LAS VARAS PUBLIC FACILITY CORPORATION MEETING

AUG. 1 2019
MEETING CALLED TO ORDER
1. 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.

MINUTES
2. Minutes
   - Approval of the July 19, 2019, Las Varas Public Facility Corporation Board Meeting minutes

OPERATIONS
3. Consideration and approval regarding Resolution 19-LVPFC-07-22, concerning the application of 1604 Lofts Ltd. relating to the proposed financing of up to $38,000,000.00 of the costs of the acquisition, construction, and equipping of the 1604 Lofts Apartments, to be located near the northwest corner of Loop 1604 and IH-10, Converse, Texas; and other matters in connection therewith (Timothy E. Alcott, Real Estate and Legal Services Officer)

4. Consideration and approval regarding Resolution 19-LVPFC-07-23, concerning the application of Old Pearsall Flats Ltd. relating to the proposed financing of up to $41,000,000.00 of the costs of the acquisition, construction, and equipping of the Old Pearsall Flats Apartments, to be located on at 9326 SW Loop 410, San Antonio, Texas; and other matters in connection therewith (Timothy E. Alcott, Real Estate and Legal Services Officer)

5. Consideration and approval regarding Resolution 19-LVPFC-07-24, concerning the application of Trader Flats Ltd. relating to the proposed financing of the costs of up to $38,000,000.00 of the acquisition, construction, and equipping of the Trader Flats Apartments, to be located at 8671 SW Loop 410, San Antonio, Texas; and other matters in connection therewith (Timothy E. Alcott, Real Estate and Legal Services Officer)

6. Consideration and approval regarding Resolution 19-LVPFC-07-25, concerning the application of Kitty Hawk Ltd. relating to the proposed financing of up to $28,000,000.00 of the costs of the acquisition, construction, and equipping of the Kitty Hawk Apartments, to be located at the north corner of Kitty Hawk and O’Connor Roads, San Antonio, Texas; and other matters in connection therewith (Timothy E. Alcott, Real Estate and Legal Services Officer)

7. Consideration and approval regarding Resolution 19-LVPFC-07-26, concerning the application of Alazan Courts Ltd. relating to the proposed financing of up to $44,000,000.00 of the costs of the
acquisition, construction, and equipping of the Alazan Courts Apartments, to be located on various lots surrounded by South Colorado, Torreon, South Brazos Streets and West Cesar Chavez Blvd., San Antonio, Texas; and other matters in connection therewith (Timothy E. Alcott, Real Estate and Legal Services Officer)

8. Consideration and approval regarding Resolution 19-LVPFC-07-27, concerning the application of Mira Vista SA Apartments, LP relating to the proposed financing of up to $28,000,000.00 of the costs of the acquisition, construction, and equipping of the Mira Vista Apartments, to be located at 1226 Mira Vista Drive, San Antonio, Texas; and other matters in connection therewith (Timothy E. Alcott, Real Estate and Legal Services Officer)

9. Consideration and approval regarding Resolution 19-LVPFC-07-19, authorizing Weal Development, LLC as developer of St. John’s Square transaction including: (I) execution of all documentation necessary to carry out transaction; (II) authorizing the Las Varas Public Facility Corporation to serve as prime contractor; (III) to enter into an agreement of limited partnership for St. John’s Square; and (IV) obtaining Texas Department of Housing and Community Affairs tax credits for the project and other matters in connection herewith (Timothy E. Alcott, Real Estate and Legal Services Officer)

10. Consideration and approval regarding Resolution 19-LVPFC-07-21 authorizing the resolution of 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 (Charity at Springview 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 containing other provisions relating to the subject (Timothy E. Alcott, Real Estate and Legal Services Officer)

11. Consideration and approval regarding Resolution 19-LVPFC-07-20, the San Antonio Housing Authority (SAHA) authorizes its affiliated entity, the San Antonio Housing Facility Corporation (SAHFC) to authorize the St. Mary’s Tower transaction, including the execution of all documentation necessary to carry out the transaction; authorizing the development and construction of the apartments and the lease of such apartments; authorizing the resolution of Las Varas Public Facility Corporation to issue tax exempt bonds; authorizing the purchase of a membership interest in SAHA St. Mary’s Tower, LLC; authorizing the financing for such transaction; and other matters in connection therewith (Timothy E. Alcott, Real Estate and Legal Services Officer)

12. 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 the 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 FACILITY CORPORATION
July 18, 2019

SCHEDULED: 1:00 p.m. in the Community Room of the H.B. Gonzalez Apartments, 5811 Ingram Road, San Antonio, TX, 78228

COMMISSIONERS PRESENT:
Morris A. Stribling, DPM, Chair
Jessica Weaver, Vice Chair
Charles Clack, Director
Gabriel L. Lopez, Director
Jo-Anne Kaplan, Director
Marie R. McClure, Director

COMMISSIONERS ABSENT:
Sofia A. Lopez, Director

COUNSEL: Doug Poneck, Escamilla & Poneck, LLP

STAFF:
David Nisivoccia, President and CEO
Muriel Rhoder, Chief Administrative Officer
Timothy E. Alcott, Real Estate and Legal Services Officer
Jo Ana Alvarado, Director of Innovative Technology
Kristi Baird, Director of Beacon Communities
Domingo Ibarra, Director of Security
Diana Kollodziej Fiedler, Director of Finance and Accounting
Aiyana Longoria, Director of Internal Audit
Thomas Roth, Director of Asset Management
Adrian Lopez, Director of Community Development Initiatives
Hector Martinez, Director of Construction Services and Sustainability
Richard Milk, Director of Policy and Planning
Steven Morando, Director of Procurement and General Services
Brandee Perez, Director of Federal Housing Programs and Neighborhood Revitalization
Lorraine Robles, Director of Development Services
Janie Rodriguez, Director of Human Resources

Item 1: Meeting called to order
Chair Morris A. Stribling, DPM, called the meeting to order at 2:48 p.m.

Item 2: Minutes
● Approval of the February 21, 2019, Las Varas Public Facility Corporation Meeting minutes

Motion: Director Clack moved to approve the all sets of minutes. Vice Chair Weaver seconded the motion. Approved.

