

AUG 16
2018

**LAS VARAS PUBLIC
FACILITY CORPORATION
MEETING**



SAHA | SAN ANTONIO
HOUSING AUTHORITY
Opportunity Lives Here



BOARD OF DIRECTORS

Chairman Morris A. Stribling, DPM	Vice-Chairman Charles R. Muñoz	Director Thomas F. Adkisson	Director Francesca Caballero	Director Charles Clack	Director Marie R. McClure	Director Jessica Weaver
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**Las Varas Public Facility Corporation
Board Meeting
818 S. Flores St., San Antonio, TX, 78204
2:00 p.m., Thursday, August 16, 2018**

1. Meeting called to order

The Board of Directors may hold a closed meeting pursuant to Texas Government Code § 551.071-076 for consultation concerning attorney-client matters, real estate, litigation, personnel, and security matters. The Board reserves the right to enter into closed meeting at any time during the course of the meeting.

2. Minutes

- Approval of the August 2, 2018, Las Varas Public Facility Corporation Meeting minutes

3. Consideration and appropriate action regarding Resolution 18LVPFC-08-16, authorizing Las Varas Public Facility Corporation to declare its intent to issue bonds to provide financing for a multifamily residential rental development for persons of low and moderate income (Wurzbach Manor Apartments); prescribing certain terms and conditions of such bonds; authorizing the filing of an application for allocation of private activity bonds with the Texas Bond Review Board; and other matters in connection therewith (Timothy E. Alcott, Real Estate and Legal Services Officer; Lorraine Robles, Director of Development Services and Neighborhood Revitalization)

4. Adjournment

* Note: Whenever the Texas Open Meetings Act (Section 551.001 et seq. of the Texas Government Code) provides for a closed meeting in matters concerning legal advice, real estate, contracts, personnel matters, or security issues, the Board may find a closed meeting to be necessary. For convenience of the citizens interested in an item preceded by an asterisk, notice is given that a closed meeting is contemplated. However, the Board reserves the right to go into a closed meeting on any other item, whether it has an asterisk, when the Board determines there is a need and a closed meeting is permitted.

"Pursuant to § 30.06, Penal Code, (trespass by holder license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not attend this meeting with a concealed handgun."

"Pursuant to § 30.07, Penal Code, (trespass by holder license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not attend this meeting with a handgun that is carried openly."

MINUTES
LAS VARAS PUBLIC HOUSING FACILITY CORPORATION
August 2, 2018

SCHEDULED: 2:00 p.m. at San Antonio Housing Authority, 818 S. Flores St., San Antonio, TX, 78204

DIRECTORS PRESENT:

Charles R. Munoz, Vice-Chair
 Thomas F. Adkisson, Director
 Francesca Caballero, Director
 Charles Clack, Director
 Marie R. McClure, Director
 Jessica Weaver, Director

DIRECTORS ABSENT:

Morris A. Stribling, DPM, Chair

BOARD LEGAL COUNSEL:

Doug Poneck, Escamilla & Poneck, LLP

David Nisivoccia, President and CEO
 Muriel Rhoder, Chief Administrative Officer
 Ed Hinojosa, Chief Financial Officer
 Lorraine Robles, Director of Development Services and Neighborhood Revitalization
 Diana Kollodziej Fiedler, Director of Finance and Accounting
 Thomas Roth, Director of Asset Management
 Brandee Perez, Director of Federal Housing Programs

Steven Morando, Director of Procurement and General Services
 Domingo Ibarra, Director of Security
 Hector Martinez, Director of Construction Services and Sustainability
 Jo Ana Alvarado, Director of Innovative Technology
 Kristi Baird, Director of Beacon Communities
 Adrian Lopez, Director of Community Development Initiatives
 Janie Rodriguez, Director of Human Resources

Item 1: Meeting called to order

Vice-Chair Munoz, called the meeting to order at 1:34 p.m.

Item 2: Minutes

- Approval of the July 19, 2018, Las Varas Public Facility Corporation Meeting minutes

Motion: Director Clack moved to approve the minutes. Director Caballero seconded the motion. Approved.

