. Resolution authorizing the **Cattleman Square Lofts** Transaction, including the execution of all documentation necessary to carry out the transaction; authorizing the purchase of the land for the transaction and the lease of such land for the transaction; and authorizing the creation of SAHT Cattleman Square GP, LLC and its admission as the General Partner of ACG Cattleman Square, LP; and authorizing the financing for such transaction; and authorizing the San Antonio Housing Trust Public Facility Corporation to enter into a joint venture agreement to serve as the General Contractor; and other matters in connection therewith.
6. Resolution authorizing the San Antonio Housing Trust Public Facility Corporation Multifamily Housing Revenue Bonds (**Palladium Crestway Apartments**), Series 2023; and other matters in connection therewith.
7. Resolution authorizing the **Palladium Crestway Apartments** Transaction, including the execution of all documentation necessary to carry out the transaction; authorizing the purchase of the land for the transaction and the lease of such land for the transaction; and

authorizing the creation of SAHT Palladium Crestway GP, LLC and its admission as the General Partner of Palladium San Antonio II, LTD.; and authorizing the financing for such transaction; and authorizing the San Antonio Housing Trust Public Facility Corporation to serve as the General Contractor; and other matters in connection therewith.

8. Resolution authorizing the San Antonio Housing Trust Public Facility Corporation Multifamily Housing Revenue notes (**Leon Creek Flats Apartments**), Series 2023A; San Antonio Housing Trust Public Facility Corporation Multifamily Housing Revenue Notes (Leon Creek Flats Apartments, Series 2023B, and San Antonio Housing Trust Public Facility Corporation Multifamily Housing Revenue Notes (Leon Creek Flats Apartments), Series 2023C; and other matters in connection therewith.
9. Resolution authorizing the **Leon Creek Flats Apartments** (F/K/A Ellison Apartments) transaction, including the execution of all documentation necessary to carry out the transaction; authorizing the purchase of the land for the transaction and the lease of such land for the transaction; and authorizing the creation of SAHT Ellison Apartments GP, LLC and its admission as the General Partner of Ellison Apartments Limited Partnership; and authorizing the financing for such transaction; and authorizing the San Antonio Housing Trust Public Facility Corporation to serve as the General Contractor; and other matters in connection therewith.
10. Briefing, discussion and possible action to approve a Resolution adopting the San Antonio Housing Trust Public Facility Corporation Investment Policy
11. Briefing, discussion and possible action to approve a Resolution to enter into a Memorandum of Understanding between the San Antonio Housing Trust Public Facility Corporation and the City of San Antonio for the SA Ready to Work Program and all other matters in connection therewith.
12. Briefing on State of Texas Legislative Actions.
13. 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 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 **May 19, 2023**, meeting.

SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION
OFFICIAL MEETING MINUTES

DATE: May 19, 2023

TIME AND PLACE: The Public Facility Corporation met in session at 3:00 p.m., via Zoom and in person at 114 W Commerce, San Antonio, TX 78205.

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

ABSENT: Mark Carmona

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; 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 Muniga- D4; Justin Renteria- D5; Milee Ray- D9; Isaac Bernal- City of San Antonio Special Project Manager; Allison Beaver- NHSD; James Plummer- Attorney Bracewell; Summer Greathouse- Attorney Bracewell; Clarissa Rodriguez- Attorney DNRBZ; Julieta Gonzalez- SEFLA Languages Interpreter; Kayla Miranda- Coalition for Tenant Justice; Travis Russell- Morgan Group; Avis Chaisson- Palladium Group USA; Mia Loseff- Texas Housers; Nicole Freeman-NHSD

1. **CALL TO ORDER AND ROLL CALL:** The meeting was called to order by President Adriana Rocha Garcia and roll call was called by Lauren Bejaran.

2. **DISCUSSION AND POSSIBLE ACTION TO APPROVE MINUTES OF APRIL 21, 2023.**
   Jordan Ghawi motioned, and Jane Paccione seconded for approval of the April 21, 2023.
   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.**

   Mia Loseff, South Texas Regional Director for Texas Housers submitted written comment read by Director of Operations, Nicole Collazo:

"I am writing to express concern with the affordability makeup of the units at the proposed developments mentioned in Items #4, 5, and 6 of today's Housing Trust PFC Board meeting. Off the bat, it is concerning to have three projects in which not a single one prioritizes units at 30% or 50% AMI. Both the SHIP goals and San Antonio Housing Trust's 5-year strategic plan explicitly name the need for rental units available to families making 50% AMI and below. Additionally, we know there is a housing gap that exists in this city, where we are not meeting the need, i.e., we don't have the units available, for households at or below 30% AMI and at or below 50% AMI. But that gap does not exist at 80% AMI and above. Numbers from the NLIHC Gap report show us that even while making improvements from past years to close our gap, there is still a large mismatch in our city – for every 100 families at 50% AMI that need a rental unit, there exists only 41 units. And for families at 30% AMI or below, there are 33 units for every 100 families who need them. That leaves almost 70% of families at this income level to make difficult choices about overspending on housing (and make compromises on medical care, childcare, feeding their family etc.).

This gap is the root of the housing crisis. Building units at 80% AMI and market rate simply does not address the need our city has. We have more than enough units available for households at 100% AMI, in fact there are 107 units available for every 100 families that need them.. This is not where the focus should be.

To look a bit closer at the proposed deals, I want to call out Item #5 in District 9 in particular. In last year's rental profiles produced by Texas Housers, we note that 46% of D9 renters are cost burdened, paying more than a third of their income on rent. We also note that only 0.9% of rental units in District 9 are affordable to residents making minimum wage. District 9 residents are in need of affordable housing. In San Antonio we must strive to get to a place where all areas of the city are accessible for all levels of income. The Housing Trust has the capacity to make this happen. The Trust has the tools at their disposal to create partnerships and prioritized developers who are committed to building for this income bracket. Instead, today we see a D9 development with less than 5% available to those at or below 50% AMI. This is not serving the need, this is not helping alleviate the housing crisis, and this goes against what the trust and the city have committed to in their visions and plans.

We cannot continue to develop for developments sake. Development must be targeted to serve the lowest income bracket. This project needs to include a mix of lower income levels for higher affordability – it is vital that the Housing Trust take responsibility of this and ensure it happens. With the second round of bond funding nearing approval, and an exciting focus on creating rental units at 50% AMI and 30% AMI, the Housing Trust PFC needs to deeply consider their role in contributing to this housing gap. Thank you for your time and consideration."

Councilman John Courage joins the PFC Meeting at 3:06 p.m. Councilman Jalen McKee-Rodriguez and Councilwoman Phyllis Viagran join the PFC Meeting at 3:07 p.m.

Monica Cruz, San Antonio resident, submitted written public comment read by Senior Administrative Assistant Lauren Bejaran:

"Greetings SAHT staff and distinguished members of the San Antonio Housing Trust. My name is Monica Cruz, and I am a former member of the SHIP advisory committee, representing community. Thank you for your continued work on the SAHT to meet the housing needs of San Antonio families. I reviewed the proposals that are being considered for new development and have the following questions/concerns as you consider final approval.

1) *The Caroline at Salado Creek has zero (0) 3-bedroom units at 50% AMI. Children and youth struggle with housing insecurity within their families so it would be beneficial if this proposal offered more multi-bedroom units for San Antonio families. The development also appears to have considerably more units at 80% AM and Mkt rate. In fact, 85% of the units are at 80% AMI and higher, which seems high. Could SAHT negotiate more units at lower AMIs?*
2) *I have similar concerns/questions for The Caroline at Sonterra property, where 85% of the units are at 80% AMI and higher.*
3) *The Morgan Group is the developer for these two complexes (Caroline at Salado and Caroline at Sonterra). Has SAHT done business with them before? If yes, has the SAHT approved similar deals with so few units at lower AMIs? These complexes don't appear to concentrate on where housing is most needed according to data on SHIP.*
4) *The Palladium S.A. Apartments (by Palladium Group) provide more units at lower AMIs, which is better than the proposals by Morgan Group. Could additional negotiations be made with Morgan Group?*
5) *For Morgan Group developer, how many years is the agreement that grants them property tax exemptions?*
6) *Do the developers of these properties (Morgan Group and Palladium Group) get the same level of tax exemptions? Even though one offers more affordable units than the other? Is the SAHT considering equity and community benefit as they consider these deals? One of the goals in SHIP was to cease financial support of market rate developments. Although these developments would benefit from property tax exemptions for dozens of years, having only 15% of the units by Morgan Group that somewhat address the housing needs of low-income families does not seem equitable. Thank you for your time and consideration."*

Leticia Sanchez, Co-Chairperson for Historic Westside Residents Association, submitted written comment read by Director of Operations, Nicole Collazo:

"My name is Leticia Sanchez, and I am the Co-Chairperson of the Historic Westside Residents Association (HWRA) which represents residents in the near westside of District 5. The HWRA was established in May 2017 for the purpose of addressing issues that affect the community and the issue that is of most concern to our residents is that of housing. The lack of truly affordable housing for our residents is an issue that will not be resolved if City funds continue to be spent on housing developments that are primarily units at market rate and 60% AMI or higher. The HWRA does not support SA Housing Trust and City funds to be used on market rate developments and believes that the City should not fund any new housing development that offers 50% of the units at 50% AMI or above. The SHIP data supports the fact that the highest need for housing in San Antonio is at and below 30% and 50% AMI. Both

the Caroline at Salado and the Caroline at Sonterra projects show the highest percentage of units for market rate percentages and to none for 50% and 30% AMIs. The Caroline proposals should not be supported or funded, and we ask that you work to eliminate our City's housing crisis by voting to not fund both of the Caroline Projects.

4. **BRIEFING AND POSSIBLE ACTION TO APPROVE A RESOLUTION AUTHORIZING THE CAROLINE AT SALADO CREEK APARTMENTS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; AUTHORIZING THE PURCHASE OF THE LAND FOR THE TRANSACTION AND THE LEASE OF SUCH LAND FOR THE TRANSACTION; AND AUTHORIZING THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION TO SERVE AS THE GENERAL CONTRACTOR; AND OTHER MATTERS IN CONNECTION THEREWITH.**

Pete Alanis briefed the board on the proposed resolution authorizing The Caroline at Salado Creek Apartments transaction.

Councilwoman Castillo stated her concerns about Caroline at Salado Creek only having 1 3-bedroom apartment at 60% AMI, and asked Pete if there is any room to negotiate for Caroline at Salado Creek to have more 3-bedrooms at 60% AMI.

Pete stated there was room to negotiate if necessary and asked Bracewell Attorney James Plummer if negotiations could be conducted on the project.
James Plummer stated Caroline at Salado Creek has to be approved during the May 19, 2023, PFC meeting for SAHT to make negotiations with Morgan Group, due to the new PFC Legislation possibly impacting the project.

President Rocha Garcia asked James Plummer if any changes made to the project would be grandfathered before HB2071 and SB1278 are approved on September 1, 2023.

James Plummer stated that TX HB2071 and SB1278 would go into effect immediately once approved. Caroline at Salado Creek would have to be approved during the May 19, 2023, PFC meeting for proposed changes to the project to be grandfathered in after HB 2071 and SB1278 are approved.

Councilman McKee-Rodriguez asked if there would be a way to approve the resolution for Salado Creek with conditions.

James Plummer stated the resolution must be approved as is for the project to be approved. James stated the PFC Board could instruct Pete to go back after the resolution is approved to negotiate more 3-bedroom apartment units.

MINUTES COMMISSION ACTION:
Councilwoman Viagran motioned, and Councilman Courage seconded to approve Item #4 for The Caroline at Salado Creek Apartments.

AYES: 5
NAYS:
ABSTAINED: 1- Councilwoman Castillo
THE MOTION PASSED.

5. **BRIEFING AND POSSIBLE ACTION TO APPROVE A RESOLUTION AUTHORIZING THE CAROLINE AT SONTERRA APARTMENTS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; AUTHORIZING THE PURCHASE OF THE LAND FOR THE TRANSACTION AND THE LEASE OF SUCH LAND FOR THE TRANSACTION; AND AUTHORIZING THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION TO SERVE AS THE GENERAL CONTRACTOR; AND OTHER MATTERS IN CONNECTION THEREWITH.**

Pete Alanis briefed the board on the proposed resolution authorizing The Caroline at Sonterra Apartments transaction.

MINUTES COMMISSION ACTION:
Councilman Courage motioned, and Councilwoman Viagran seconded to approve Item #5 for The Caroline at Sonterra Apartments.
AYES: 5
NAYS:
ABSTAINED: 1- Councilwoman Castillo
THE MOTION PASSED.

6. **BRIEFING AND POSSIBLE ACTION TO APPROVE A RESOLUTION INDUCING THE PALLADIUM SAN ANTONIO APARTMENTS TRANSACTION; AND AUTHORIZING ALL FILING AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATION FOR LOW INCOME HOUSING TAX CREDITS; AND AUTHORIZING THE NEGOTIATION AND EXECUTION OF A MEMORANDUM OF UNDERSTANDING; AND OTHER MATTERS IN CONNECTION THEREWITH.**

Pete Alanis briefed the board on the proposed resolution inducing the Palladium San Antonio Apartments transaction.

MINUTES COMMISSION ACTION:
Councilwoman Castillo motioned, and Councilwoman Viagran seconded to approve Item #6 for the Palladium San Antonio Apartments transaction.
AYES: 6
NAYS:
ABSTAINED:
THE MOTION PASSED.