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**OPERATIONS**

**Item 3:** Consideration and appropriate action regarding Resolution 19-LVPFC-07-22, concerning the application of 1604 Lofts Ltd. relating to the proposed financing of up to $38,000,000.00 of the costs of the acquisition, construction, and equipping of the 1604 Lofts Apartments, to be located near the northwest corner of Loop 1604 and IH-10, Converse, Texas; and other matters in connection therewith

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**Item 6:** Consideration and appropriate action regarding Resolution 19-LVPFC-07-25, concerning the application of Kitty Hawk Ltd. relating to the proposed financing of up to $28,000,000.00 of the costs of the acquisition, construction, and equipping of the Kitty Hawk Apartments, to be located at the north corner of Kitty Hawk and O'Connor Roads, San Antonio, Texas; and other matters in connection therewith

**Item 7:** Consideration and appropriate action regarding Resolution 19-LVPFC-07-26, concerning the application of Alazan Courts Ltd. relating to the proposed financing of up to $34,000,000.00 of the costs of the acquisition, construction, and equipping of the Alazan Courts Apartments, to be located on various lots surrounded by South Colorado, Torreon South Brazos Streets and West Cesar Chavez Blvd., San Antonio, Texas; and other matters in connection therewith

Resolution 19-LVPFC-07-26 was approved with the amendment of proposed financing of up to $44,000,000.00 of the costs of the acquisition, construction, and equipping of the Alazan Courts Apartments, to be located on various lots surrounded by South Colorado, Torreon South Brazos Streets and West Cesar Chavez Blvd., San Antonio, Texas; and other matters in connection therewith.

**Item 8:** Consideration and appropriate action regarding Resolution 19-LVPFC-07-27, concerning the application of Mira Vista SA Apartments, LP relating to the proposed financing of up to $28,000,000.00 of the costs of the acquisition, construction, and equipping of the Mira Vista Apartments, to be located at 1226 Mira Vista Drive, San Antonio, Texas; and other matters in connection therewith

Items 3, 4, 5, 6, 7 and 8 had been previously discussed during the Operations and Choice Neighborhood Committee Meeting of July 18, 2019 as follows: Mr. Timothy E. Alcott, Real Estate and Legal Services Officer, introduced Mr. James P. Plummer of Bracewell LLP and
reported that SAHA is seeking authority to file applications relating to our proposed 2020 4% tax credit projects. All 4% tax credit projects must be financed in part with tax-exempt bonds. In order to issue tax-exempt bonds, the issuer must obtain a volume cap allocation from the Texas Bond Review Board. This is time sensitive and can be competitive. SAHA will be applying for volume cap, which will not be awarded until the end of the year, if any volume cap is available. Certain state agencies have the right to use available volume cap before local agencies, and last year the state agencies used almost all of the volume cap and only seven local agency projects received volume cap. Volume cap available to local agencies is awarded on a first come, first served basis, according to when the application is submitted. Therefore, SAHA would need to submit applications as soon as possible. SAHA must also apply for tax credits to the Texas Department of Housing and Community Development. Accordingly, Staff is requesting that the Board authorize these actions so that SAHA may begin the process, but SAHA is not asking to specifically approve or be bound to these projects. These are non-binding Resolutions. This will enable SAHA to move forward, make applications for volume cap and tax credits and begin to coordinate the financing and negotiate the specific terms of the deals, which will be brought back for Board approval.

Item 9: Consideration and appropriate action regarding Resolution 19LVPFC-07-19, authorizing Weal Development, LLC as developer of St. John's Square transaction including: (I) execution of all documentation necessary to carry out transaction; (II) authorizing the Las Varas Public Facility Corporation to serve as prime contractor; (III) to enter into an agreement of limited partnership for St. John's Square; and (IV) obtaining Texas Department of Housing and Community Affairs tax credits for the project and other matters in connection herewith

Mr. Alcott, introduced Mr. Bill Walters with Coats Rose, P.C. and reported that St. John’s Square is an 8-story, 251 unit apartment complex proposed on a 1.314 acre existing parking lot at the corner of South St. Mary’s Street and East Nueva Street. The project would be Type II Construction with a podium that wraps around a precast concrete 8-level public and private parking garage. Conceptually, this project aims to add to its historic surroundings on the outside while finding elements of contemporary surprise as patrons move inside the building. The project offers four different scales of street and community building activity: 1) Retail and Restaurant at ground floor; 2) Walk-up “brownstone” Units at ground floor; 3) Studio units with “back patios”; 4) Community spaces on each level. The new development will provide a mix of one-, two- and three-bedroom units with appropriate design considerations and amenities.

Mr. Alcott further reported that Weal Development, LLC will partner with the San Antonio Housing Authority, which will benefit both entities. The partnership will receive the benefit of the Las Varas Public Facility Corporation’s ad valorem tax exemption, as well as its sales tax exemption, and the agency will add units to its affordable housing portfolio, enabling the agency to serve more residents and further its mission.

Item 10: Consideration and appropriate action regarding Resolution 19LVPFC-07-21 authorizing the resolution of 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 (Charity at Springview 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 containing other provisions relating to the subject

Ms. Lorraine Robles, Director of Development Services and Neighborhood Revitalization, reported that part of the financing for the Project will be through 4% tax credits. To issue 4% tax credits, the SAHA affiliate, Las Varas Public Facility Corporation (LVFPC) 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 approval to take non-binding preliminary action to apply to the Texas Bond Review Board for volume cap in the amount of up to $20,000,000.00 and to apply for 4% Tax Credits to finance the costs of the acquisition, rehabilitation and equipping of multifamily housing residential facility by ARDC Springview, Ltd., or an affiliated Texas limited partnership, to be located at approximately 210 South Grimes Street, San Antonio, Texas 78203, and to be known as the Charity at Springview Apartments.

**Motion:**
Director Clack moved to approve items 3, 4, 5, 6, 7, 8, 9 and 10. Director Kaplan seconded the motion. Approved.