Member	Aye	Nay	Absent At Time of Vote
Charles R. Munoz, Vice-Chair	X		
Thomas F. Adkisson, Director	X		
Francesca Caballero, Director	X		
Charles Clack, Director	X		
Marie R. McClure, Director	X		
Jessica Weaver, Director	X		

Item 3: Resolution 18LVPFC-07-19, concerning the application of the Las Varas Public Facility Corporation, San Antonio Housing Facility Corporation or an affiliated limited partnership relating to the proposed financing and/or issuing of up to \$50,000,000 of tax exempt bonds to pay for the costs of the acquisition, construction, and equipping of the St. John’s Square, to be located on the Southeast Corner of East Nueva St. and St. Mary’s Street; and other matters in connection therewith

Resolution 18LVPFC-07-19, corresponds with San Antonio Housing Authority Resolution 5828 and with San Antonio Housing Facility Corporation Resolution 18FAC-07-19.

Motion: Director Caballero moved to approve Resolution 18LVPFC-07-19. Director Clack seconded the motion. Approved.

Member	Aye	Nay	Absent At Time of Vote
Charles R. Munoz, Vice-Chair	X		
Thomas F. Adkisson, Director	X		
Francesca Caballero, Director	X		
Charles Clack, Director	X		
Marie R. McClure, Director	X		
Jessica Weaver, Director	X		

Item 4: Adjournment.
With no objections, Vice-Chair Munoz adjourned at 1:39 p.m.

ATTEST:

Morris A. Stribling, DPM
Chair, Board of Directors

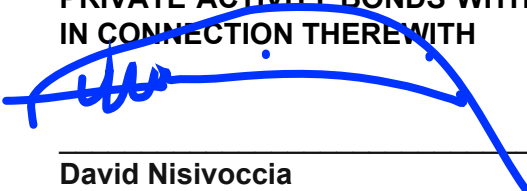
Date

David Nisivoccia
Secretary/Treasurer


Date

BOARD OF DIRECTORS
Las Varas Public Facility Corporation

RESOLUTION 18LVPFC-08-16, AUTHORIZING LAS VARAS PUBLIC FACILITY CORPORATION TO DECLARE ITS INTENT TO ISSUE BONDS TO PROVIDE FINANCING FOR A MULTIFAMILY RESIDENTIAL RENTAL DEVELOPMENT FOR PERSONS OF LOW AND MODERATE INCOME (WURZBACH MANOR APARTMENTS); PRESCRIBING CERTAIN TERMS AND CONDITIONS OF SUCH BONDS; AUTHORIZING THE FILING OF AN APPLICATION FOR ALLOCATION OF PRIVATE ACTIVITY BONDS WITH THE TEXAS BOND REVIEW BOARD; AND OTHER MATTERS IN CONNECTION THEREWITH



David Nisivoccia
President and CEO



Timothy E. Alcott
Real Estate and Legal Services Officer

REQUESTED ACTION:

Consideration and appropriate action regarding Resolution 18LVPFC-08-16, authorizing Las Varas Public Facility Corporation (LVPFC) to declare its intent to issue bonds to provide financing for a multifamily residential rental development for persons of low and moderate income (Wurzbach Manor Apartments); prescribing certain terms and conditions of such bonds; authorizing the filing of an application for allocation of private activity bonds with the Texas Bond Review Board; and other matters in connection therewith.

FINANCIAL IMPACT:

The bonds will assist with financing of Wurzbach Manor Apartments located at 4363 West Dean Pannill Drive, San Antonio, Texas, (Project) and there will be a 2% issuer’s fee.

SUMMARY:

LVPFC was created by the San Antonio Housing Authority, pursuant to the provisions of the Public Facility Corporation Act, Chapter 303, Texas Local Government Code. Part of the financing for the Project will be through 4% tax credits. To issue 4% tax credits, LVPFC must first apply for an allocation of volume cap for private activity bonds, which if received, leads to a non-competitive application process for the 4% tax credits.