7. **BRIEFING AND POSSIBLE ACTION REGARDING AN AMENDED AND**

RESTATED RESOLUTION CONCERNING THE APPLICATION OF WINSTON ROSELAWN APARTMENTS LP RELATING TO THE PROPOSED FINANCING OF UP TO $30,000,000 OF THE COSTS OF THE ACQUISITION, REHABILITATION, CONSTRUCTION AND EQUIPPING OF THE WINSTON SQUARE/ROSELAWN APARTMENTS; AND OTHER MATTERS IN CONNECTION THEREWITH.

Pete Alanis briefed the board on the proposed amended and restated resolution concerning the application of the Winston Roselawn Apartments.

MINUTES COMMISSION ACTION:

Councilwoman Castillo motioned, and Councilwoman Viagran seconded to approve Item #7 for the Winston Roselawn Apartments.

AYES: 6
NAYS:
ABSTAINED:
THE MOTION PASSED.

8. **BRIEFING AND POSSIBLE ACTION REGARDING AN AMENDED AND RESTATED RESOLUTION CONCERNING THE APPLICATION OF SPANISH PECAN APARTMENTS LP RELATING TO THE PROPOSED FINANCING OF UP TO $32,000,000 OF THE COSTS OF THE ACQUISITION, REHABILITATION, CONSTRUCTION AND EQUIPPING OF THE PECAN MANOR/SPANISH SPUR APARTMENTS; AND OTHER MATTERS IN CONNECTION THEREWITH.**

Pete Alanis briefed the board on the proposed amended and restated resolution concerning the application of the Spanish Spur Pecan Apartments.

MINUTES COMMISSION ACTION:

Councilwoman Viagran motioned, and Councilwoman Castillo seconded to approve Item #8 for the Spanish Pecan Apartments.

AYES: 6
NAYS:
ABSTAINED:
THE MOTION PASSED.

9. **BRIEFING AND POSSIBLE ACTION TO APPROVE A RESOLUTION AUTHORIZING THE PAYMENT OF $40,500 FROM AVAILABLE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION FUNDS TO REIMBURSE VILLAS AT ECHO EAST, LP FOR DELINQUENT PROPERTY TAXES.**

Pete Alanis briefed the board on the proposed resolution authorizing the payment of $40,500 from available SAHT PFC Funds to reimburse Villas at Echo East, LP for delinquent property taxes.

MINUTES COMMISSION ACTION:

Councilman Courage motioned, and Councilwoman Viagran seconded to approve a resolution authorizing the payment of $40,500 from available San Antonio Housing Trust

Public Facility Corporation Funds to reimburse Villas at Echo East, LP for delinquent property taxes.
AYES: 5
NAYS: 1- Jordan Ghawi
ABSTAINED:
THE MOTION PASSED.

10. ADJOURNMENT

President Adriana Rocha Garcia adjourned the meeting. There being no further business, the meeting adjourned at 4:20 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 and 5

Final authorizations to close on the Cattleman's Square Apartments

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.

Since then, the project was re-awarded a $38M allocation of private activity bonds by the Texas Bond Review Board. In February, the PFC board approved a non-binding resolution authorizing the filing of a tax credit application with TDHCA and authorizing the negotiation and execution of a memorandum understanding for the transaction to include a loan of up to $1.23 million. The project has received a tax credit award from TDHCA and must close financing by July 14, 2023.

Property Information

The development will include a mix of efficiencies, one-, and two- bedroom workforce apartments. Of the 138 total apartment homes, 21 units (15%) will be restricted for those households earning up to 30% AMI; 14 units (10%) will be restricted for those households earning up to 50% AMI; and 103 units (75%) 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.

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.

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 affordable for low to moderate income families.

Site Information

The property is located on 1.5 acres, 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. The Via Centro Plaza Transit Center is a major downtown connector servicing at least 14 bus routes and will likely serve the proposed Via Silver Line Rapid Transit Line.

Financial Considerations:

The project is anticipated to cost $37.1M ($269k per unit). 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, city affordable bond funds, soft debt, and a loan from SAHTPFC. The project will be utilizing a 100% Sales and Property Tax Exemption since the PFC is part of the Tax Credit Partnership. The SAHT PFC shall also provide a subordinated 20-year deferred loan (40 Yr Amortization) in the amount of $1.23M at 1% interest, which is anticipated to be repaid when the project refinances in year 16.

The project is estimated to close financing using the following sources:

$ 7,434,488	Mortgage Debt (FHA 221(d)(4))
15,279,919	Tax Credit Equity
2,200,000	CoSA Home ($1,200,000 loan & $1,000,000 grant)
500,000	SAWS Impact Fee Waiver
3,000,000	CoSA 2022 Housing Bond Allocation
3,200,000	Bexar County General Fund
1,230,000	*SAHT PFC Loan*
350,000	CoSA ICIF Grant
225,000	Concept Builders (GC) contribution
76,721	Enterprise Housing Credit Investments
1,446,778	Alamo Community Group Loan
2,111,000	Deferred Development Fee
$37,053,906	**Total**

SAHT is anticipated to receive the following:

- $181,000 Bond Issuance Fee (1% of the Final Bond Issuance Amount)
- $30/unit Annual Bond Fee ($4,140 per year)
- 10% Development/Deferred Fee of $407,200
- 25% of cash flow after payment of the development fee, if any

Other:

- Project will adhere to SAHT's Tenant Protection Policy
- Alamo Community Group will fund and administer their own Tenant Assistance Program
- Project will participate in the SA Ready to Work program.
- Project will register affordable units with City's Housing Base San Antonio

Recommendation For Agenda Item 4

The Finance Committee recommends authorizing a Resolution of San Antonio Housing Trust Public Facility Corporation to issue Multifamily Housing Revenue Bonds for the Cattleman Square Lofts Apartments, Series 2023.

Recommendation For Agenda Item 5

The Finance Committee recommends authorizing a Resolution for the Cattleman Square Lofts Transaction, including the execution of all documentation necessary to carry out the transaction; including the purchase of the land and the lease for the transaction as well as creating of SAHT Cattleman Square GP, LLC and its admission as the General Partner of ACG Cattleman Square, LP; and authorizing the financing for the transaction; and authorizing the PFC to enter into a joint venture agreement to serve as the General Contractor.

Attachments:

Resolutions

CERTIFICATE FOR RESOLUTION

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

In accordance with the bylaws of the Issuer, the Board of Directors of the Issuer (the "Board") held a meeting on June 16, 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 AUTHORIZING THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE BONDS (CATTLEMAN SQUARE LOFTS APARTMENTS), SERIES 2023; 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 Articles of Incorporation and the Bylaws of the Issuer.

SIGNED AND SEALED June 16, 2023.

_____

Name: Pedro A. Alanis
Title: Assistant Secretary

RESOLUTION AUTHORIZING THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE BONDS (CATTLEMAN SQUARE LOFTS APARTMENTS), SERIES 2023; AND OTHER MATTERS IN CONNECTION THEREWITH

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

WHEREAS, the Issuer has been requested to issue its "Multifamily Housing Revenue Bonds (Cattleman Square Lofts Apartments), Series 2023" in the aggregate principal amount not to exceed $25,000,000 (the "Bonds"), the proceeds of which will be used to finance the cost of acquiring, constructing, and equipping a proposed 138-unit multifamily apartment facility, to be known as the Cattleman Square Lofts, to be located at approximately 811 West Houston Street, San Antonio, Texas (the "Project") for ACG Cattleman Square, LP, a Texas limited partnership (the "Borrower");

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

WHEREAS, the loan will be evidenced by a promissory note issued under the Loan Agreement (the "Note"), and assignments of the Note (the "Assignments") from the Issuer in favor of the Trustee;

WHEREAS, the Issuer will be presented with an Official Statement (the "Official Statement") and a bond purchase agreement (the "Purchase Agreement"), setting forth certain terms and conditions upon which the Bond purchaser will purchase the Bonds and the Issuer will sell the Bonds to the Bond purchaser;

WHEREAS, the Issuer is authorized to issue the Bonds pursuant to the Texas Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended;

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

WHEREAS, the Board of Directors of the Issuer (the "Board") has reviewed the foregoing and determined that the action herein authorized is in furtherance of the corporate purposes of the Issuer and that the terms and conditions of the Bonds and the above-described instruments, including without limitation the dates, interest rates, maturities, redemption terms, and sales price

of the Bonds and the manner of disbursing the proceeds thereof are advisable;

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

Section 1. The terms of the Loan Agreement, the Indenture, the Note, the Regulatory Agreement, the Assignments, and the Purchase Agreement are hereby authorized and approved when such documents are approved by the officer designated as the signatory on such document(s).

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

Section 3. The Bonds, in the aggregate principal amount of not to exceed $25,000,000, with an interest rate (not including applicable premium) not to exceed the maximum lawful amount of interest that may be charged, as set forth in the Indenture, and with a maturity date not to exceed July 1, 2063, in substantially the form and substance set forth in the Loan Agreement, are hereby approved, and the President, the Vice President, the Secretary, the Treasurer, and each Assistant Secretary, or any of them, are hereby authorized and directed, for and on behalf of the Issuer, to execute the Bonds or have their facsimile signatures placed upon them, and such officers are hereby authorized and directed to deliver the Bonds, and the seal of the Issuer is hereby authorized and directed to be affixed or placed by facsimile on the Bonds, if required. Authentication of the Bonds upon the terms and conditions and in the manner described in the Indenture as the same may be modified is authorized by this Resolution. The final principal amounts, interest rates, maturity dates (not to exceed the amounts, the rates, and the maximum term set forth above), and final redemption dates and prices for the Bonds shall be set forth in the final form of the Indenture, and the execution and delivery of the Indenture and any agreements relating to the purchase of the Bonds by the Bond Purchaser by the President, the Vice President, the Secretary, the Treasurer, each Assistant Secretary, or any of them, shall constitute approval of the agreed final principal amounts of, interest rates on the Bonds, maturity dates of the Bonds, and the final redemption dates and prices for the Bonds. The proceeds of the Bonds are hereby authorized to be utilized as set forth herein and in the Loan Agreement and the Indenture.

Section 4. The Trustee shall be Wilmington Trust, National Association.

Section 5. Bracewell LLP, as Bond Counsel, is hereby appointed as the hearing officer for purposes of the public TEFRA hearing regarding the Project.

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

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

Section 8. The Board has expressly determined and hereby confirms that the issuance of the Bonds to assist in the financing of the Project will promote the public purposes in the Act and will accomplish a valid public purpose of the Issuer by assisting persons of low and moderate income in the City to obtain decent, safe, and sanitary housing at affordable prices, thereby helping to relieve unemployment, to preserve and increase the tax base of the City, and to reduce public expenditures for crime prevention and control, public health, welfare, and safety and for other valid public purposes.

Section 9. The Bonds and the interest thereon shall be limited obligations of the Issuer payable solely from the revenues, funds, and assets pledged under the Loan Agreement to secure payment of the Bonds, and under no circumstances shall the Bonds be payable from any other revenues, funds, assets, or income of the Issuer.

Section 10. The Bonds shall not constitute an indebtedness, liability, general, special, or moral obligation or a pledge or loan of the faith or credit or taxing power, within the meaning of any constitutional or statutory provision whatsoever, of the United States of America or any agency or instrumentality thereof, the State of Texas, the City, or any other political subdivision or governmental unit.

Section 11. After the Bonds are issued, this Resolution shall be and remain irrepealable until the Bonds or interest thereon shall have been fully paid or provision for payment shall have been made pursuant to the Loan Agreement.

Section 12. If any section, paragraph, clause, or provision of this Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution. In case any obligation of the Issuer authorized or established by this Resolution or the Bonds is held to be in violation of law as applied to any person or in any circumstance, such obligation shall be deemed to be the obligation of the Issuer to the fullest extent permitted by law.

Section 13. The recitals of this Resolution are hereby found to be true and are incorporated herein for all purposes.

* * *

CATTLEMAN SQUARE LOFTS

CERTIFICATE FOR RESOLUTION

The undersigned officer 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 June 16, 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 AUTHORIZING THE CATTLEMAN SQUARE LOFTS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; AUTHORIZING THE PURCHASE OF THE LAND FOR THE TRANSACTION AND THE LEASE OF SUCH LAND FOR THE TRANSACTION; AND AUTHORIZING THE CREATION OF SAHT CATTLEMAN SQUARE GP, LLC AND ITS ADMISSION AS THE GENERAL PARTNER OF ACG CATTLEMAN SQUARE, LP; AND AUTHORIZING THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION TO ENTER INTO A JOINT VENTURE AGREEMENT TO SERVE AS THE GENERAL CONTRACTOR; 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 SAHTPFC.

SIGNED June 16, 2023.