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**Item 11:** Consideration and appropriate action regarding Resolution 19LVPFC-07-20, the San Antonio Housing Authority (SAHA) authorizes its affiliated entity, the San Antonio Housing Facility Corporation (SAHFC) to authorize the St. Mary’s Tower transaction, including the execution of all documentation necessary to carry out the transaction; authorizing the development and construction of the apartments and the lease of such apartments; authorizing the resolution of Las Varas Public Facility Corporation to issue tax exempt bonds; authorizing the purchase of a membership interest in SAHA St. Mary’s Tower, LLC; authorizing the financing for such transaction; and other matters in connection therewith

Before Item #11 was presented, Commissioner Gabriel L. Lopez recused himself and left the room. After Commissioner Lopez exited the room, Mr. Alcott introduced Mr. Tim Barton, Chief Executive Officer for JMJ Development Inc., who presented the St. Mary’s Tower transaction to the Board of Commissioners during the Operations and Choice Neighborhood Committee Meeting. JMJ has proposed a public-private partnership with SAHA’s affiliated entity, SAHFC, to construct the St. Mary’s Tower development (St. Mary’s Tower or Project). JMJ is also developing the La Villita Tower on the San Antonio, Riverwalk, adjacent to St. Mary’s Tower. La Villita Towers is a “market rate,” 24-story tower containing 226 units with ground level retail spaces. The St. Mary’s Tower is a proposed 24-story, 250-unit Class A multifamily rental housing development to be constructed at 126 Villita Street, at the corner of La Villita and St. Mary’s Street. The total development costs for the Project are estimated to be $63,447,368.00 and it will be composed of one- and two-bedroom units ranging in size from 485-square feet to 1150-square feet.

Mr. Alcott then reported that JMJ, or an affiliate thereof, will (i) be the developer for the Project, (ii) will provide all financing and financial guarantees for the Project, and (iii) will either directly (or through a third Party Management firm) market, lease and manage the Project. Neither SAHA, nor SAHFC, will have any financial obligations with respect to the Project, except to obtain the property tax exemption. SAHFC will own the real estate on which the Project is located.
located. JMJ is approaching the local Tax Increment Reinvestment Zone (TIRZ), the City of San Antonio and Bexar County in an effort to discuss payment and funding options relative to the land acquisition and infrastructure funding, including a 290-space structured parking garage. As the Project is constructed by the development partnership, it will become the property of the SAHFC. The SAHFC will, simultaneously with the closing of its acquisition of the real estate, enter into a 75-year ground lease with St. Mary’s Tower, LP (St. Mary’s Partnership) that is jointly owned by SAHFC and a JMJ affiliate. The SAHFC will have a 25% interest in the cash flow received by the St. Mary’s Partnership after the payment of preferred returns and debt service. At the end of the 75-year lease, the Project, including all the improvements located on the land, will revert back to the SAHFC, which will then own 100% of the Project at that point. Both JMJ and SAHFC will have buy-sell provisions relative to the St. Mary’s Partnership. By the SAHFC owning the Project in fee simple, the Project will be eligible to receive a 100% exemption from the payment of ad valorem taxes so long as at least 50% of the total units (125 units) are restricted for rental by residents earning less than 80% of area median income (AMI). Las Varas Public Facility Corporation will issue housing revenue bonds for the development costs to include acquisition, construction, equipping, and improvement of the project, funding a debt service or other reserve fund for the project, and paying expenses and costs in connection with the issuance of the bonds. The Project will be constructed pursuant to a construction contract from the St. Mary’s Partnership to SAHFC, and a sub-general contract to JMJ. This enables the Project to obtain a sales tax exemption on the materials purchased for the Project. SAHFC will also enter into a development agreement with JMJ addressing the construction and operation of the Project.

Mr. Alcott then reported the financial impact. San Antonio Housing Authority’s affiliated entity, the SAHFC will be paid a $250,000.00 closing fee and the greater of (a) the sum of i) 25% of any and all developer fees (both deferred and current pay), plus ii) the cash flow after debt service; or (b) 25% of the tax savings, as a result of the property tax exemption as a preferred return. SAHFC will also be paid $25,000.00/year as an asset management fee. SAHFC will also receive 25% percent of the net value of the transaction when JMJ Development, LLC, the Developer (JMJ), exits the transaction. It is estimated that SAHFC will earn over $6.9 million in their first ten years of this transaction.

Motion: Director Clack moved to approve Resolution 19LVPFC-07-20. Vice Chair Weaver seconded the motion. Approved.

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Item 12: Adjournment.

With no objections, Chair Morris A. Stribling, DPM, adjourned at 2:52 p.m.
ATTEST:

______________________________  _________________________  
Morris A. Stribling, DPM  Date
Chair, Board of Directors

______________________________  _________________________  
David Nisivoccia  Date
Secretary/Treasurer
CERTIFICATE FOR RESOLUTION
1604 LOFTS APARTMENTS

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 August 1, 2019 (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 19-LVPFC-07-22 CONCERNING THE APPLICATION OF 1604 LOFTS LTD. RELATING TO THE PROPOSED FINANCING OF UP TO $38,000,000.00 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE 1604 LOFTS APARTMENTS, TO BE LOCATED NEAR THE NORTHWEST CORNER OF LOOP 1604 AND IH - 10, CONVERSE, TEXAS; AND OTHER MATTERS IN CONNECTION THEREWITH

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

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

SIGNED this 1st day of August 2019.

___________________
David Nisivocia
Secretary/Treasurer
Las Varas Public Facility Corporation
Resolution 19LVPFC-07-22

RESOLUTION 19-LVPFC-07-22 CONCERNING THE APPLICATION OF 1604 LOFTS LTD. RELATING TO THE PROPOSED FINANCING OF UP TO $38,000,000.00 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE 1604 LOFTS APARTMENTS, TO BE LOCATED NEAR THE NORTHWEST CORNER OF LOOP 1604 AND IH - 10, CONVERSE, TEXAS; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the Housing Authority of the City of San Antonio, Texas (Housing Authority), 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 nonstock, nonprofit public facility corporation (Issuer); and

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

WHEREAS, 1604 Lofts Ltd., a Texas limited partnership (User), has filed an Application (Application), requesting that (i) the Issuer finance the acquisition, construction, and equipping of a proposed 330-unit multifamily housing facility to be located on the tract shown on the attached map and known as the 1604 Lofts Apartments (Project); and (ii) the Issuer file a 2019 and/or 2020 Allocation Application (defined hereafter) and/or any carryforward applications associated with such Allocation Applications to the Texas Bond Review Board as described herein; and

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 any Development Costs, as defined in the Act, for the Project; and

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; and

WHEREAS, this Resolution shall constitute the Issuer’s commitment, subject to the terms hereof, to issue Bonds, or other obligations, pursuant to the Act in an amount prescribed by the User now contemplated not to exceed $38,000,000.00 and to expend the proceeds thereof to pay Development Costs including costs of acquisition, construction, equipping, and improvement of the Project, funding a debt service or other reserve fund for the Project, and paying expenses and costs in connection with the issuance of the Bonds, including costs of obtaining credit enhancement, if any; and