To promote certain private activities (which are deemed to benefit the public), each state is authorized to allow the issuance of a set amount of private activity “volume cap” tax-exempt bonds. The volume cap bonds can be allocated to finance multifamily housing projects. Projects that are financed (whether new construction or acquisition/rehab) in part by tax exempt bonds are eligible for 4% tax credits.

LVPFC will seek the approval to take non-binding preliminary action to apply to the Texas Bond Review Board for volume cap in the amount of up to \$20,000,000, to finance the costs of the acquisition, rehabilitation and equipping of multifamily housing residential facility by LIH Wurzbach Manor, LP, or an affiliated Texas limited partnership, and to apply for 4% Tax Credits.

STRATEGIC GOAL:

Strategically expand the supply of affordable housing.

ATTACHMENTS:

Resolution 18LVPFC-08-16

Map

CERTIFICATE FOR RESOLUTION

The undersigned officer of the Las Varas Public Facility Corporation (Issuer) hereby certifies as follows:

1. In accordance with the bylaws of the Issuer, the Board of Directors of the Issuer (Board) held a meeting on September 6, 2018 (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 18LVFPC-08-16, AUTHORIZING LAS VARAS PUBLIC FACILITY CORPORATION TO DECLARE ITS INTENT TO ISSUE BONDS TO PROVIDE FINANCING FOR A MULTIFAMILY RESIDENTIAL RENTAL DEVELOPMENT FOR PERSONS OF LOW AND MODERATE INCOME (WURZBACH MANOR APARTMENTS); PRESCRIBING CERTAIN TERMS AND CONDITIONS OF SUCH BONDS; AUTHORIZING THE FILING OF AN APPLICATION FOR ALLOCATION OF PRIVATE ACTIVITY BONDS WITH THE TEXAS BOND REVIEW BOARD; AND OTHER MATTERS IN CONNECTION THEREWITH

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

2. A true, full, and correct copy of the Resolution adopted at the Meeting is attached to and follows this Certificate; the Resolution has been duly recorded in the Board's Meeting 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.

APPROVED the 6th day of September 2018.

David Nisivoccia
Secretary/Treasurer

**Las Varas Public Facility Corporation
Resolution 18LVPFC-08-16**

AUTHORIZING LAS VARAS PUBLIC FACILITY CORPORATION TO DECLARE ITS INTENT TO ISSUE BONDS TO PROVIDE FINANCING FOR A MULTIFAMILY RESIDENTIAL RENTAL DEVELOPMENT FOR PERSONS OF LOW AND MODERATE INCOME (WURZBACH MANOR APARTMENTS); PRESCRIBING CERTAIN TERMS AND CONDITIONS OF SUCH BONDS; AUTHORIZING THE FILING OF AN APPLICATION FOR ALLOCATION OF PRIVATE ACTIVITY BONDS WITH THE TEXAS BOND REVIEW BOARD; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the Housing Authority of the City of San Antonio, Texas (Unit), has, pursuant to the Texas Public Facility Corporations Act, Chapter 303, Texas Local Government Code, as amended (Act), approved and created the Las Varas Public Facility Corporation, a nonprofit public facility corporation (Issuer);

WHEREAS, the Issuer is empowered to finance the costs of public facilities consisting of a residential development that will provide decent, safe, and sanitary housing at affordable prices for residents of the City of San Antonio, Texas (City), by the issuance of housing revenue bonds;

WHEREAS, LIH Wurzbach Manor, LP, or an affiliated Texas limited partnership (User), requests that (i) the Issuer finance the acquisition, rehabilitation, and equipping of up to 161-unit multifamily housing residential facility to be located at approximately 4363 West Dean Pannill Drive, San Antonio, Texas, and to be known as the Wurzbach Manor Apartments (Project); and (ii) the Issuer file and/or refile a 2018, and/or any subsequent year Application (defined hereafter) and/or any carryforward application to the Texas Bond Review Board as described herein;

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

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

WHEREAS, this Resolution shall constitute the Issuer's intent, subject to the terms hereof, to issue Bonds, or other obligations, pursuant to the Act in an amount prescribed by the User now contemplated not to exceed \$20,000,000 and to expend the proceeds thereof to pay Development Costs including costs of acquisition, rehabilitation, equipping, and improvement of the Project, funding a debt service or other reserve fund for the Project, and paying expenses

and costs in connection with the issuance of the Bonds, including costs of obtaining credit enhancement, if any;