_____

Pedro A. Alanis, Assistant Secretary

RESOLUTION AUTHORIZING THE CATTLEMAN SQUARE LOFTS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; AUTHORIZING THE PURCHASE OF THE LAND FOR THE TRANSACTION AND THE LEASE OF SUCH LAND FOR THE TRANSACTION; AND AUTHORIZING THE CREATION OF SAHT CATTLEMAN SQUARE GP, LLC AND ITS ADMISSION AS THE GENERAL PARTNER OF ACG CATTLEMAN SQUARE, LP; AND AUTHORIZING THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION TO ENTER INTO A JOINT VENTURE AGREEMENT TO SERVE AS THE GENERAL CONTRACTOR; AND OTHER MATTERS IN CONNECTION THEREWITH

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 a 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, the San Antonio Housing Trust Public Facility Corporation ("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 (the "Ground Lease") and (iii) enter into a joint venture agreement to serve as the general contractor for the Project;

WHEREAS, the Partnership has 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, SAHTPFC will issue the Bonds in an amount not to exceed $25,000,000 and loan such proceeds to the Partnership;

WHEREAS, in connection with the Bond Financing, the Partnership, the General Partner, and/or SAHTPFC will be required to enter into certain agreements, including but not limited to the Indenture, Loan Agreement, the Note, the Regulatory Agreement and Declaration of Restrictive Covenants, the Tax Exemption certification and Agreement, a Ground Lease, a Preliminary Official Statement and a Bond Purchase Agreement (collectively, the "Bond Documents");

WHEREAS, in connection with the financing, the Partnership will also enter into a loan transaction with Harper Capital Partners LLC for a loan secured by the United States Department of Housing and Urban Development pursuant to Section 221(d)(4) of the National Housing Act (the "HUD Loan") in the approximate amount of $7,434,488;

WHEREAS, in connection with the execution of the HUD Loan, the Partnership, the General Partner, and/or SAHTPFC will be required to enter into certain agreements, including, but not limited to, a Building Loan Agreement, a Firm Commitment, a Note (Multistate), a

Multifamily Deed of Trust, Assignment of Rents and Security Agreement together with a Ground Lessor Subordination and Joinder, a Regulatory Agreement, a Replacement Reserve Agreement, Certificates of Borrower, and a Subordination Agreement (collectively, the "HUD Documents");

WHEREAS, the developer, on behalf of the Partnership, has applied 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 Partnership, 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, in connection with the financing for the Project, the Partnership, the General Partner, and/or SAHTPFC will be required to obtain one or more bridge loans from Enterprise Housing Credit Investments (the "Bridge Loan"), including, but not limited to, a loan in the approximate amount of $[ ], which will be documented in certain agreements, including, but not limited to, loan agreements, promissory notes, deeds of trust, restrictive covenants, security agreements, pledge agreements, intercreditor and subordination agreements, and various other ancillary agreements, assignments, documents and certificates relating to or required in connection with the Bridge Loan (collectively, the "Bridge Loan Documents");

WHEREAS, Alamo Community Group ("ACG") desires to lend additional funds for the construction of the Project to the Partnership pursuant to one or more loan transactions, including, but not limited to, a loan from ACG of approximately $1,699,617; a loan of general funds from the City of San Antonio in the approximate amount of 1,000,000; a loan of ICIF grant funds received by ACG from the City of San Antonio in the approximate amount of $350,000 (collectively, the "Sponsor Loans");

WHEREAS, in connection with the Sponsor Loans, the Partnership, the General Partner, and/or SAHTPFC will be required to enter into certain agreements, including but not limited to, program or grant agreements, loan agreements, promissory notes, deeds of trust, restrictive covenants, security agreements, pledge agreements, intercreditor and subordination agreements, and various other ancillary agreements, assignments, documents and certificates relating to or required in connection with the Sponsor Loans (collectively, the "Sponsor Loan Documents");

WHEREAS, SAHTPFC desires to lend or contribute additional funds for the construction of the Project to the Partnership pursuant to one or more loan transactions, including, but not limited to, a loan of general funds received by SAHTPFC from Bexar County (the "County Funds") in the approximate amount of $3,200,000; and a loan or contribution from SAHTPFC to the Partnership for the Purchase of the Land (the "Land Purchase Funds") in the approximate amount of $1,230,000 (collectively, the "PFC Funds");

WHEREAS, in connection with the PFC Funds, the Partnership, the General Partner, and/or SAHTPFC will be required to enter into certain agreements, including but not limited to one or more program or grant agreements related to the County Funds, loan agreements, promissory notes, deeds of trust, restrictive covenants, security agreements, pledge agreements,

intercreditor and subordination agreements, and various other ancillary agreements, assignments, documents and certificates relating to or required in connection with the County Funds, the Land Purchase Funds and/or the PFC Funds (collectively, the "PFC Fund Documents");

WHEREAS, in connection with the financing for the Project, the Partnership, the General Partner, and/or SAHTPFC may obtain loans from the City of San Antonio, including, but not limited to, a loan of HOME funds in the approximate amount of $2,200,000; a loan of housing bond funds in the approximate amount of $2,000,000 (collectively, the "COSA Loans");

WHEREAS, in connection with the COSA Loans, the Partnership, the General Partner, and/or SAHTPFC will be required to enter into certain agreements, including, but not limited to program or grant agreements, loan agreements, promissory notes, deeds of trust, restrictive covenants, security agreements, pledge agreements, intercreditor and subordination agreements, and various other ancillary agreements, assignments, documents and certificates relating to or required in connection with the COSA Loans (collectively, the "COSA Loan Documents");

WHEREAS, in order to obtain additional funds for the construction of the Project, the Partnership may enter into such other subordinate loan transactions as it deems necessary (collectively, the "Subordinate Loans");

WHEREAS, in connection with the Subordinate Loans, the Partnership, the General Partner, and/or SAHTPFC will be required to enter into certain agreements, including but not limited to, loan agreements, promissory notes, deeds of trust, restrictive covenants, security agreements, pledge agreements, intercreditor and subordination agreements, and various other ancillary agreements, assignments, documents and certificates relating to or required in connection with the Subordinate Loans (collectively, the "Subordinate Loan Documents");

WHEREAS, the Partnership will contribute approximately $15,581,000 of equity to the construction of the Project, which will be raised from the sale of tax credits (the "Equity Financing");

WHEREAS, in connection with the Equity Financing, the Partnership, the General Partner, and/or SAHTPFC will be required to enter into certain agreements, including but not limited to an Amended and Restated Agreement of Limited Partnership, and including the documents attached as exhibits thereto, and closing certificates (collectively, the "Equity Documents");

WHEREAS, to reduce the cost of the Project by eliminating sales tax on the construction of the Project, SAHTPFC will serve as a joint venturer in the general contractor and enter into any required construction contracts and ancillary documents (the "Construction Documents");

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, 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 Project, the various forms of financing contemplated for the Project, including but not limited to the Bond Financing, the HUD Loan, the Bridge Loan, the Sponsor Loans, the PFC Funds, the COSA Loans, the Subordinate Loans and the Equity Financing and the terms of the Bond Documents, the HUD Documents, the Bridge Loan Documents, the Sponsor Loan Documents, the PFC Fund Documents, the COSA Loan Documents, the Subordinate Loan Documents, the TDHCA Documents, the Construction Documents and the Equity Documents, are hereby authorized and approved when such documents are executed by the officers provided below.

Section 2. The President, any Vice President, the Secretary, the Treasurer, any Assistant Secretary, or any of them, are hereby authorized to execute any and all documentation required for the financing and construction of the Project, including, but not limited to, the Bond Documents, the HUD Documents, the Bridge Loan Documents, the Sponsor Loan Documents, the PFC Fund Documents, the COSA Loan Documents, the Subordinate Loan Documents, the TDHCA Documents the Construction Documents and the Equity Documents, indemnity agreements and guaranties covering the Land or the Project, and all other documents relating to the Bond Financing, the HUD Loan, the Bridge Loan, the Sponsor Loans, the PFC Funds, the receipt of the County Funds, the COSA Loans, the Subordinate Loans and the Equity Financing, to which the Partnership, the General Partner, and/or SAHTPFC is a party.

Section 3. The purchase of the Land, the lease of the Land, the Land Purchase Funds, the creation of the General Partner by SAHTPFC and its admission as the general partner of the Partnership, and the role of SAHTPFC as a joint venturer in the general contractor for the Project are approved and the President, any Vice President, the Secretary, the Treasurer, any Assistant Secretary, or any of them, are hereby authorized to execute the documents required to be executed by SAHTPFC in order to effect such transactions.

Section 4. The President, any Vice President, the Secretary, the Treasurer, 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. 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 the Board shall be conclusively evidenced by the execution and delivery of such documents.

Section 5. The officers of the Corporation, 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 6. The officers of the Corporation hereby approve the selection of Bracewell LLP as counsel to the General Partner and 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.

San Antonio Housing Trust Public Facility
Agenda Item 6 and 7

Final authorizations to close the Palladium at Crestway Apartments.

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. In February 2023, the PFC board approved a non-binding resolution authorizing the filing of a tax credit application with TDHCA and authorizing the negotiation and execution of a memorandum understanding for the transaction. The project has received a tax credit award from TDHCA and will need to close on the financing by July 28, 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 271 total apartment homes, 30 units (11%) will be restricted for those households earning up to 30% AMI; 187 units (69%) will be restricted for those households earning up to 60% AMI; 18 units (7%) will be restricted for those households earning up to 70% AMI; 36 units (13%) will be restricted for those households earning up to 80% AMI. The unit mix will assist the city in meeting SHIP goals and SAHT affordability targets for 30% and 60% AMI Unit. See the below targeted unit mix and bedroom sizes.

Unit Mix & Affordability					
	<30% AMI	60% AMI	70% AMI	80% AMI	Total
1 Bedroom	18	62	0	0	80
2 Bedroom	8	112	8	16	144
3 Bedroom	4	13	10	20	47
Total	**30**	**187**	**18**	**36**	**271**

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.

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. 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.

Financial Considerations:

The project is anticipated to cost $61.8 million ($228k per unit). 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 transaction will be funded with private activity bonds issued by SAHT PFC, 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 will be financed as follows:

$29,718,870	Mortgage Debt
25,620,540	Tax Credit Equity
2,268,298	Deferred Developer Fee
205,510	Earnings on Bond Funds
4,000,000	*Funding Gap**
$61,813,218	**Total**

The project has a $4M gap and requires a commitment of funds to close by the July deadline.

If the project can close, SAHT is anticipated to receive $5,304,026 over the next 15 years as follows:

- 1% Bond Issuance Fee ($297,187)
- $30/unit Annual bond Fee (Es.t $121,950)
- 40% of Developer/Def Fee (Est. $2,172,736)
- 50% of Cash Flow after Def Fee (Est. $2,352,734)
- 25% of the sales tax savings (Est. $359,506)

Other:

- Project will adhere to SAHT's Tenant Protection Policy
- Tenant Emergency Assistance Matters (TEAM) ($406,500 from sales tax and dev fees)
- Project will participate in the SA Ready to Work Program
- Project will register affordable units with COSA's Housing Base San Antonio

Recommendation For Agenda Item 6

The Finance Committee recommends authorizing a Resolution of San Antonio Housing Trust Public Facility Corporation to issue Multifamily Housing Revenue Bonds for the Palladium at Crestway Apartments, Series 2023.

Recommendation For Agenda Item 7

The Finance Committee recommends authorizing a Resolution for the Palladium at Crestway Apartments Transaction, including the execution of all documentation necessary to carry out the transaction; including the purchase of the land and the lease for the transaction as well as creating of SAHT Palladium Crestway GP, LLC and its admission as the General Partner of Palladium San Antonio II, LTD; authorizing the financing for the transaction; and authorizing the PFC to serve as the General Contractor.

Attachments:

Resolutions

CERTIFICATE FOR RESOLUTION

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

In accordance with the bylaws of the Issuer, the Board of Directors of the Issuer (the "Board") held a meeting on June 16, 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 AUTHORIZING THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE BONDS (PALLADIUM CRESTWAY APARTMENTS), SERIES 2023; 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 Articles of Incorporation and the Bylaws of the Issuer.

SIGNED AND SEALED June 16, 2023.

_____

Name: Pedro A. Alanis
Title: Assistant Secretary

RESOLUTION AUTHORIZING THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE BONDS (PALLADIUM CRESTWAY APARTMENTS), SERIES 2023; AND OTHER MATTERS IN CONNECTION THEREWITH

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

WHEREAS, the Issuer has been requested to issue its "Multifamily Housing Revenue Bonds (Cattleman Square Lofts Apartments), Series 2023" in the aggregate principal amount not to exceed $43,000,000 (the "Bonds"), the proceeds of which will be used to finance the cost of acquiring, constructing, and equipping a proposed 271-unit multifamily apartment facility, to be known as Palladium Crestway and to be located at approximately 5319 Crestway Road, San Antonio, Texas (the "Project") for Palladium San Antonio II, Ltd., a Texas limited partnership (the "Borrower");

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

WHEREAS, the loan will be evidenced by a promissory note issued under the Loan Agreement (the "Note"), and assignments of the Note (the "Assignments") from the Issuer in favor of the Trustee;

WHEREAS, the Issuer is authorized to issue the Bonds pursuant to the Texas Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended;

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

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

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

Section 14. The terms of the Loan Agreement, the Indenture, the Note, the Regulatory Agreement, and the Assignments are hereby authorized and approved when such documents are approved by the officer designated as the signatory on such document(s).

Section 15. The President, any Vice President, the Secretary, the Treasurer, and each Assistant Secretary, or any of them, are authorized and directed to execute (to the extent required to be executed or acknowledged by the Issuer) and deliver (or to accept, as the case may be) the Indenture, the Loan Agreement, the Regulatory Agreement, the Note, the Assignments, and any and all certificates (including tax certificates) and other instruments described therein upon the conditions therein described or necessary or desirable in connection with the issuance of the Bonds and the loan of the proceeds thereof to the Borrower, all upon the terms herein approved, and the President, the Vice President, the Secretary, the Treasurer, and each Assistant Secretary, or any of them, are authorized to negotiate and approve such changes in the terms of or amendment to each such instrument as such officers shall deem necessary or appropriate upon the advice of counsel to the Issuer, and approval of the terms of each such instrument by such officers shall be conclusively evidenced by the execution and delivery of such documents.