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 (Allocation Act), and various provisions of the Internal Revenue Code of 1986, as amended (Code); and

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; and

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

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; and

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

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

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; and

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; and

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

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

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

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

(a) subject to the negotiation of mutually acceptable agreements, issue the Bonds, in an amount not to exceed $38,000,000.00;

(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 Housing Authority (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 Housing Authority, and the User;

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

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

The Bonds shall specifically provide that neither the State of Texas (State), the Housing Authority, 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 Housing Authority, or any political issuer, subdivision, or agency thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

Section 2. It is understood by the Issuer, and the User has represented to the Issuer, that in consideration of the Issuer’s adoption of this Resolution and by filing the Application, and subject to the terms and conditions hereof, the User has agreed that

(a) prior to or contemporaneously with the sale of the Bonds in one or more series or issues from time to time as the Issuer and the User shall hereafter agree to in writing, the User will enter into the Contracts with the Issuer under the terms of which the User will obligate itself, on a nonrecourse basis, to pay to the Issuer (or to a trustee, as the case may be) sums sufficient in the aggregate to pay the principal of, interest on, redemption premiums on, paying agents’ and trustee’s fees and charges, if any, on the Bonds, as and when the same become due and payable, with such Contracts to contain the provisions described in Section 1 hereof and such other provisions as may be required or permitted by law and to be mutually acceptable to the Issuer and the User;

(b) the User will (1) pay all Project costs which are not or cannot be paid or reimbursed from the proceeds of the Bonds and (2) at all times from and after the issuance of the Bonds, indemnify and hold harmless the Issuer and the Housing Authority 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 Housing Authority) and prior to or contemporaneously
with the sale of the Bonds will agree to provide indemnification on terms satisfactory to the Issuer; and

(c) no Bonds will be issued without the approval of the Housing Authority.

Section 3. The User is hereby authorized to make all filings necessary to obtain and maintain tax credits on the Project.

Section 4. Except as expressly extended by the Issuer, it is understood by the Issuer and the User that all commitments of the Issuer with respect to the Project and the Bonds are subject to the condition that the Bonds shall have been issued no later than two years from the date of this Resolution.

Section 5. 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) any entity approved by the Issuer, provided that suitable guaranties necessary or convenient for the marketability of the Bonds shall be furnished, if required by the Issuer, and all references herein to the User shall be deemed to include the User acting directly through itself or any such approved entities.

Section 6. This Resolution shall be deemed to constitute the acceptance of the User’s proposal that it be further induced to proceed with providing the Project. The Allocation Application and this Resolution shall constitute an agreement between the Issuer and the User effective on the date that this Resolution is adopted. This Resolution is affirmative official action taken by the Issuer towards the issuance of the Bonds in order to comply with the requirements of the Code. **Neither the User nor any other party is entitled to rely on this Resolution as a commitment to issue bonds or loan funds, and the Issuer reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Issuer shall not be subject to any liability or damages of any nature. Neither the User nor any one claiming by, through or under the User, nor any investment banking firm or potential purchaser of the Bonds shall have any claim against the Issuer whatsoever as a result of any decision by the Issuer not to issue the Bonds.**

Section 7. 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 2019 and/or 2020 Allocation Application and/or any carryforward applications associated with such Allocation 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.

Section 8. The Issuer respectfully requests that the Allocation Application be accepted and approved by the Texas Bond Review Board.

Section 9. Any officer of the Issuer (or his designee) is hereby authorized to execute the Allocation Application, to pay (or cause the User to pay) the Application Fee of $5,000.00 for each Allocation Application (submitted to the Issuer by the User) to the Texas Bond Review Board and to submit any additional information or to make any
necessary corrections or revisions requested by the Texas Bond Review Board in order to satisfy the requirements of the Allocation Act in connection with the Allocation Application.

Section 10. The Board certifies that the Bonds are not being issued for the same stated purpose for which the Issuer has received sufficient carryforward during a prior year or for which there exists unexpended proceeds from a prior issue or issues of bonds issued by the Issuer.

Section 11. In connection with the issuance of the Bonds, the Board hereby authorizes its bond counsel to arrange for the publication of a notice of public hearing in the City of San Antonio, Texas regarding the Bonds for the purpose of complying with section 147(f) of the Code. The form of notice of such hearing and the date, place, and manner of its publication shall be acceptable to the Corporation’s bond counsel. The hearing shall be held by the Corporation’s bond counsel.

Section 12. 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 $38,000,000.00. This Resolution shall constitute a declaration of official intent under the Treasury Regulation Section 1.150-2.

Section 13. The Board authorizes the President, Vice President, Secretary, Treasurer or any Assistant Secretary of the Board to execute any documents or certificates necessary to seek the approval of the Bonds by the Texas Attorney General.

Section 14. 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 15. 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 16. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

Section 17. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 18. This Resolution shall be in force and effect from and after its passage.
Passed and approved the 1st day of August 2019.

Morris A. Stribling, DPM
Chair, Board of Directors

Attested and approved as to form:

David Nisivoccia
Secretary/Treasurer
CERTIFICATE FOR RESOLUTION
OLD PEARSELL FLATS APARTMENTS

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 August 1, 2019 (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 19-LVPFC-07-23 CONCERNING THE APPLICATION OF OLD PEARSELL FLATS LTD. RELATING TO THE PROPOSED FINANCING OF UP TO $41,000,000.00 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE OLD PEARSELL FLATS APARTMENTS, TO BE LOCATED AT 9326 SW LOOP 410, SAN ANTONIO, TEXAS; AND OTHER MATTERS IN CONNECTION THEREWITH

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

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

SIGNED this 1st day of August 2019.