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

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

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

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

WHEREAS, in order to satisfy, in part, the provisions of the Allocation Act, the Issuer must submit an “Application for Allocation of Private Activity Bonds” (Application) to the Texas Bond Review Board and adopt this Resolution authorizing the filing, and re-filing, either for carryforward volume cap or filing in subsequent years, of the Application;

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

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

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

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

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

NOW THEREFORE BE IT RESOLVED that the Board of Directors of Las Varas Public Facility Corporation hereby:

- 1) Subject to the terms hereof, the Issuer agrees that it will:

- a. subject to the negotiation of mutually acceptable agreements, issue the Bonds, in an amount not to exceed \$20,000,000;
 - b. cooperate with the User with respect to the issuance of the Bonds, and, if arrangements therefore satisfactory to the User and the Issuer can be made, take such action and authorize the execution of such documents and take such further action as may be necessary or advisable for the authorization, execution, and delivery of any contracts or agreements deemed necessary and desirable by the User or the Issuer in connection with the issuance of the Bonds (Contracts), providing among other things for payment of the principal of, interest on, redemption premiums on, and paying agents' and trustee's fees and charges, if any, on the Bonds; payment of fees, charges, and expenses of the Issuer and the City (including legal and financial advisory expenses); acquisition, construction, equipping, and improvement of the Project; and use, operation, and maintenance of the Project (and the execution of any necessary guaranty agreements), all as shall be authorized, required, or permitted by law and as shall be satisfactory to the Issuer, the City, and the User;
 - c. if the proceeds from the sale of the Bonds are insufficient to complete the acquisition, construction, equipping, and improvement of the Project, take such actions and execute such documents as may be necessary to permit the issuance from time to time in the future of additional bonds on terms which shall be set forth herein, whether on a parity with other series of bonds or otherwise, for the purpose of paying the costs of completing the acquisition, construction, equipping, and improvement of the Project, as requested by the User and within then applicable limitations; and
 - d. take or cause to be taken such other actions as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.
- 2) The Bonds shall specifically provide that neither the State of Texas (State), the City, nor any political issuer, subdivision, or agency of the State shall be obligated to pay the same or the interest thereon and that neither the faith and credit nor the taxing power of the State, the City, or any political issuer, subdivision, or agency thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.
- 3) It is understood by the Issuer, and the User has represented to the Issuer, that in consideration of the Issuer's adoption of this Resolution and by filing the Application, and subject to the terms and conditions hereof, the User has agreed that:
- a. prior to or contemporaneously with the sale of the Bonds in one or more series or issues from time to time as the Issuer and the User shall hereafter agree to in writing, the User will enter into the Contracts with the Issuer under the terms of which the User will obligate itself to pay to the Issuer (or to a trustee, as the case may be) sums sufficient in the aggregate to pay the principal of, interest on, redemption premiums on, paying agents' and trustee's fees and charges, if any, on the Bonds, as and when the same