Section 16. The Bonds, in the aggregate principal amount of not to exceed $43,000,000, with an interest rate (not including applicable premium) the maximum lawful amount of interest that may be charged, as set forth in the Indenture, and with a maturity date not to exceed July 1, 2063, in substantially the form and substance set forth in the Loan Agreement, are hereby approved, and the President, the Vice President, the Secretary, the Treasurer, and each Assistant Secretary, or any of them, are hereby authorized and directed, for and on behalf of the Issuer, to execute the Bonds or have their facsimile signatures placed upon them, and such officers are hereby authorized and directed to deliver the Bonds, and the seal of the Issuer is hereby authorized and directed to be affixed or placed by facsimile on the Bonds, if required. Authentication of the Bonds upon the terms and conditions and in the manner described in the Indenture as the same may be modified is authorized by this Resolution. The final principal amounts, interest rates, maturity dates (not to exceed the amounts, the rates, and the maximum term set forth above), and final redemption dates and prices for the Bonds shall be set forth in the final form of the Indenture, and the execution and delivery of the Indenture and any agreements relating to the purchase of the Bonds by the Bond Purchaser by the President, the Vice President, the Secretary, the Treasurer, each Assistant Secretary, or any of them, shall constitute approval of the agreed final principal amounts of, interest rates on the Bonds, maturity dates of the Bonds, and the final redemption dates and prices for the Bonds. The proceeds of the Bonds are hereby authorized to be utilized as set forth herein and in the Loan Agreement and the Indenture.

Section 17. The Trustee shall be Wilmington Trust, National Association.

Section 18. Bracewell LLP, as Bond Counsel, is hereby appointed as the hearing officer for purposes of the public TEFRA hearing regarding the Project.

Section 19. The President, the Vice President, the Secretary, the Treasurer, each Assistant Secretary, or any of them, are hereby authorized to execute and deliver to the Trustee the written request of the Issuer for the authentication and delivery of the Bonds by the Trustee in accordance with the Loan Agreement and the Indenture.

Section 20. All action and resolutions, not inconsistent with provisions of this Resolution heretofore taken by this Board and the officers of the Issuer directed toward the financing of the Project and the issuance of the Bonds shall be and the same hereby is extended, ratified, approved, and confirmed. The officers of this Board, or any of them, are authorized to take any and all action necessary to carry out and consummate the transactions described in or contemplated by the instruments approved hereby or otherwise to give effect to the actions authorized hereby and the intent hereof.

Section 21. The Board has expressly determined and hereby confirms that the issuance of the Bonds to assist in the financing of the Project will promote the public purposes in the Act and will accomplish a valid public purpose of the Issuer by assisting persons of low and moderate income in the City to obtain decent, safe, and sanitary housing at affordable prices, thereby helping to relieve unemployment, to preserve and increase the tax base of the City, and to reduce public expenditures for crime prevention and control, public health, welfare, and safety and for other valid public purposes.

Section 22. The Bonds and the interest thereon shall be limited obligations of the Issuer payable solely from the revenues, funds, and assets pledged under the Loan Agreement to secure payment of the Bonds, and under no circumstances shall the Bonds be payable from any other revenues, funds, assets, or income of the Issuer.

Section 23. The Bonds shall not constitute an indebtedness, liability, general, special, or moral obligation or a pledge or loan of the faith or credit or taxing power, within the meaning of any constitutional or statutory provision whatsoever, of the United States of America or any agency or instrumentality thereof, the State of Texas, the City, or any other political subdivision or governmental unit.

Section 24. After the Bonds are issued, this Resolution shall be and remain irrepealable until the Bonds or interest thereon shall have been fully paid or provision for payment shall have been made pursuant to the Loan Agreement.

Section 25. If any section, paragraph, clause, or provision of this Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution. In case any obligation of the Issuer authorized or established by this Resolution or the Bonds is held to be in violation of law as applied to any person or in any circumstance, such obligation shall be deemed to be the obligation of the Issuer to the fullest extent permitted by law.

Section 26. The recitals of this Resolution are hereby found to be true and are incorporated herein for all purposes.

* * *

CERTIFICATE FOR RESOLUTION

The undersigned officer 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 June 16, 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 AUTHORIZING THE PALLADIUM CRESTWAY APARTMENTS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; AUTHORIZING THE PURCHASE OF THE LAND FOR THE TRANSACTION AND THE LEASE OF SUCH LAND FOR THE TRANSACTION; AND AUTHORIZING THE ACQUISITION OF ALL OF THE MEMBERSHIP INTEREST OF SAHT PALLADIUM CRESTWAY GP, LLC AND ITS ADMISSION AS THE GENERAL PARTNER OF PALLADIUM SAN ANTONIO II, LTD.; AND AUTHORIZING THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION TO SERVE AS THE GENERAL CONTRACTOR; 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 SAHTPFC.

SIGNED June 16, 2023.

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Pedro A. Alanis, Assistant Secretary

RESOLUTION AUTHORIZING THE PALLADIUM CRESTWAY APARTMENTS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; AUTHORIZING THE PURCHASE OF THE LAND FOR THE TRANSACTION AND THE LEASE OF SUCH LAND FOR THE TRANSACTION; AND AUTHORIZING THE ACQUISITION OF ALL OF THE MEMBERSHIP INTEREST OF SAHT PALLADIUM CRESTWAY GP, LLC AND ITS ADMISSION AS THE GENERAL PARTNER OF PALLADIUM SAN ANTONIO II, LTD.; AND AUTHORIZING THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION TO SERVE AS THE GENERAL CONTRACTOR; AND OTHER MATTERS IN CONNECTION THEREWITH

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 271-unit multifamily housing facility (the "Housing Facility") to be located at approximately 5319 Crestway Road in San Antonio, Texas (the "Land," together with the Housing Facility, the "Project");

WHEREAS, at the request of the Partnership, the San Antonio Housing Trust Public Facility Corporation ("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 (the "Ground Lease") and (iii) to serve as the general contractor for the Project;

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

WHEREAS, SAHTPFC will issue the Bonds in an amount not to exceed $43,000,000 and loan such proceeds to the Partnership;

WHEREAS, in connection with the Bond Financing, the Partnership, the General Partner, and/or SAHTPFC will be required to enter into certain agreements, including but not limited to the Indenture, Loan Agreement, Promissory Note, the Regulatory Agreement and Declaration of Restrictive Covenants, the Tax Exemption Certificate and Agreement and a Ground Lease (collectively, the "Bond Documents");

WHEREAS, in connection with the financing, the Partnership will also enter into a loan transaction with Cedar Rapids Bank and Trust Company for a loan in the approximate amount of $28,750,950 (the "Loan");

WHEREAS, in connection with the execution of the Loan, the Partnership, the General Partner, and/or SAHTPFC will be required to enter into certain agreements, including, but not limited to, a Disbursing Agreement, a Continuing Covenants Agreement, a Leasehold Deed of

Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing, a Replacement Reserve and Security Agreement, an Operating Reserve and Security Agreement, an Account Pledge and Control Agreement, an Assignment of Partnership Interest and Capital Contributions Agreement, an Assignment of Contracts, Agreements, License and Permits, an Assignment of Development Agreement and Developer Fee Subordination Agreement, an Assignment and Subordination of Property Management Agreement, an Environmental and ADA Indemnity Agreement, and various other ancillary agreements, assignments, documents and certificates relating to or required in connection with the Loan (collectively, the "Loan Documents");

WHEREAS, the developer, on behalf of the Partnership, has applied 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 Partnership, 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, in connection with the financing for the Project, the Partnership, the General Partner, and/or SAHTPFC will be required to enter a bridge loan from PNC Bank, National Association (collectively, the "Bridge Loan"), including, but not limited to, a loan in the approximate amount of $21,159,441, which will be documented in certain agreements, including, but not limited to, a Bridge Loan and Security Agreement, a Bridge Loan Promissory Note, an Assignment of Capital Contributions, a Guaranty and Suretyship Agreement, a Pledge and Security Agreement, and various other ancillary agreements, assignments, documents and certificates relating to or required in connection with the Bridge Loan (collectively, the "Bridge Loan Documents");

WHEREAS, in order to obtain additional funds for the construction of the Project, the Partnership may enter into such other subordinate loan transactions as it deems necessary (collectively, the "Subordinate Loans");

WHEREAS, in connection with the Subordinate Loans, the Partnership, the General Partner, and/or SAHTPFC will be required to enter into certain agreements, including but not limited to, loan agreements, promissory notes, deeds of trust, restrictive covenants, security agreements, pledge agreements, intercreditor and subordination agreements, and various other ancillary agreements, assignments, documents and certificates relating to or required in connection with the Subordinate Loans (collectively, the "Subordinate Loan Documents");

WHEREAS, the Partnership will contribute approximately $25,394,128 of equity to the construction of the Project, which will be raised from the sale of tax credits (the "Equity Financing");

WHEREAS, in connection with the Equity Financing, the Partnership, the General Partner, and/or SAHTPFC will be required to enter into certain agreements, including but not limited to an Amended and Restated Agreement of Limited Partnership, and including the documents attached as exhibits thereto, and closing certificates (collectively, the "Equity Documents");

WHEREAS, to reduce the cost of the Project by eliminating sales tax on the construction of the Project, SAHTPFC will serve as the general contractor and enter into any required construction contracts and ancillary documents (the "Construction Documents");

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, 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 Project, the various forms of financing contemplated for the Project, including but not limited to the Bond Financing, the Loan, the Bridge Loan, the Subordinate Loans and the Equity Financing and the terms of the Bond Documents, the Loan Documents, the Bridge Loan Documents, the Subordinate Loan Documents, the TDHCA Documents, the Construction Documents and the Equity Documents, are hereby authorized and approved when such documents are executed by the officers provided below.

Section 2. The President, any Vice President, the Secretary, the Treasurer, any Assistant Secretary, or any of them, are hereby authorized to execute any and all documentation required for the financing and construction of the Project, including, but not limited to, the Bond Documents, the Loan Documents, the Bridge Loan Documents, the Subordinate Loan Documents, the TDHCA Documents the Construction Documents and the Equity Documents, indemnity agreements and guaranties covering the Land or the Project, and all other documents relating to the Bond Financing, the Loan, the Bridge Loan, the Subordinate Loans and the Equity Financing, to which the Partnership, the General Partner, and/or SAHTPFC is a party.

Section 3. The purchase of the Land, the lease of the Land, the acquisition of the membership interest in the General Partner by SAHTPFC and its admission as the general partner of the Partnership, and the role of SAHTPFC as the general contractor for the Project are approved and the President, any Vice President, the Secretary, the Treasurer, and any Assistant Secretary, or any of them, are hereby authorized to execute the documents required to be executed by SAHTPFC in order to effect such transactions.

Section 4. The President, any Vice President, the Secretary, the Treasurer, 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. 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 the Board shall be conclusively evidenced by the execution and delivery of such documents.

Section 5. The officers of the Corporation, 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 6. The officers of the Corporation hereby approve the selection of Bracewell LLP as counsel to the General Partner and 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.

San Antonio Housing Trust Public Facility

Agenda Item 8 and 9

Final authorizations to close on the Leon Creek Apartments.

Background

In September 2022, the PFC board approved a non-binding bond inducement resolution for the Leon Creek Flats (f/k/a Ellison Apartments) to file an application for up to $43M in private activity bonds (PAB) from the Texas Bond Review Board (TBRB). Leon Creek Flats will be located within *Port San Antonio Regional Center* on 21 acres of vacant land that has been rezoned for multifamily development. The project was awarded a $43M allocation of PABs by TBRB.

In February the PFC board approved a non-binding resolution authorizing the filing of a tax credit application with TDHCA and authorizing the negotiation and execution of a memorandum understanding for the transaction. The project has received a tax credit award from TDHCA and will need to close on the financing by July 16, 2023, or lose the PAB bond allocation.

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. And 261 units (85%) will be restricted for those households earning up to 60% AMI. The unit mix will assist the city in meeting its strategic housing implementation plan (SHIP) goals and SAHT in meeting its 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 Leon Creek Flats development 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 supportive services will be managed by Community Housing Resource Partners (CHRP). The project will participate with Energy Star 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 has selected Asset Living as the third-party property manager. Asset Living has over 20 years of experience in affordable housing, managing over 31,000 units.

Site Information

The property is located within the Port San Antonio Regional Center on 21 acres of vacant land. 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 cost $72.1 million ($234k per unit). 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 SAHT PFC. The project will also require a 100% Sales and Property Tax Exemption through the PFC being part of the Tax Credit Partnership. The project will be financed as follows:

$ 31,400,000	Permanent Mortgage
29,477,103	Tax Credit Equity
2,520,382	COSA Affordable Bond allocation
2,538,543	Cash Flow from Operations
6,129,863	Deferred Development Fee
$ 72,065,992	**Total**

Over the next 15 years, the PFC is anticipated to receive the following over the next 15 years:

Fiscal Impact:

- 1% Bond Issuance Fee (est. $430,000)
- $50/unit Annual Bond Fee (est. $231,000)
- 40% Development/Def Fee (est. $3,380,000)
- 50% of future cash flow after Dev Fee (est. $876,000)
- 25% of the sales tax savings (est. $421,875)

Other Impacts:

- Project will adhere to SAHT's Tenant Protection Policy
- Tenant Emergency Assistance Matters: $462,000 (from earned sales tax & dev fees)
- Project will participate in the SA Ready to Work Program.
- Project will register affordable units with COSA's Housing Base San Antonio

Recommendation For Agenda Item 8

The Finance Committee recommends authorizing a Resolution of San Antonio Housing Trust Public Facility Corporation to issue Multifamily Housing Revenue Bonds for the Leon Creek Apartments, Series 2023A, Series 2023B, and Series 2023C.