___________________
David Nisivocca
Secretary/Treasurer
Las Varas Public Facility Corporation
Resolution 19-LVPFC-07-23

RESOLUTION 19-LVPFC-07-23 CONCERNING THE APPLICATION OF OLD PEARSALL FLATS LTD. RELATING TO THE PROPOSED FINANCING OF UP TO $41,000,000.00 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE OLD PEARSALL FLATS APARTMENTS, TO BE LOCATED AT 9326 SW LOOP 410, SAN ANTONIO, TEXAS; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the Housing Authority of the City of San Antonio, Texas (Housing Authority), 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 nonstock, nonprofit public facility corporation (Issuer); and

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

WHEREAS, Old Pearsall Flats Ltd., a Texas limited partnership (User), has filed an Application (Application), requesting that (i) the Issuer finance the acquisition, construction, and equipping of a proposed 345-unit multifamily housing facility to be located at 9326 SW Loop 410, San Antonio, Texas and known as the Old Pearsall Flats Apartments (Project); and (ii) the Issuer file a 2019 and/or 2020 Allocation Application (defined hereafter) and/or any carryforward applications associated with such Allocation Applications to the Texas Bond Review Board as described herein; and

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 any Development Costs, as defined in the Act, for the Project; and

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; and

WHEREAS, this Resolution shall constitute the Issuer’s commitment, subject to the terms hereof, to issue Bonds, or other obligations, pursuant to the Act in an amount prescribed by the User now contemplated not to exceed $41,000,000.00 and to expend the proceeds thereof to pay Development Costs including costs of acquisition, construction, equipping, and improvement of the Project, funding a debt service or other reserve fund for the Project, and paying expenses and costs in connection with the issuance of the Bonds, including costs of obtaining credit enhancement, if any; and
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); and

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; and

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

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; and

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

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

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; and

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; and

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

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

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

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

(a) subject to the negotiation of mutually acceptable agreements, issue the Bonds, in an amount not to exceed $41,000,000.00;

(b) cooperate with the User with respect to the issuance of the Bonds, and, if arrangements therefor satisfactory to the User and the Issuer can be made, take such action and authorize the execution of such documents and take such further action as may be necessary or
advisable for the authorization, execution, and delivery of any contracts or agreements deemed necessary and desirable by the User or the Issuer in connection with the issuance of the Bonds (collectively, the “Contracts”), providing among other things for payment of the principal of, interest on, redemption premiums on, and paying agents’ and trustee’s fees and charges, if any, on the Bonds; payment of fees, charges, and expenses of the Issuer and the Housing Authority (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 Housing Authority, and the User;

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

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

The Bonds shall specifically provide that neither the State of Texas (State), the Housing Authority, 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 Housing Authority, or any political issuer, subdivision, or agency thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

Section 2. It is understood by the Issuer, and the User has represented to the Issuer, that in consideration of the Issuer’s adoption of this Resolution and by filing the Application, and subject to the terms and conditions hereof, the User has agreed that

(a) prior to or contemporaneously with the sale of the Bonds in one or more series or issues from time to time as the Issuer and the User shall hereafter agree to in writing, the User will enter into the Contracts with the Issuer under the terms of which the User will obligate itself, on a nonrecourse basis, to pay to the Issuer (or to a trustee, as the case may be) sums sufficient in the aggregate to pay the principal of, interest on, redemption premiums on, paying agents’ and trustee’s fees and charges, if any, on the Bonds, as and when the same become due and payable, with such Contracts to contain the provisions described in Section 1 hereof and such other provisions as may be required or permitted by law and to be mutually acceptable to the Issuer and the User;

(b) the User will (1) pay all Project costs which are not or cannot be paid or reimbursed from the proceeds of the Bonds and (2) at all times from and after the issuance of the Bonds, indemnify and hold harmless the Issuer and the Housing Authority 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 Housing Authority) and prior
to or contemporaneously with the sale of the Bonds will agree to provide indemnification on terms satisfactory to the Issuer; and

(c) no Bonds will be issued without the approval of the Housing Authority.

Section 3. The User is hereby authorized to make all filings necessary to obtain and maintain tax credits on the Project.

Section 4. Except as expressly extended by the Issuer, it is understood by the Issuer and the User that all commitments of the Issuer with respect to the Project and the Bonds are subject to the condition that the Bonds shall have been issued no later than two years from the date of this Resolution.

Section 5. It is recognized and agreed by the Issuer that the User may exercise its rights and perform its obligations with respect to the financing of the Project either through (i) itself in its own name; (ii) any “related person” as defined in section 144(a)(3) of the Code; (iii) any legal successor thereto; (iv) an entity in which any of the above is a general partner or sole member; or (v) or any entity approved by the Issuer, provided that suitable guaranties necessary or convenient for the marketability of the Bonds shall be furnished, if required by the Issuer, and all references herein to the User shall be deemed to include the User acting directly through itself or any such approved entities.

Section 6. This Resolution shall be deemed to constitute the acceptance of the User’s proposal that it be further induced to proceed with providing the Project. The Allocation Application and this Resolution shall constitute an agreement between the Issuer and the User effective on the date that this Resolution is adopted. This Resolution is affirmative official action taken by the Issuer towards the issuance of the Bonds in order to comply with the requirements of the Code. **Neither the User nor any other party is entitled to rely on this Resolution as a commitment to issue bonds or loan funds, and the Issuer reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Issuer shall not be subject to any liability or damages of any nature. Neither the User nor any one claiming by, through or under the User, nor any investment banking firm or potential purchaser of the Bonds shall have any claim against the Issuer whatsoever as a result of any decision by the Issuer not to issue the Bonds.**

Section 7. 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 2019 and/or 2020 Allocation Application and/or any carryforward applications associated with such Allocation 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.

Section 8. The Issuer respectfully requests that the Allocation Application be accepted and approved by the Texas Bond Review Board.

Section 9. Any officer of the Issuer (or his designee) is hereby authorized to execute the Allocation Application, to pay (or cause the User to pay) the Application Fee of $5,000.00 for each Allocation Application (submitted to the Issuer by the User) to the Texas Bond Review Board and to submit any additional information or to make any necessary corrections or revisions
requested by the Texas Bond Review Board in order to satisfy the requirements of the Allocation Act in connection with the Allocation Application.

Section 10. The Board certifies that the Bonds are not being issued for the same stated purpose for which the Issuer has received sufficient carryforward during a prior year or for which there exists unexpended proceeds from a prior issue or issues of bonds issued by the Issuer.

Section 11. In connection with the issuance of the Bonds, the Board hereby authorizes its bond counsel to arrange for the publication of a notice of public hearing in the City of San Antonio, Texas regarding the Bonds for the purpose of complying with section 147(f) of the Code. The form of notice of such hearing and the date, place, and manner of its publication shall be acceptable to the Corporation's bond counsel. The hearing shall be held by the Corporation's bond counsel.

Section 12. 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 $41,000,000.00. This Resolution shall constitute a declaration of official intent under the Treasury Regulation Section 1.150-2.