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

- b. the User will (1) pay all Project costs which are not or cannot be paid or reimbursed from the proceeds of the Bonds and (2) at all times from and after the issuance of the Bonds, indemnify and hold harmless the Issuer and the City against all losses, costs, damages, expenses, and liabilities of whatsoever nature (including, but not limited, to reasonable attorneys' fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to the issuance, offering, sale, or delivery of the Bonds, or the design, construction, equipping, installation, operation, use, occupancy, maintenance, or ownership of the Project (other than claims arising from the gross negligence or willful misconduct of the Issuer or the City) and prior to or contemporaneously with the sale of the Bonds will agree to provide indemnification on terms satisfactory to the Issuer.
- 4) The User is hereby authorized to make all filings necessary to obtain and maintain tax credits on the Project.
 - 5) Except as expressly extended by the Issuer, it is understood by the Issuer and the User that all commitments of the Issuer with respect to the Project and the Bonds are subject to the condition that the Bonds shall have been issued no later than two years from the date of this Resolution.
 - 6) It is recognized and agreed by the Issuer that the User may exercise its rights and perform its obligations with respect to the financing of the Project either through (i) itself in its own name; (ii) any "related person" as defined in section 144(a)(3) of the Code; (iii) any legal successor thereto; (iv) an entity in which any of the above is a general partner or sole member; or (v) or any entity approved by the Issuer, provided that suitable guaranties necessary or convenient for the marketability of the Bonds shall be furnished, if required by the Issuer, and all references herein to the User shall be deemed to include the User acting directly through itself or any such approved entities.
 - 7) This Resolution shall be deemed to constitute the acceptance of the User's proposal that it be further induced to proceed with providing the Project. The Application and this Resolution shall constitute an agreement between the Issuer and the User effective on the date that this Resolution is adopted. This Resolution is affirmative official action taken by the Issuer towards the issuance of the Bonds in order to comply with the requirements of the Code. **Neither the User nor any other party is entitled to rely on this Resolution as a commitment to issue bonds or loan funds, and the Issuer reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Issuer shall not be subject to any liability or damages of any nature. Neither the User nor any one claiming by, through or under the User, nor any investment banking firm or potential purchaser**

of the Bonds shall have any claim against the Issuer whatsoever as a result of any decision by the Issuer not to issue the Bonds.

- 8) The Issuer hereby adopts this Resolution in order to satisfy the requirements of the Allocation Act pertaining to the issuance of the Bonds and authorizes any officer or designee of the Issuer to prepare and file a 2018 and/or 2019 Application, and/or any carryforward Application, together with all required attachments (including obtaining the Issuer's Certificate of Good Standing from the Comptroller of Public Accounts for the State of Texas) in the form required by the Texas Bond Review Board.
- 9) The Issuer respectfully requests that the Application be accepted and approved by the Texas Bond Review Board.
- 10) Any officer of the Issuer (or his designee) is hereby authorized to execute the Application, to pay (or cause the User to pay) the Application Fee of \$5,000 for each Application (submitted to the Issuer by the User) to the Texas Bond Review Board and to submit any additional information or to make any necessary corrections or revisions requested by the Texas Bond Review Board in order to satisfy the requirements of the Allocation Act in connection with the Application.
- 11) The Board certifies that the Bonds are not being issued for the same stated purpose for which the Issuer has received sufficient carryforward during a prior year or for which there exists unexpended proceeds from a prior issue or issues of bonds issued by the Issuer.
- 12) In connection with the issuance of the Bonds, the Board hereby authorizes its bond counsel to arrange for the publication of a notice of public hearing in the City of San Antonio, Texas regarding the Bonds for the purpose of complying with section 147(f) of the Code. The form of notice of such hearing and the date, place, and manner of its publication shall be acceptable to the Corporation's bond counsel. The hearing shall be held by the Corporation's bond counsel.
- 13) Based upon representations from the User, the Issuer reasonably expects to reimburse the Expenditures with proceeds of the Bonds in a principal amount that will not exceed \$20,000,000. This Resolution shall constitute a declaration of official intent under the Treasury Regulation Section 1.150-2.
- 14) The Board authorizes any officer of the Issuer to execute any documents or certificates necessary to seek the approval of the Bonds by the Texas Attorney General.
- 15) The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.
- 16) All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict,

and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

- 17) If any provision of this Resolution or the Application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been enacted without such invalid provision.
- 18) That the Issuer hereby authorizes the filing and any resubmission of an Application with the TBRB, that Coats Rose, P.C. be designated as the authorized representative of the Issuer for purposes of an Application and that any officer of the Issuer is hereby authorized and directed to execute an Application on behalf of the Issuer and to take any and all other actions related to such Application or necessary or desirable to carry out the provisions of this Resolution.
- 19) This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.
- 20) This Resolution shall be in force and effect from and after its passage.

Passed and approved the 6th day of September 2018.

Morris A. Stribling, DPM
Chair, Board of Directors

Attested and approved as to form:

David Nisivoccia
Secretary/Treasurer

Wurzbach Manor Apartments

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