Recommendation For Agenda Item 9

The Finance Committee recommends authorizing a Resolution for the Leon Creek Apartments Transaction, including the execution of all documentation necessary to carry out the transaction; including the purchase of the land and the lease for the transaction as well as creating of SAHT Ellison Apartments GP, LLC and its admission as the General Partner of Ellison Apartments Limited Partnership; authorizing the financing for the transaction; and authorizing the PFC to serve as the General Contractor.

Attachments:

Resolutions

CERTIFICATE FOR RESOLUTION

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

In accordance with the bylaws of the Issuer, the Board of Directors of the Issuer (the "Board") held a meeting on June 16, 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 AUTHORIZING THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE NOTES (LEON CREEK FLATS APARTMENTS), SERIES 2023A; SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE NOTES (LEON CREEK FLATS APARTMENTS), SERIES 2023B, AND SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE NOTES (LEON CREEK FLATS APARTMENTS), SERIES 2023C; 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 Articles of Incorporation and the Bylaws of the Issuer.

SIGNED AND SEALED June 16, 2023.

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Name: Pedro A. Alanis
Title: Assistant Secretary

RESOLUTION AUTHORIZING THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING revenue NOTES (LEON CREEK FLATS apartments), SERIES 2023a; SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING revenue NOTES (LEON CREEK FLATS apartments), SERIES 2023b, AND SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING revenue NOTES (LEON CREEK FLATS apartments), SERIES 2023C; AND OTHER MATTERS IN CONNECTION THEREWITH

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

WHEREAS, the Issuer has been requested to issue (i) its "Tax-Exempt Multifamily Housing Revenue Note (Leon Creek Flats Apartments), Series 2023A" (the "Series A Note"), (ii) its "Tax-Exempt Multifamily Housing Revenue Note (Leon Creek Flats Apartments), Series 2023B" (the "Series B Note" and, together with the Series A Note, the "Tax-Exempt Notes"), and (iii) its "Taxable Multifamily Housing Revenue Note (Leon Creek Flats Apartments), Series 2023C" (the "Taxable Note" and, together with the Tax-Exempt Notes, the "Notes"), the proceeds of which will be used to finance the cost of acquiring, constructing, and equipping a proposed 312-unit multifamily apartment facility, to be known as Leon Creek Flats and to be located at approximately the northeast corner of Ray Ellison Boulevard and Old Pearsall Road in San Antonio, Texas (the "Project") for Ellison Apartments Limited Partnership, a Texas limited partnership (the "Borrower");

WHEREAS, the Issuer desires to issue the Notes pursuant to a Funding Loan Agreement (the "Funding Loan Agreement") between the Issue, Deutsche Bank AG, New York Branch, Deutsche Bank Securities, Inc. (together the "Note Purchaser") and BOKF, NA, as fiscal agent (the "Fiscal Agent"), and to loan (or otherwise make available) the proceeds thereof to the Borrower pursuant to a Borrower Loan Agreement (the "Borrower Loan Agreement") between the Issuer and the Borrower, all subject to the terms of a Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement") among the Issuer, the Fiscal Agent, and the Borrower;

WHEREAS, the loan will be evidenced by a promissory note issued under the Borrower Loan Agreement (the "Promissory Note"), and assignments of the Promissory Note (the "Assignments") from the Issuer in favor of the Fiscal Agent;

WHEREAS, the Issuer is authorized to issue the Notes pursuant to the Texas Public Facility Corporation Act, Chapter 303, Texas Local Government Code (the "Act"), as amended;

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

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

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

Section 27. The terms of the Borrower Loan Agreement, the Funding Loan Agreement, the Promissory Note, the Regulatory Agreement, and the Assignments are hereby authorized and approved when such documents are approved by the officer designated as the signatory on such document(s).

Section 28. The President, any Vice President, the Secretary, the Treasurer, and each Assistant Secretary, or any of them, are authorized and directed to execute (to the extent required to be executed or acknowledged by the Issuer) and deliver (or to accept, as the case may be) the Funding Loan Agreement, the Borrower Loan Agreement, the Regulatory Agreement, the Promissory Note, the Assignments, and any and all certificates (including tax certificates) and other instruments described therein upon the conditions therein described or necessary or desirable in connection with the issuance of the Notes and the loan of the proceeds thereof to the Borrower, all upon the terms herein approved, and the President, the Vice President, the Secretary, the Treasurer, and each Assistant Secretary, or any of them, are authorized to negotiate and approve such changes in the terms of or amendment to each such instrument as such officers shall deem necessary or appropriate upon the advice of counsel to the Issuer, and approval of the terms of each such instrument by such officers shall be conclusively evidenced by the execution and delivery of such documents.

Section 29. The Tax-Exempt Notes, in the aggregate principal amount of not to exceed $43,000,000, and the Taxable Notes, in the aggregate principal amount of not to exceed $15,000,000, each with an interest rate (not including applicable premium) not to exceed the maximum lawful amount of interest that may be charged, as set forth in the Funding Loan Agreement, and with a maturity date not to exceed July 1, 2063, in substantially the form and substance set forth in the Borrower Loan Agreement, are hereby approved, and the President, the Vice President, the Secretary, the Treasurer, and each Assistant Secretary, or any of them, are hereby authorized and directed, for and on behalf of the Issuer, to execute the Notes or have their facsimile signatures placed upon them, and such officers are hereby authorized and directed to deliver the Notes, and the seal of the Issuer is hereby authorized and directed to be affixed or placed by facsimile on the Notes, if required. Authentication of the Notes upon the terms and conditions and in the manner described in the Funding Loan Agreement as the same may be modified is authorized by this Resolution. The final principal amounts, interest rates, maturity dates (not to exceed the amounts, the rates, and the maximum term set forth above), and final redemption dates and prices for the Notes shall be set forth in the final form of the Funding Loan

Agreement, and the execution and delivery of the Funding Loan Agreement and any agreements relating to the purchase of the Notes by the Note Purchaser by the President, the Vice President, the Secretary, the Treasurer, each Assistant Secretary, or any of them, shall constitute approval of the agreed final principal amounts of, interest rates on the Notes, maturity dates of the Notes, and the final redemption dates and prices for the Notes. The proceeds of the Notes are hereby authorized to be utilized as set forth herein and in the Borrower Loan Agreement and the Funding Loan Agreement.

Section 30. The Fiscal Agent shall be BOKF, NA.

Section 31. Bracewell LLP, as Bond Counsel, is hereby appointed as the hearing officer for purposes of the public TEFRA hearing regarding the Project.

Section 32. The President, the Vice President, the Secretary, the Treasurer, each Assistant Secretary, or any of them, are hereby authorized to execute and deliver to the Fiscal Agent the written request of the Issuer for the authentication and delivery of the Notes by the Fiscal Agent in accordance with the Borrower Loan Agreement and the Funding Loan Agreement.

Section 33. All action and resolutions, not inconsistent with provisions of this Resolution heretofore taken by this Board and the officers of the Issuer directed toward the financing of the Project and the issuance of the Notes shall be and the same hereby is extended, ratified, approved, and confirmed. The officers of this Board, or any of them, are authorized to take any and all action necessary to carry out and consummate the transactions described in or contemplated by the instruments approved hereby or otherwise to give effect to the actions authorized hereby and the intent hereof.

Section 34. The Board has expressly determined and hereby confirms that the issuance of the Notes to assist in the financing of the Project will promote the public purposes in the Act and will accomplish a valid public purpose of the Issuer by assisting persons of low and moderate income in the City to obtain decent, safe, and sanitary housing at affordable prices, thereby helping to relieve unemployment, to preserve and increase the tax base of the City, and to reduce public expenditures for crime prevention and control, public health, welfare, and safety and for other valid public purposes.

Section 35. The Notes and the interest thereon shall be limited obligations of the Issuer payable solely from the revenues, funds, and assets pledged under the Borrower Loan Agreement to secure payment of the Notes, and under no circumstances shall the Notes be payable from any other revenues, funds, assets, or income of the Issuer.

Section 36. The Notes shall not constitute an indebtedness, liability, general, special, or moral obligation or a pledge or loan of the faith or credit or taxing power, within the meaning of any constitutional or statutory provision whatsoever, of the United States of America or any agency or instrumentality thereof, the State of Texas, the City, or any other political subdivision or governmental unit.

Section 37. After the Notes are issued, this Resolution shall be and remain irrepealable until the Notes or interest thereon shall have been fully paid or provision for payment shall have been made pursuant to the Borrower Loan Agreement.

Section 38. If any section, paragraph, clause, or provision of this Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution. In case any obligation of the Issuer authorized or established by this Resolution or the Notes is held to be in violation of law as applied to any person or in any circumstance, such obligation shall be deemed to be the obligation of the Issuer to the fullest extent permitted by law.

Section 39. The recitals of this Resolution are hereby found to be true and are incorporated herein for all purposes.

* * *

CERTIFICATE FOR RESOLUTION

The undersigned officer 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 June 16, 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 AUTHORIZING THE LEON CREEK FLATS APARTMENTS (F/K/A ELLISON APARTMENTS) TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; AUTHORIZING THE PURCHASE OF THE LAND FOR THE TRANSACTION AND THE LEASE OF SUCH LAND FOR THE TRANSACTION; AND AUTHORIZING THE ACQUISITION OF ALL OF THE MEMBERSHIP INTEREST OF SAHT ELLISON APARTMENTS GP, LLC AND ITS ADMISSION AS THE GENERAL PARTNER OF ELLISON APARTMENTS LIMITED PARTNERSHIP; AND AUTHORIZING THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION TO SERVE AS THE GENERAL CONTRACTOR; 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 SAHTPFC.

SIGNED June 16, 2023.

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Pedro A. Alanis, Assistant Secretary

RESOLUTION AUTHORIZING THE LEON CREEK FLATS APARTMENTS (F/K/A ELLISON APARTMENTS) TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; AUTHORIZING THE PURCHASE OF THE LAND FOR THE TRANSACTION AND THE LEASE OF SUCH LAND FOR THE TRANSACTION; AND AUTHORIZING THE ACQUISITION OF ALL OF THE MEMBERSHIP INTEREST OF SAHT ELLISON APARTMENTS GP, LLC AND ITS ADMISSION AS THE GENERAL PARTNER OF ELLISON APARTMENTS LIMITED PARTNERSHIP; AND AUTHORIZING THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION TO SERVE AS THE GENERAL CONTRACTOR; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, Ellison Apartments Limited Partnership, a Texas limited partnership (the "Partnership"), and SAHT Ellison Apartments GP, LLC, a Texas limited liability company and its general partner (the "General Partner"), have been formed to acquire and construct an approximately 312-unit multifamily housing facility (the "Housing Facility") to be located at approximately the northeast corner of Ray Ellison Boulevard and Old Pearsall Road in San Antonio, Texas (the "Land," together with the Housing Facility, the "Project");

WHEREAS, at the request of the Partnership, the San Antonio Housing Trust Public Facility Corporation ("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 (the "Ground Lease") and (iii) to serve as the general contractor for the Project;

WHEREAS, the Partnership has requested that SAHTPFC issue (i) its "Tax-Exempt Multifamily Housing Revenue Note (Leon Creek Flats Apartments), Series 2023A" (the "Series A Note"), (ii) its "Tax-Exempt Multifamily Housing Revenue Note (Leon Creek Flats Apartments), Series 2023B" (the "Series B Note" and, together with the Series A Note, the "Tax-Exempt Notes"), and (iii) its "Taxable Multifamily Housing Revenue Note (Leon Creek Flats Apartments), Series 2023C" (the "Taxable Note" and, together with the Tax-Exempt Notes, the "Notes") to finance the Project (the "Note Financing");

WHEREAS, SAHTPFC will issue the Tax-Exempt Notes in an amount not to exceed $43,000,000 and the Taxable Note in an amount not to exceed $15,000,000, and loan such proceeds of the Notes to the Partnership;

WHEREAS, in connection with the Note Financing, the Partnership, the General Partner, and/or SAHTPFC will be required to enter into certain agreements, including but not limited to the Funding Loan Agreement, Borrower Loan Agreement, Promissory Notes, the Regulatory Agreement and Declaration of Restrictive Covenants, the Tax Exemption Certificate and Agreement and a Ground Lease (collectively, the "Note Documents");

WHEREAS, in connection with the financing, the Partnership will also enter into a loan transaction with Deutsche Bank AG, New York Branch and Deutsche Bank Securities, Inc. for a loan in the approximate amount of $54,507,278 (the "Loan");

WHEREAS, in connection with the execution of the Loan, the Partnership, the General Partner, and/or SAHTPFC will be required to enter into certain agreements, including, but not limited to, a Leasehold Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing (with Power of Sale) and Future Advance, an Environmental Indemnity Agreement, a Limited Guaranty Pledge of Partnership Interests and Security Agreement, a Replacement Reserve and Security Agreement, and various other ancillary agreements, assignments, subordination agreements, documents and certificates relating to or required in connection with the Loan (collectively, the "Loan Documents");