Section 13. The Board authorizes the President, Vice President, Secretary, Treasurer or any Assistant Secretary of the Board to execute any documents or certificates necessary to seek the approval of the Bonds by the Texas Attorney General.

Section 14. 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 15. 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 16. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

Section 17. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 18. This Resolution shall be in force and effect from and after its passage.

Passed and approved the 1st day of August 2019.

_____________________________
Morris A. Stribling, DPM
Chair, Board of Directors

_____________________________
David Nisivoccia
Secretary/Treasurer
CERTIFICATE FOR RESOLUTION
TRADER FLATS APARTMENTS

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 August 1, 2019 (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 19-LVPFC-07-24 CONCERNING THE APPLICATION OF TRADER FLATS LTD. RELATING TO THE PROPOSED FINANCING OF UP TO $38,000,000.00 OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE TRADER FLATS APARTMENTS, TO BE LOCATED AT 8671 SW LOOP 410, SAN ANTONIO, TEXAS; AND OTHER MATTERS IN CONNECTION THEREWITH

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

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

SIGNED this 1st day of August 2019.

___________________
David Nisivoccia
Secretary/Treasurer
Las Varas Public Facility Corporation  
Resolution 19-LVPFC-07-24

RESOLUTION 19-LVPFC-07-24 CONCERNING THE APPLICATION OF TRADER FLATS LTD. RELATING TO THE PROPOSED FINANCING OF UP TO $38,000,000.00 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE TRADER FLATS APARTMENTS, TO BE LOCATED AT 8671 SW LOOP 410, SAN ANTONIO, TEXAS; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the Housing Authority of the City of San Antonio, Texas (Housing Authority), 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 nonstock, nonprofit public facility corporation (Issuer); and

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

WHEREAS, Trader Flats Ltd., a Texas limited partnership (User), has filed an Application (Application), requesting that (i) the Issuer finance the acquisition, construction, and equipping of a proposed 324-unit multifamily housing facility to be located at 8671 SW Loop 410, San Antonio, Texas and known as the Trader Flats Apartments (Project); and (ii) the Issuer file a 2019 and/or 2020 Allocation Application (defined hereafter) and/or any carryforward applications associated with such Allocation Applications to the Texas Bond Review Board as described herein; and

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 any Development Costs, as defined in the Act, for the Project; and

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; and

WHEREAS, this Resolution shall constitute the Issuer’s commitment, subject to the terms hereof, to issue Bonds, or other obligations, pursuant to the Act in an amount prescribed by the User now contemplated not to exceed $38,000,000.00 and to expend the proceeds thereof to pay Development Costs including costs of acquisition, construction, equipping, and improvement of the Project, funding a debt service or other reserve fund for the Project, and paying expenses and costs in connection with the issuance of the Bonds, including costs of obtaining credit enhancement, if any; and

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
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; and

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

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; and

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

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

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; and

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; and

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

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

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

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

(a) subject to the negotiation of mutually acceptable agreements, issue the Bonds, in an amount not to exceed $38,000,000.00;

(b) cooperate with the User with respect to the issuance of the Bonds, and, if arrangements therefor satisfactory to the User and the Issuer can be made, take such action and authorize the execution of such documents and take such further action as may be necessary or advisable for the authorization, execution, and delivery of any contracts or agreements deemed necessary and desirable by the User or the Issuer in connection with the issuance of the Bonds (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 Housing Authority (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 Housing Authority, and the User;

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

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

The Bonds shall specifically provide that neither the State of Texas (the “State”), the Housing Authority, 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 Housing Authority, or any political issuer, subdivision, or agency thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

Section 2. It is understood by the Issuer, and the User has represented to the Issuer, that in consideration of the Issuer’s adoption of this Resolution and by filing the Application, and subject to the terms and conditions hereof, the User has agreed that

(a) prior to or contemporaneously with the sale of the Bonds in one or more series or issues from time to time as the Issuer and the User shall hereafter agree to in writing, the User will enter into the Contracts with the Issuer under the terms of which the User will obligate itself, on a nonrecourse basis, to pay to the Issuer (or to a trustee, as the case may be) sums sufficient in the aggregate to pay the principal of, interest on, redemption premiums on, paying agents’ and trustee’s fees and charges, if any, on the Bonds, as and when the same become due and payable, with such Contracts to contain the provisions described in Section 1 hereof and such other provisions as may be required or permitted by law and to be mutually acceptable to the Issuer and the User;

(b) the User will (1) pay all Project costs which are not or cannot be paid or reimbursed from the proceeds of the Bonds and (2) at all times from and after the issuance of the Bonds, indemnify and hold harmless the Issuer and the Housing Authority 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 Housing Authority) and prior to or contemporaneously with the sale of the Bonds will agree to provide indemnification on terms satisfactory to the Issuer; and
no Bonds will be issued without the approval of the Housing Authority.

Section 3. The User is hereby authorized to make all filings necessary to obtain and maintain tax credits on the Project.

Section 4. Except as expressly extended by the Issuer, it is understood by the Issuer and the User that all commitments of the Issuer with respect to the Project and the Bonds are subject to the condition that the Bonds shall have been issued no later than two years from the date of this Resolution.

Section 5. 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) any entity approved by the Issuer, provided that suitable guaranties necessary or convenient for the marketability of the Bonds shall be furnished, if required by the Issuer, and all references herein to the User shall be deemed to include the User acting directly through itself or any such approved entities.

Section 6. This Resolution shall be deemed to constitute the acceptance of the User's proposal that it be further induced to proceed with providing the Project. The Allocation Application and this Resolution shall constitute an agreement between the Issuer and the User effective on the date that this Resolution is adopted. This Resolution is affirmative official action taken by the Issuer towards the issuance of the Bonds in order to comply with the requirements of the Code. **Neither the User nor any other party is entitled to rely on this Resolution as a commitment to issue bonds or loan funds, and the Issuer reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Issuer shall not be subject to any liability or damages of any nature. Neither the User nor any one claiming by, through or under the User, nor any investment banking firm or potential purchaser of the Bonds shall have any claim against the Issuer whatsoever as a result of any decision by the Issuer not to issue the Bonds.**

Section 7. 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 2019 and/or 2020 Allocation Application and/or any carryforward applications associated with such Allocation 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.

Section 8. The Issuer respectfully requests that the Allocation Application be accepted and approved by the Texas Bond Review Board.