WHEREAS, the developer, on behalf of the Partnership, has applied 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 Partnership, 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, in order to provide additional funds for the construction of the Project to the Partnership, the Partnership may enter into a loan of City of San Antonio Housing Bond funds from the City of San Antonio in the approximate amount of $3,080,000 (the "COSA Loan");

WHEREAS, in connection with the COSA Loan, the Partnership, the General Partner, and/or SAHTPFC will be required to enter into certain agreements, including but not limited to, program, development or loan agreements, promissory notes, deeds of trust, restrictive covenants, security agreements, pledge agreements, intercreditor and subordination agreements, and various other ancillary agreements, assignments, documents and certificates relating to or required in connection with the COSA Loan (collectively, the "COSA Loan Documents");

WHEREAS, in order to obtain additional funds for the construction of the Project, the Partnership may enter into such other subordinate loan transactions as it deems necessary (collectively, the "Subordinate Loans");

WHEREAS, in connection with the Subordinate Loans, the Partnership, the General Partner, and/or SAHTPFC will be required to enter into certain agreements, including but not limited to, loan agreements, promissory notes, deeds of trust, restrictive covenants, security agreements, pledge agreements, intercreditor and subordination agreements, and various other ancillary agreements, assignments, documents and certificates relating to or required in connection with the Subordinate Loans (collectively, the "Subordinate Loan Documents");

WHEREAS, the Partnership will contribute approximately $[ ] of equity to the construction of the Project, which will be raised from the sale of tax credits (the "Equity Financing");

WHEREAS, in connection with the Equity Financing, the Partnership, the General Partner, and/or SAHTPFC will be required to enter into certain agreements, including but not limited to an Amended and Restated Agreement of Limited Partnership, and including the documents attached as exhibits thereto, including, but not limited to, a Subsequent Closing Certificate, an Incentive Management Agreement, a Right of First Refusal Agreement, a Master Agreement and closing certificates (collectively, the "Equity Documents");

WHEREAS, to reduce the cost of the Project by eliminating sales tax on the construction of the Project, SAHTPFC will serve as the general contractor and enter into any required construction contracts and ancillary documents (the "Construction Documents");

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, 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 Project, the various forms of financing contemplated for the Project, including but not limited to the Note Financing, the Loan, the COSA Loan, the Subordinate Loans and the Equity Financing and the terms of the Note Documents, the Loan Documents, the COSA Loan Documents, the Subordinate Loan Documents, the TDHCA Documents, the Construction Documents and the Equity Documents, are hereby authorized and approved when such documents are executed by the officers provided below.

Section 2. The President, any Vice President, the Secretary, the Treasurer, any Assistant Secretary, or any of them, are hereby authorized to execute any and all documentation required for the financing and construction of the Project, including, but not limited to, the Note Documents, the Loan Documents, the COSA Loan Documents, the Subordinate Loan Documents, the TDHCA Documents, the Construction Documents and the Equity Documents, indemnity agreements and guaranties covering the Land or the Project, and all other documents relating to the Note Financing, the Loan, the COSA Loan, the Subordinate Loans and the Equity Financing, to which the Partnership, the General Partner, and/or SAHTPFC is a party.

Section 3. The purchase of the Land, the lease of the Land pursuant to the Ground Lease, the acquisition of the membership interest in the General Partner by SAHTPFC and its admission as the general partner of the Partnership, and the role of SAHTPFC as the general contractor for the Project are approved and the President, any Vice President, the Secretary, the Treasurer, and any Assistant Secretary, or any of them, are hereby authorized to execute the documents required to be executed by SAHTPFC in order to effect such transactions.

Section 4. The President, any Vice President, the Secretary, the Treasurer, 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. 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 the Board shall be conclusively evidenced by the execution and delivery of such documents.

Section 5. The officers of the Corporation, 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 6. The officers of the Corporation hereby approve the selection of Bracewell LLP as counsel to the General Partner and 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.

San Antonio Housing Trust Public Facility
Agenda Item 10

Briefing, discussion and possible action regarding a resolution approving the San Antonio Housing Trust Public Facility Corporation Investment Policy.

Summary

The fiduciary responsibility for the management and safeguarding of the San Antonio Housing Trust Fund resides with the City of San Antonio's Finance Department. However, the monetary assets of the SAHT Foundation, Public Facility Corporation, and Finance Corporation reside with their respective Boards. After an analysis of our 5 Year Cash Flow, the Foundation, PFC, and FC need to invest a portion of the organization's financial assets in financial investments to improve our financial status to address long term effectiveness of our funds.

In accordance with the **Texas Public Funds Investment Act (LGC 2256)**, the governing body of each SAHT entity should adopt a resolution for a written investment policy regarding the investment of its funds to emphasize safety of principal and liquidity while addressing investment diversification, yield, and maturity and the quality and capability of investment management.

The attached *Investment Policy* sets forth the following:

1. Identifies responsibility to Board, Finance Committee, and Executive Director
2. States the investment types allowed by the Act
3. Establishes specific criteria for each type of investment.

Responsibility SAHT Board(s)

The monetary assets of the SAHT Foundation, Public Facility Corporation, and Finance Corporation shall reside with their respective SAHT Boards. Each board has the ultimate fiduciary responsibility for their respective investment portfolio. The board is responsible for ensuring that appropriate policies governing the management of the portfolio are in place and they are implemented.

Responsibility of the Finance and Audit Committee

The Finance and Audit Committee (acting as an investment committee) is responsible for implementing the investment policy by ***approving the investment strategies, monitoring the portfolio performance, and authorizing*** the Executive Director to proceed with investment actions.

Responsibilities of the Executive Director

The Executive Director, acting through its Director of Finance or Director of Operations or otherwise designated or acting staff, is responsible for implementing Finance and Audit Committees investment policies and strategies. The Executive Director is authorized to execute

investment trades as well as authorized to release, transfer, or wire money related to investment transactions.

Eligible Investments (TX PFI Act)

- Obligations of or Guaranteed by Governmental Entities
- Certificates of Deposits
- Repurchase Agreements
- Lending Securities
- Bankers' Acceptance
- Commercial Paper
- Mutual Funds
- Guaranteed Investment Contract
- Investment Pools

Investment Strategy (Finance/Audit Committee)
The Finance and Audit Committee would act in the role of the Investment Committee. Staff has performed an estimate of cash needs through the end of the fiscal year for the Foundation, PFC, and FC. Below is the range of available funds SAHT can invest in this period.

- Foundation can invest a range of $2.11M to $3.76M
- Public Facility Corporation can invest a range of $10.48M to $15.22M
- Finance Corporation can invest a range of $1.73M to $1.82M

* Includes a 10% cash holdback to address any unanticipated liquidity needs.

Currently, funds are in collateralized variable rate accounts that move with the market. However, they are not getting the same potential rates as CD's or short-term treasury securities.

Recommendation
The Finance Committee Recommends adopting the Investment Policy and the subsequent roles and responsibilities in the Policy. Additionally, the Finance Committee will review investment proposals that are in line with eligible investments.

The Executive Director will work to identify proposals for Finance Committee to consider optimize short term 1 to 12-month investments in a combination of CD's, Treasury Securities with a maximum 10% invested in Money Market Mutual Funds in this initial investment round to our current cash flow needs.

Attachment:
Draft Investment Policy
Resolution

SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION

RESOLUTION PFC23-0616-10

A RESOLUTION OF THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION ADOPTING AN INVESTMENT POLICY

WHEREAS, the San Antonio Housing Trust Public Facility Corporation ("SAHTPFC") continues to develop long range plans to ensure the SAHTPFC moves forward in a direction consistent with the adopted goals and visions of the SAHTPFC to achieve the affordable housing production and preservation goals in San Antonio; and

WHEREAS, the SAHTPFC also identified the need to invest a portion of the organization's financial assets in financial investments to improve its financial status to address long term effectiveness of funds; and

WHEREAS, per the Texas Public Funds Investment Act, the governing body should adopt a written Investment Policy; and

WHEREAS, the SAHTPFC desires to adopt an Investment Policy regarding the investment of its funds to emphasize safety of principal and liquidity while addressing investment diversification, yield, and maturity and the quality and capability of investment management and will review and update as statutorily required; and

WHEREAS, the SAHTPFC Board of Directors recommends the adoption of an Investment Policy, as indicated in Exhibit A.

NOW THEREFORE, BE IT RESOLVED BY 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 for the San Antonio Housing Trust Public Facility Corporation does hereby approve the adoption of an Investment Policy, as indicated in Exhibit

Section 3. If any section, subsection, clause, phrase or provision of this Article, or any application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void, or unconstitutional, the remaining sections, subsections, clauses, phrases and provisions of this Article, or any application thereof to any person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

Section 4. This Resolution shall be cumulative of all provisions of the SAHTPFC, except where the provisions of this Resolution are in direct conflict with the provisions of such Resolution, in which event the conflicting provisions of such Resolution are hereby repealed.

Section 5. That 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, as amended, Texas Government Code.

Section 6. This Resolution shall take effect immediately from and after its passage and the publication of the caption hereof, as provided by law.

PASSED and APPROVED this the ___day of June, 2023

SIGNED:

_____
Councilwoman Adriana Rocha Garcia
President

ATTEST:

_____
Jordan Ghawi, Secretary

SAHT Investment Policy

SAHT Foundation, Public Facility Corporation, and Finance Corporation.

Purpose.

The fiduciary responsibility for the management and safeguarding of the San Antonio Housing Trust resides with the City of San Antonio's Finance Department. However, the monetary assets of the SAHT Foundation, Public Facility Corporation, and Finance Corporation shall reside with their respective SAHT Boards. This policy will guide the investment strategy of the Foundation, PFC, and Finance Corporation in accordance with the Chapter 2256 Public Funds Investment Act, as applicable.

The investment strategies shall ensure the short-term (3 month to 2 years) financial goals and liquidity needs are met to further the charitable mission of SAHT while seeking opportunities for longer term (up to 5 years) to focus on organizational growth to increase the organizations long term ability to further our mission.

Delegation of Responsibilities

While the monetary assets of the SAHT Foundation, Public Facility Corporation, and Finance Corporation shall reside with their respective SAHT Boards, the Foundation Board shall have managed oversight of investments as instructed by Resolution from the PFC and FC Board.

The SAHT Foundation's Finance and Audit Committee shall be designated as the as the oversight committee and shall meet at least once a quarter to receive a report from the SAHT Foundation Executive Director, Director of Operations, or Director of Finance. In addition to quarterly meetings the Finance and Audit Committee shall hold meetings as needed related to regular investment activity.

The Executive Director is responsible for the daily investment transactions and management of the invested funds.

Investment transactions shall be executed by approved brokers/dealers with securities delivered to the Custodian Bank. Investment transactions are settled on a delivery versus payment basis except for mutual fund or investment pool investments. Settlement of trades may be done on a same day or subsequent day basis as the Finance and Audit Committee and Executive Director deem most appropriate and advantageous to SAHT. In addition, SAHT may exercise its rights to utilize investment vehicles such as investment pools or mutual funds as authorized and permitted by the Act and this policy.

Responsibilities of the respective SAHT Boards

The monetary assets of the SAHT Foundation, Public Facility Corporation, and Finance Corporation shall reside with their respective SAHT Boards. Each board has the ultimate fiduciary responsibility for their respective investment portfolio. The board is responsible for ensuring that appropriate policies governing the management of the portfolio are in place and they are implemented. As the SAHT Foundation generally manages the day-to-day activities of the SAHT PFC and FC via an annual agreement. The SAHT PFC and FC Boards shall consider authorizing delegation of the responsibility to the SAHT Foundation Board through Resolution during the annual budget process.

Responsibilities of the Finance and Audit Committee
The Finance and Audit Committee is responsible for implementing the investment policy by approving the investment strategies, monitoring the portfolio performance, and authorizing the Executive Director to proceed with investment actions.

The Finance and Audit Committee membership is instructed in the bylaws of the Foundation through appointment by the Board President. This policy does not imply a change to the bylaws. It is acknowledged that the Finance and Audit Committee shall not be held responsible for poor investment outcomes, however, they will be held responsible for adhering to procedures.

Responsibilities of the Executive Director
The Executive Director, acting through its Director of Finance or Director of Operations or otherwise designated or acting staff, is responsible for implementing Finance and Audit Committees investment policies and strategies. It is acknowledged that the Executive Director shall not be held responsible for poor investment outcomes, however, will be held responsible for adhering to procedures.

The Executive Director is authorized to execute investment trades as well as authorized to release, transfer, or wire money related to investment transactions. Accounting personnel are authorized to effectuate wire transfers and record the transactions. Written records are separately prepared and maintained by the Investment Officers and the Accounting Division. Broker Dealer trade confirmations and custodial reports are also kept on file.

Expenditures of Institutional Funds.
The SAHT core mission is to create and preserve housing that is affordable, accessible, sustainable, and attainable. The board approved a five-year strategic plan that outlines the objectives and strategies to achieve its charitable objectives. The board shall consider from time to time the use of available institutional funds to meet those objectives. The board shall ensure in each fiscal year, that the total expenditures do not exceed total revenue from strategic partnerships, donations, and investment revenues from the SAHT entities.

Donor Restrictions.
The Trust may solicit and accept gifts that are consistent with its mission and that support its core programs, as well as special projects or related activities. Donations and other forms of support will generally be accepted from individuals, partnerships, corporations, foundations, government agencies, or other entities, under the condition that there are no unreasonable restrictions that are contrary to the Trust's mission. Gifts of Real Property, Personal Property or Securities may only be accepted upon approval of the Trust Board. With respect to securities, SAHT agrees to all stipulations given by donors in connection with investing donor funds if they do not conflict with applicable federal, state, or local laws.

Reserve Fund Expenditures
To protect the SAHT Foundation's operations, it is the policy of the SAHT to work towards setting aside funds as an operational "Rainy Day" fund in a separate bank account. The Board recognizes how critical it is to ensure the Foundation's ability to manage operations through periods of unanticipated unbudgeted expenses or reductions due to market forces impacting the Foundation's revenue streams.

The Executive Director shall be authorized to transfer funds from the Operating Reserve Account to the General Operating Fund if the action is done accordance with this operating policy or when specific Foundation Board action is taken to respond a specific financial situation.

The Executive Director shall be authorized to transfer unbudgeted Operating Reserve funds from the Operating Reserve Account to the Foundation Project Fund if there is a surplus in reserves. If there is a deficit or shortfall in the operating reserve fund, the Executive Director shall recommend to the Foundation Board a build-up schedule to the board when presenting the annual budget.

Real Property

Real property, such as buildings, facilities, and land that are owned by SAHT, are considered part of the investment portfolio. However, SAHT board may authorize the contribution of buildings, facilities or land for charitable purposes that support SAHT's mission. The respective SAHT entity boards have a fiduciary duty to protect the organization's finances and other assets. They also have a responsibility to use donor funds for their intended purpose and follow the guidelines donors gave in connection with donations.

Guidelines & Objectives for Investing

"Investments shall be made with judgment and care under circumstances then prevailing which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of their capital as well as the probable income to be derived."

Investments shall be given the priority of maintaining purchasing power, safety of principal, and maximum yield while meeting liquidity requirements, to complete our charitable mission. The Texas Public Funds Investment Act authorizes local governments to invest in a prescribed set of investment instruments that can be utilized to promote the goals of safety of principal, liquidity and diversification, and maximum yield. All investments shall be made in compliance with the Texas Public Funds Investment Act as adopted by this Policy (in whole or in part) and any other applicable laws.

Through this Policy, SAHT may elect not to participate in all the instruments allowed by the Act. Listed below are permitted investment instruments as prescribed by this Policy in accordance with the Texas Public Funds Investment Act.

Obligations of, or Guaranteed by Governmental Entities

Obligations of or Guaranteed by Governmental Entities include, and are limited to, the following:

(1) obligations, including letters of credit, of the United States or its agencies and instrumentalities.

(2) direct obligations of the State of Texas or its agencies and instrumentalities.

(3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States.

(4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas, or the United States, or their respective agencies and instrumentalities; and

(5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized credit rating agency not less than "A" or its equivalent.

Certificates of Deposit and Share Certificates

A certificate of deposit is an authorized investment if the certificate is issued by a depository institution that has its main office or a branch office in this state and is:

(1) guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor;

(2) secured by authorized obligations described in "Obligations of, or Guaranteed by, Governmental Entities" above, including mortgage-backed securities directly issued by a Federal agency or instrumentality that have a market value of not less than the principal amount of the certificates, but excluding those securities specifically prohibited by the Texas Public Funds Investment Act, as amended; and

(3) secured in any other manner and amount provided by law for deposits of the SAHT

In addition to the authority to invest funds in certificates of deposit as stated above, an investment in certificates of deposit made in accordance with the following conditions is an authorized investment:

(1) the funds are invested by the SAHT through a depository institution that

(a) has its main office or a branch office in the State of Texas;

(b) authorized to offer services through Certificates of Deposit Account Registry Service, "CDARS"; and

(c) is selected by SAHT;

(2) the depository institution selected by the SAHT arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located including out of state. Each of the certificates of deposit will be issued for the account of the respective SAHT entity where the funds are sourced as the beneficial owner of the certificates of deposit.

(3) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; in effect the Federal Deposit Insurance Corporation (FDIC). Each certificate of deposit will be issued in an amount within the FDIC $250,000 insurance coverage limit. The total amount of the SAHT's investment may be allocated to several financial institutions. The SAHT's investment will thus be fully protected against the failure of any of the institutions issuing the certificates of deposit;

(4) the depository institution selected by the SAHT Foundation acts as custodian for the SAHT entities with respect to the certificates of deposit issued for the account of the SAHT with respect to the certificates of deposit. Under this provision, when the certificates of deposit issued by other institutions to the SAHT mature, the payment of the principal and accrued interest will be made by those institutions through the selected depository institution in Texas; and

(5) while the funds are deposited, and the certificates of deposit are issued for the account of the respective SAHT entity, the depository institution selected by the SAHT Foundation receives an amount of deposits from customers of other federally insured depository institutions, wherever located, that is equal to the amount of the funds invested by the SAHT through the depository

institution. The economic effect of investments by the SAHT made in accordance with this procedure will be that the selected depository institution in Texas will have on deposit the amount of funds initially invested by SAHT.

(6) The amount of funds that may be invested by SAHT with any one depository institution that meets the requirements set out in (1) through (5) above may not exceed $10,000,000. All such collateral must be fully documented, executed with authorizing documentation, and held at an approved third-party institution.

With respect to certificates of deposit in which the SAHT has invested pursuant to the provisions of (1) through (6) above, the depository institution selected by the SAHT is an approved third-party institution.

Repurchase Agreements

A repurchase agreement (repo) is a form of short-term borrowing for dealers in government securities. In the case of a repo, a dealer sells government securities to investors, usually on an overnight basis, and buys them back the following day at a slightly higher price. That small difference in price is the implicit overnight interest rate. Repos are typically used to raise short-term capital.

A fully collateralized repurchase agreement is an authorized investment if the repurchase agreement:

(1) has a defined termination date.

(2) is secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities.

(3) requires the securities being purchased by SAHT to be pledged to SAHT, held in the SAHT's name, and deposited at the time the investment is made with SAHT or with a third party selected and approved by SAHT; and

(4) is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State of Texas.

A "repurchase agreement" is a simultaneous agreement to buy, hold for a specified time, and sell back at a future date, obligations, including letters of credit, of the United States or its agencies and instrumentalities, at a market value at the time the funds are disbursed of not less than the principal amount of the funds disbursed.

A "repurchase agreement" includes a direct security repurchase agreement and a reverse security repurchase agreement. Notwithstanding any other law, the term of any reverse security repurchase agreement may not exceed 90 days after the date the reverse security repurchase agreement is delivered.

Money received by the SAHT under the terms of a reverse security repurchase agreement shall be used to acquire additional authorized investments, but the term of the authorized investments acquired must mature not later than the expiration date stated in the reverse security repurchase agreement.

Lending Securities

Securities lending is the practice of loaning shares of stock, commodities, derivative contracts, or other securities to other investors or firms. Securities lending requires the borrower to put up collateral, whether cash, other securities, or a letter of credit. When a security is loaned, the title and the ownership are also transferred to the borrower. A loan fee, or borrow fee, is charged by a brokerage to a client for borrowing shares, along with any interest due related to the loan. The loan fee and interest are charged pursuant to a Securities Lending Agreement that must be completed before the stock is borrowed by a client. Holders of securities that are loaned receive a rebate from their brokerage. Securities lending provides liquidity to markets, can generate additional interest income for long-term holders of securities, and allows for short selling.

Lending Securities lending is an authorized investment if:

(1) the value of securities loaned under the program is not less than 102 percent collateralized, including accrued income;

(2) a loan made under the program allows for termination at any time;

(3) a loan made under the program is secured by:

(A) pledged securities authorized by the Act, Section 2256.009;

(B) pledged irrevocable letters of credit issued by a bank that is organized and existing under the laws of the United States or any other state and continuously rated by at least one nationally recognized credit rating agency at not less than "A" or its equivalent; or

(C) cash invested in accordance with the Act;

(4) the terms of a loan made under the program require that the securities being held as collateral be:

(A) pledged to the SAHT;

(B) held in the SAHT's name; and

(C) deposited at the time the investment is made with the SAHT or with a third party selected by or approved by the SAHT;

(5) a loan made under the program is placed through:

(A) a primary government securities dealer, as defined by 5 C.F.R. Section 6801 .I 02 (f), as that regulation existed on September 1, 2003; or

(B) a financial institution doing business in the State of Texas; and

(6) an agreement to lend securities is executed under this section and has a term of one year or less.

Bankers' Acceptance

Banker's acceptance (BA) is a negotiable piece of paper that functions like a post-dated check. A bank, rather than an account holder, guarantees the payment. Banker's acceptances (also known as bills of exchange) are used by companies as a relatively safe form of payment for large transactions. BAs can also be short-term debt instruments, like U.S. Treasury bills, that trade at a discount to face value in the money markets. A bankers' acceptance is an authorized investment if the bankers' acceptance:

(1) has a stated maturity of 270 days or fewer from the date of its issuance;

(2) will be, in accordance with its terms, liquidated in full at maturity;

(3) is eligible for collateral for borrowing from a Federal Reserve Bank; and

(4) is accepted by a bank organized and existing under the laws of the United States or any state, if the short-term obligations of the bank, or of a bank holding company of which the bank is the largest subsidiary, are rated not less than "A-1" or "P-1" or an equivalent rating by at least one nationally recognized credit rating agency.

Commercial Paper

Commercial paper is an unsecured, short-term debt instrument issued by corporations. It's typically used to finance short-term liabilities such as payroll, accounts payable, and inventories. Commercial paper is usually issued at a discount from face value. It reflects prevailing market interest rates. Commercial paper involves a specific amount of money that is to be repaid by a specific date. Minimum denominations are $100,000. Terms to maturity extend from one to 270 days. They average 30 days.

Commercial paper is an authorized investment if the commercial paper:

(1) has a stated maturity of 270 days or fewer from the date of its issuance; and

(2) is rated not less than "A-1", "P-1" or an equivalent rating by at least two nationally recognized credit rating agencies, or by one national recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state.

Mutual Funds

A mutual fund is a financial vehicle that pools assets from shareholders to invest in securities like stocks, bonds, money market instruments, and other assets. Mutual funds are operated by professional money managers, who allocate the fund's assets and attempt to produce capital gains or income for the fund's investors. A no-load fund is a mutual fund in which shares are sold without a commission or sales charge.

It is an authorized investment if the mutual fund:

(1) is registered with and regulated by the Securities and Exchange Commission (SEC);

(2) provides the SAHT with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940;

(3) has a dollar-weighted average stated maturity of 90 days or fewer; and

(4) includes in its investment objectives the maintenance of a stable net asset value of $1 for each share.

In addition to a no-load money market mutual fund permitted as an authorized investment, a no-load mutual fund is an authorized investment if the mutual fund:

(1) is registered with the Securities and Exchange Commission;

(2) has an average weighted maturity of less than two years;

(3) is invested exclusively in obligations approved by the Act and this Policy;

(4) is continuously rated as to investment quality by at least one nationally recognized credit rating agency of not less than "AAA" or its equivalent; and

(5) conforms to the requirements set forth in Sections 2256.016 (b) and (c) of the Act, relating to the eligibility of investment pools to receive and invest funds of investing entities.

Mutual Fund Restrictions**:** SAHT may ***not***:

(1) invest in the aggregate more than 15 percent of its monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service, in no-load mutual funds described above;

(2) invest any portion of bond proceeds, reserves and funds held for debt service, in the authorized no-load mutual funds described above; or

(3) invest its funds or funds under its control, including bond proceeds and reserves and other funds held for debt service, in any one *no-load money market mutual fund* or no-load mutual fund described above in an amount *that exceeds 10 percent* of the total assets of such fund.

Guaranteed Investment Contract

A guaranteed investment contract (GIC) is a contract between an insurance company and an investor, typically a pension fund or an employer-sponsored retirement plan. The investor agrees to deposit a sum of money with the insurer for a specified period, and the insurer promises to pay the investor an agreed-upon interest rate, as well as to return its principal. A guaranteed investment contract is an authorized investment for bond proceeds if the guaranteed investment contract:

(1) has a defined termination date;

(2) is secured by obligations described by Section 2256.009(a)(l) of the Act, excluding those obligations described by Section 2256.009(b), in an amount at least equal to the amount of bond proceeds invested under the contract; and

(3) is pledged to the SAHT and deposited with SAHT or with a third party selected and approved by the SAHT.

Bond proceeds, other than bond proceeds representing reserves and funds maintained for debt service purposes, may not be invested in a guaranteed investment contract with a term of longer than five years from the date of issuance of the bonds. To be eligible as an authorized investment:

(1) the governing body of the SAHT entity must specifically authorize guaranteed investment contracts as an eligible investment in the order, ordinance, or resolution authorizing the issuance of bonds;

(2) SAHT must receive bids from at least three separate providers with no material financial interest in the bonds from which proceeds were received.

(3) SAHT must purchase the highest yielding guaranteed investment contract for which a qualifying bid is received.

(4) the price of the guaranteed investment contract must consider the reasonably expected drawdown schedule for the bond proceeds to be invested; and

(5) the provider must certify the administrative costs reasonably expected to be paid to third parties in connection with the guaranteed investment contract.