Section 9. Any officer of the Issuer (or his designee) is hereby authorized to execute the Allocation Application, to pay (or cause the User to pay) the Application Fee of $5,000.00 for each Allocation Application (submitted to the Issuer by the User) to the Texas Bond Review Board and to submit any additional information or to make any necessary corrections or revisions requested by the Texas Bond Review Board in order to satisfy the requirements of the Allocation Act in connection with the Allocation Application.
Section 10. The Board certifies that the Bonds are not being issued for the same stated purpose for which the Issuer has received sufficient carryforward during a prior year or for which there exists unexpended proceeds from a prior issue or issues of bonds issued by the Issuer.

Section 11. In connection with the issuance of the Bonds, the Board hereby authorizes its bond counsel to arrange for the publication of a notice of public hearing in the City of San Antonio, Texas regarding the Bonds for the purpose of complying with section 147(f) of the Code. The form of notice of such hearing and the date, place, and manner of its publication shall be acceptable to the Corporation’s bond counsel. The hearing shall be held by the Corporation’s bond counsel.

Section 12. 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 $38,000,000.00. This Resolution shall constitute a declaration of official intent under the Treasury Regulation Section 1.150-2.

Section 13. The Board authorizes the President, Vice President, Secretary, Treasurer or any Assistant Secretary of the Board to execute any documents or certificates necessary to seek the approval of the Bonds by the Texas Attorney General.

Section 14. 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 15. 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 16. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

Section 17. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 18. This Resolution shall be in force and effect from and after its passage.

Passed and approved the 1st day of August 2019.

_____________________________
Morris A. Stribling, DPM
Chair, Board of Directors

Attested and approved as to form:

_____________________________
David Nisivoccia
Secretary/Treasurer
CERTIFICATE FOR RESOLUTION
KITTY HAWK FLATS APARTMENTS

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 August 1, 2019 (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 19LVIFPFC-07-25 CONCERNING THE APPLICATION OF KITTY HAWK LTD. RELATING TO THE PROPOSED FINANCING OF UP TO $28,000,000.00 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE KITTY HAWK APARTMENTS, TO BE LOCATED AT NORTH CORNER OF KITTY HAWK AND O’CONNOR ROADS, SAN ANTONIO, TEXAS; AND OTHER MATTERS IN CONNECTION THEREWITH

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

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

SIGNED this 1st day of August 2019.

___________________
David Nisivoccia
Secretary/Treasurer
RESOLUTION 19LVPFC-07-25 CONCERNING THE APPLICATION OF KITTY HAWK LTD. RELATING TO THE PROPOSED FINANCING OF UP TO $28,000,000.00 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE KITTY HAWK APARTMENTS, TO BE LOCATED AT NORTH CORNER OF KITTY HAWK AND O’CONNOR ROADS, SAN ANTONIO, TEXAS; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the Housing Authority of the City of San Antonio, Texas (Housing Authority), 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 nonstock, nonprofit public facility corporation (Issuer); and

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

WHEREAS, Kitty Hawk Flats Ltd., a Texas limited partnership (User), has filed an Application (Application), requesting that (i) the Issuer finance the acquisition, construction, and equipping of a proposed 240-unit multifamily housing facility to be located as shown on the attached map, San Antonio, Texas and known as the Kitty Hawk Apartments (Project); and (ii) the Issuer file a 2019 and/or 2020 Allocation Application (defined hereafter) and/or any carryforward applications associated with such Allocation Applications to the Texas Bond Review Board as described herein; and

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 any Development Costs, as defined in the Act, for the Project; and

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; and

WHEREAS, this Resolution shall constitute the Issuer’s commitment, subject to the terms hereof, to issue Bonds, or other obligations, pursuant to the Act in an amount prescribed by the User now contemplated not to exceed $28,000,000.00 and to expend the proceeds thereof to pay Development Costs including costs of acquisition, construction, equipping, and improvement of the Project, funding a debt service or other reserve fund for the Project, and paying expenses and costs in connection with the issuance of the Bonds, including costs of obtaining credit enhancement, if any; and
WHEREAS, the Bonds are “private activity bonds” as that term is defined in Subchapter A, Section 1372.001 of Chapter 1372, Texas Government Code, as amended, including the rules promulgated pursuant thereto in 34 Texas Administrative Code, Sections 190.1 through 190.8 (together, the “Allocation Act”), and various provisions of the Internal Revenue Code of 1986, as amended (the “Code”); and

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; and

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

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; and

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

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

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; and

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; and

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

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

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

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

      (a) subject to the negotiation of mutually acceptable agreements, issue the Bonds, in an amount not to exceed $28,000,000.00;

      (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 (collectively, the “Contracts”), providing among other things for payment of the principal of, interest on, redemption premiums on, and paying agents’ and trustee’s fees and charges, if any, on the Bonds; payment of fees, charges, and expenses of the Issuer and the Housing Authority (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 Housing Authority, and the User;

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

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

The Bonds shall specifically provide that neither the State of Texas (State), the Housing Authority, 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 Housing Authority, or any political issuer, subdivision, or agency thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

Section 2. It is understood by the Issuer, and the User has represented to the Issuer, that in consideration of the Issuer’s adoption of this Resolution and by filing the Application, and subject to the terms and conditions hereof, the User has agreed that

(a) prior to or contemporaneously with the sale of the Bonds in one or more series or issues from time to time as the Issuer and the User shall hereafter agree to in writing, the User will enter into the Contracts with the Issuer under the terms of which the User will obligate itself, on a nonrecourse basis, to pay to the Issuer (or to a trustee, as the case may be) sums sufficient in the aggregate to pay the principal of, interest on, redemption premiums on, paying agents’ and trustee’s fees and charges, if any, on the Bonds, as and when the same become due and payable, with such Contracts to contain the provisions described in Section 1 hereof and such other provisions as may be required or permitted by law and to be mutually acceptable to the Issuer and the User;

(b) the User will (1) pay all Project costs which are not or cannot be paid or reimbursed from the proceeds of the Bonds and (2) at all times from and after the issuance of the Bonds, indemnify and hold harmless the Issuer and the Housing Authority 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 Housing Authority) and prior
to or contemporaneously with the sale of the Bonds will agree to provide indemnification on
terms satisfactory to the Issuer; and

(c) no Bonds will be issued without the approval of the Housing Authority.