Investment Pools

SAHT may invest its funds and funds under its control through an eligible investment pool if the respective SAHT Board, authorizes investment in the pool. The investment pool must only invest in those instruments authorized by the Act and this Policy. To be eligible to receive funds from and invest funds on behalf of SAHT, an investment pool must furnish to the SAHT through an Investment Officer or other authorized representative of the SAHT, an offering circular or other similar disclosure instrument that contains, at a minimum, the following information:

(1) the types of instruments in which the money is allowed to be invested;

(2) the maximum average dollar-weighted maturity allowed, based on the stated maturity date of the pool;

(3) the maximum stated maturity date any investment security within the pool;

(4) the objectives of the pool;

(5) the size of the pool;

(6) the names of the members of the advisory board of the pool and the dates their terms expire;

(7) the custodian bank that will safekeep the pool's assets;

(8) whether the intent of the pool is to maintain a net asset value of one dollar and the risk of market price fluctuation;

(9) whether the only source of payment is the assets of the pool at market value or whether there is a secondary source of payment, such as insurance or guarantees, and a description of the secondary source of payment;

(10) the name and address of the independent auditor of the pool;

(11) the requirements to be satisfied for the SAHT to deposit funds in and withdraw funds from the pool and any deadlines or other operating policies required for the SAHT to invest funds in and withdraw funds from the pool; and

(12) the performance history of the pool, including yield, average dollar-weighted maturities, and expense ratios.

In addition, to maintain eligibility to receive funds from and invest funds on behalf of SAHT, an investment pool must furnish to SAHT, through an Investment Officer, or other authorized representative of SAHT:

(1) investment transaction confirmations; and

(2) a monthly report that contains, at a minimum, the following information: the types and percentage breakdown of securities in which the pool is invested; the current average dollar-weighted maturity, based on the stated maturity date, of the pool; the current percentage of the pool's portfolio in investments that have stated maturities of more than one year; the book value versus the market value of the pool's portfolio, using amortized cost valuation; the size of the pool; the number of participants in the pool; the custodian bank that is safekeeping the assets of the pool; a listing of daily transaction activity relating to SAHT’s participation in the pool; the yield and expense ratio of the pool; the portfolio managers of the pool; and any changes or addenda to the offering circular.

To be eligible to receive funds from and invest funds on behalf of SAHT, a public funds investment pool created to function as a money market mutual fund must mark its portfolio to market daily, and, to the extent reasonably possible, stabilize at $1.00 net asset value.

If the ratio of the market value of the portfolio divided by the book value of the portfolio is less than 0.995 or greater than 1.005, portfolio holdings shall be sold as necessary to maintain the ratio between 0.995 and 1.005.

To be eligible to receive funds from and invest funds on behalf of SAHT a public funds investment pool must have an advisory board composed:

> (1) equally of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for a public funds investment pool created under Chapter 791 of the Texas Government Code and managed by a state agency; or
>
> (2) of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for other investment pools.

To maintain eligibility to receive funds from and invest funds on behalf of SAHT, an investment pool must be continuously rated no lower than "AAA" or "AAA-m" or at an equivalent rating by at least one nationally recognized credit rating agency. A public funds investment pool must be continuously rated no lower than "AAA" or "AAA-m" or at an equivalent rating by at least one nationally recognized credit rating agency or no lower than investment grade by at least one nationally recognized credit rating agency with a weighted average maturity no greater than 90 days.

San Antonio Housing Trust Public Facility
Agenda Item 11

Briefing, discussion and possible action regarding Memorandum of Understanding between the San Antonio Housing Trust Public Facility Corporation and SA Ready to Work.

Background

To improve outcomes for residents at San Antonio Housing Trust affiliated properties, staff connected with Mike Ramsey with the ***SA Ready to Work*** Program to develop criteria on how to intersect housing and workforce development.

The City of San Antonio's Workforce Development Office Ready to Work Program offers a variety of training and educational programs. Ready to Work (RTW) is San Antonio's unprecedented education and job placement program. In 2020, San Antonio voters approved the $200 million program, which is funded by a 1/8-cent sales tax over the next several years. Local employers have pledged support for the program and provide guidance relating to in-demand, well-paid occupations, and relevant training.

Memorandum of Understanding

The San Antonio Housing Trust proposes partnering with RTW through a Memorandum of Understanding for the purpose of providing residents at San Antonio Housing Trust affiliated apartment communities high-quality, accessible career pathways through RTW. Residents who qualify for Ready to Work will be eligible receive the following wrap-around supports on-site at housing properties:

1. Career Coaching
2. Benefits Navigation
3. Financial Counseling
4. Training Course Enrollment
5. Funding for Emergencies
6. Interview Prep
7. Job Placement
8. Job Retention

In addition, SAHT will collaborate with SA Ready to Work by:

1. Meet regularly to foster communication;
2. Develop action plans;
3. Implement strategies that enhance the missions of both organizations;
4. Promote the Ready to Work program to eligible housing development residents;
5. Provide local contractors a reliable avenue for sourcing talent;

6. Leverage each organization's respective resources; and
7. Monitor and report participant progress.

The two recently approved projects, Caroline at Salado Creek and Caroline at Sonterra have agreed to participate in this program. The Director of Asset Management is coordinating with SA Ready to Work to host an ***online event*** for our current Property Management Teams to establish RTW connections at existing SAHT apartment communities. The event will be scheduled tentatively at the end of June after the Board approves the MOU.

Recommendation:

The Finance Committee recommends approving the Memorandum of Understanding between the San Antonio Housing Trust Public Facility Corporation and SA Ready to Work.

Attachment:

Memorandum of Understanding

Resolution

MEMORANDUM OF UNDERSTANDING

Between

The City of San Antonio

And

San Antonio Housing Trust and Affiliated Entities

Background

This Memorandum of Understanding ("**MOU**"), is entered into between the City of San Antonio (the "**City**") and San Antonio Housing Trust and Affiliated Entities (each referred to herein as a "**Party**" and collectively referred to as the "**Parties**") to establish an informal relationship for the purpose of providing residents at San Antonio Housing Trust affiliated apartment communities high-quality, accessible career pathways through the Ready to Work program.

Residents who qualify for Ready to Work will be eligible receive the following wraparound supports on-site at housing properties:

1. Career Coaching
2. Benefits Navigation
3. Financial Counseling
4. Training Course Enrollment
5. Funding for Emergencies

6. Interview Preparation
7. Job Placement
8. Job Retention

The Parties envision collaborating in the following ways:

1. Meet regularly to foster communication;
2. Develop action plans;
3. Implement strategies that enhance the missions of both organizations;
4. Promote the Ready to Work program to eligible housing development residents;
5. Provide local building and maintenance contractors a reliable avenue for sourcing talent;
6. Leverage each organization's respective resources; and
7. Monitor and report participant progress.

The City agrees to:

1. Provide guidance to San Antonio Housing Trust and Affiliated Entities in creating appropriate Ready to Work promotional materials for residents;
2. Coordinate with Ready to Work partner agencies to ensure on-site resource centers are appropriately staffed;
3. Provide programmatic updates to Housing Trust and Affiliated Entities as needed to effectively promote to residents (e.g. changes to eligibility criteria, upcoming job fairs).

San Antonio Housing Trust and Affiliated Entities agree to:

1. Provide a dedicated on-site resource center at each housing development for Ready to Work partner agencies to provide intake, case management, and wraparound services to residents;
    a. Ensure these resource centers are:
    b. At least 150 sq. ft. in size;

    c. Furnished with at least one computer, one wall monitor, one desk, and chairs appropriate to the size of the space; and
2. Accessible to residents during regular business hours.
3. Co-promote the Ready to Work program to all housing development residents;
4. Encourage contracting entities utilized for building and maintenance of housing properties to sign the Ready to Work Employer Pledge;
5. Encourage these contracting entities to make a good-faith effort to hire qualified Ready to Work training completers to fill their open positions whenever possible. These positions must:
    a. Pay at least $15/hr.; and
    b. Offer employee benefits (e.g. health insurance, retirement benefits)

Terms and Amendment

This MOU shall commence upon the execution by the Parties and will remain in effect until (1) amended in writing at any time by mutual agreement of both parties, or (2) by termination by either party upon 30 days advance written notice (i.e., a formal letter signed by administration of either party).

This MOU shall not be interpreted as a contract or as a mutually exclusive agreement between the two parties. The Parties understand that this MOU does not constitute an expressed or an implied endorsement of the opinions, products or services of either party, and neither party will be bound by the acts or the conduct of the other party.

City of San Antonio

_____
Signature

_____
Printed Name and Title

_____
Date

San Antonio Housing Trust Public Facility Corporation

_____
Signature

_____
Printed Name and Title

_____
Date

SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION

RESOLUTION NO. PFC23-0616-11

A RESOLUTION BY THE BOARD OF DIRECTORS AUTHORIZING THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH THE CITY OF SAN ANTONIO, IN ORDER TO ALLOCATE THE RESPECTIVE ROLES AND RESPONSIBILITIES IN ADMINISTERING AND OPERATING THE "READY TO WORK" PROGRAM; AUTHORIZING THE ASSISTANT SECRETARY TO EXECUTE THE MOU; AND ADDRESSING RELATED MATTERS.

RECITALS

WHEREAS, the City of San Antonio (sometimes "City") provides educational, job placement, training, and related resources to City residents through its "Ready to Work" program; and

WHEREAS, in providing such services, the Ready to Work program serves a significant need in the community by assisting residents to acquire the necessary skills and credentials to obtain and retain employment and career opportunities, which in turn improves residents' quality of life; and

WHEREAS, the San Antonio Housing Trust Public Facility Corporation (sometimes "PFC") finds that the Ready to Work program services are aligned with the PFC objectives of improving residents' quality of life by creating new affordable housing opportunities within the community; and

WHEREAS, in consideration of the aforementioned findings and understandings, the PFC Board of Directors hereby finds that it is in the best interests of the community to enter into the Memorandum of Understanding with the City as provided herein in order to further promote the public benefits provided by the program;

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 Assistant Secretary to execute the Memorandum of Understanding with the City of San Antonio in order to further the objectives of the Ready to Work program, as attached herein as Exhibit "A" to this Resolution .

Section 3. 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 4. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 5. 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 6. 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 7. 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_____, 2023.

SIGNED:

_____
Councilwoman Adriana Rocha Garcia
President

ATTEST:

_____
Jordan Ghawi, Secretary

San Antonio Housing Trust Public Facility
Agenda Item 12

Briefing on State of Texas Legislative Actions.

Briefing on State of Texas Legislative Actions

There were four major pieces of legislation that impact the affordable housing space. The following were sent to the Governor for signature. A special session was called by the Governor, which will focus on legislation to cut property-tax rates solely by reducing the school district maximum compressed tax rate in order to provide lasting property-tax relief for Texas taxpayers.

Public Facility Corporation (HB 2071/SB 1278)

On May 25, 2022, the Texas Legislature voted to amend **Section 303** (PFC) of Local Government Code making substantial revisions to the *PFC structure deals.* The amendments will take effect immediately upon enactment by the Governor or June 18th.

1. Limits multifamily residential development to inside the boundaries of the sponsor.
2. Requires PFC board to be subject to same conflict of interest restrictions as local public officials.
3. Standardizes definition of affordability across non-market units & pro-rata share of unit types
4. Requires a recorded Land Use Restriction for not less than 10 years.
5. Requires PFCs notify all taxing units where the project is located 30 days prior to PFC final approval.
6. Tax Exemption on New Construction or Adaptive Reuse expires on the 60th anniversary of closing but is eligible for renewal.
7. Tax Exemption for Acquisition expires on 30th anniversary of purchase but is eligible for renewal.
8. Establishes minimum affordability criteria of 10% of units reserved <60% AMI and 40% of units reserved <80% AMI for New Construction MF Rental
9. Acquisition of existing apartment must expend 15% of gross project cost on rehabilitation ***or*** have 25% of units at 60% AMI plus 40% at 80% AMI and must get City of San Antonio Council approval.
10. Acquisition of an existing occupied apartment must come into compliance with affordability standards within 1 year of acquisition.
11. Requires obtaining a 3rd Party (financial advisor) Underwriter's assessment to determine:
    - New construction project would not be feasible without the participation of the PFC
    - Acquisition, a financial advisor must determine if total rent reduction is not less than 60% of the value of the estimated tax exemption value for 1st - 4 years.
12. Ensures Section 8 residents are not discriminated against.

13. Requires publishing both compliance with tenant policies and tenant Section 8 Voucher policies.
14. Requires affirmative marketing to Section 8 Voucher holders.
15. Requires notifications to SAHA and Bexar HA of acceptance of vouchers at the property.
16. Requires completion and publication of an annual compliance audit to TDHCA.
17. Requires a different independent compliance auditor every 3 years.
18. Adds Tenant Protections (similar to SAHT's TPP)

Does not appear to negatively impact LIHTC or Essential Bond executions.

Establishing a Texas Housing Tax Credit Program (HB 1058/SB 325)

The Texas Legislature voted to create a State of Texas Housing ***Tax Credit Program*** to help supplement the needs for gap financing of 4% and 9% LIHTC. The program is anticipated to generate $250M in tax credits against Franchise Tax and State Insurance Premium Taxes which can be sold to raise capital to meet the rising costs of developments. TDHCA will manage the program and will start developing rule making later this summer. Anticipated start date is January 1, 2024 in time for the new 2024 LITHC Cycle.

Establishing Priorities for Private Activity Bonds for Rental Projects (HB 1766/SB 1651)

Establishes updated Private Activity Bond "priorities" for awarding a reservation that focuses on certifying an issuers compliance (4 year look back) before approving an issuance of bonds. Also give priority to projects needing additional bonds to meet the 50% test.

Prohibits POA's from discriminating against rental voucher holders (HB 1193)

A POA may not include or enforce restrictions on a property owner to keep them from renting a dwelling based on renters method of payment.