Section 3. The User is hereby authorized to make all filings necessary to obtain and
maintain tax credits on the Project.

Section 4. Except as expressly extended by the Issuer, it is understood by the Issuer
and the User that all commitments of the Issuer with respect to the Project and the Bonds are
subject to the condition that the Bonds shall have been issued no later than two years from the
date of this Resolution.

Section 5. It is recognized and agreed by the Issuer that the User may exercise its
rights and perform its obligations with respect to the financing of the Project either through (i)
itself in its own name; (ii) any “related person” as defined in section 144(a)(3) of the Code; (iii) any
legal successor thereto; (iv) an entity in which any of the above is a general partner or sole
member; or (v) or any entity approved by the Issuer, provided that suitable guaranties necessary
or convenient for the marketability of the Bonds shall be furnished, if required by the Issuer, and
all references herein to the User shall be deemed to include the User acting directly through itself
or any such approved entities.

Section 6. This Resolution shall be deemed to constitute the acceptance of the User’s
proposal that it be further induced to proceed with providing the Project. The Allocation
Application and this Resolution shall constitute an agreement between the Issuer and the User
effective on the date that this Resolution is adopted. This Resolution is affirmative official action
taken by the Issuer towards the issuance of the Bonds in order to comply with the requirements
of the Code. **Neither the User nor any other party is entitled to rely on this Resolution as a
commitment to issue bonds or loan funds, and the Issuer reserves the right not to issue the
Bonds either with or without cause and with or without notice, and in such event the Issuer
shall not be subject to any liability or damages of any nature. Neither the User nor any one
claiming by, through or under the User, nor any investment banking firm or potential
purchaser of the Bonds shall have any claim against the Issuer whatsoever as a result of any
decision by the Issuer not to issue the Bonds.**

Section 7. 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 2019 and/or 2020 Allocation Application
and/or any carryforward applications associated with such Allocation 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.

Section 8. The Issuer respectfully requests that the Allocation Application be
accepted and approved by the Texas Bond Review Board.
Section 9. Any officer of the Issuer (or his designee) is hereby authorized to execute the Allocation Application, to pay (or cause the User to pay) the Application Fee of $5,000 for each Allocation Application (submitted to the Issuer by the User) to the Texas Bond Review Board and to submit any additional information or to make any necessary corrections or revisions requested by the Texas Bond Review Board in order to satisfy the requirements of the Allocation Act in connection with the Allocation Application.

Section 10. The Board certifies that the Bonds are not being issued for the same stated purpose for which the Issuer has received sufficient carryforward during a prior year or for which there exists unexpended proceeds from a prior issue or issues of bonds issued by the Issuer.

Section 11. In connection with the issuance of the Bonds, the Board hereby authorizes its bond counsel to arrange for the publication of a notice of public hearing in the City of San Antonio, Texas regarding the Bonds for the purpose of complying with section 147(f) of the Code. The form of notice of such hearing and the date, place, and manner of its publication shall be acceptable to the Corporation's bond counsel. The hearing shall be held by the Corporation's bond counsel.

Section 12. 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 $28,000,000.00. This Resolution shall constitute a declaration of official intent under the Treasury Regulation Section 1.150-2.

Section 13. The Board authorizes the President, Vice President, Secretary, Treasurer or any Assistant Secretary of the Board to execute any documents or certificates necessary to seek the approval of the Bonds by the Texas Attorney General.

Section 14. 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 15. 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 16. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

Section 17. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 18. This Resolution shall be in force and effect from and after its passage.
Passed and approved the 1st day of August 2019.

______________________________
Morris A. Stribling, DPM
Chair, Board of Directors

Attested and approved as to form:

______________________________
David Nisivoccia
Secretary/Treasurer
CERTIFICATE FOR RESOLUTION
ALAZAN COURTS

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 August 1, 2019 (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 19LVPFC-07-26 CONCERNING THE APPLICATION OF ALAZAN COURTS LTD. RELATING TO THE PROPOSED FINANCING OF UP TO $44,000,000.00 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE ALAZAN COURTS APARTMENTS, TO BE LOCATED ON VARIOUSLOTS SURROUNDED BY SOUTH COLORADO, TORREON, SOUTH BRAZOS STREETS AND WEST CESAR CHAVEZ BLVD., SAN ANTONIO, TEXAS; AND OTHER MATTERS IN CONNECTION THEREWITH

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

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

SIGNED this 1st day of August 2019.

___________________
David Nisivoccia
Secretary/Treasurer
RESOLUTION 19LVPFC-07-26 CONCERNING THE APPLICATION OF ALAZAN COURTS LTD. RELATING TO THE PROPOSED FINANCING OF UP TO $44,000,000.00 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE ALAZAN COURTS APARTMENTS, TO BE LOCATED ON VARIOUS LOTS SURROUNDED BY SOUTH COLORADO, TORREON, SOUTH BRAZOS STREETS AND WEST CESAR CHAVEZ BLVD., SAN ANTONIO, TEXAS; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the Housing Authority of the City of San Antonio, Texas (Housing Authority), 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 nonstock, nonprofit public facility corporation (Issuer); and

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

WHEREAS, Alazan Courts Ltd., a Texas limited partnership (User), has filed an Application (Application), requesting that (i) the Issuer finance the acquisition, construction, and equipping of a proposed 328-unit multifamily housing facility to be located on various lots surrounded by South Colorado, Torreon, South Brazos Streets and West Cesar Chavez Blvd., San Antonio, Texas and known as the Alazan Courts Apartments (Project); and (ii) the Issuer file a 2019 and/or 2020 Allocation Application (defined hereafter) and/or any carryforward applications associated with such Allocation Applications to the Texas Bond Review Board as described herein; and

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 any Development Costs, as defined in the Act, for the Project; and

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; and

WHEREAS, this Resolution shall constitute the Issuer’s commitment, subject to the terms hereof, to issue Bonds, or other obligations, pursuant to the Act in an amount prescribed by the User now contemplated not to exceed $44,000,000.00 and to expend the proceeds thereof to pay Development Costs including costs of acquisition, construction, equipping, and improvement of the Project, funding a debt service or other reserve fund for the Project, and paying expenses and costs in connection with the issuance of the Bonds, including costs of obtaining credit enhancement, if any; and
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 (Allocation Act), and various provisions of the Internal Revenue Code of 1986, as amended (Code); and

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; and

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

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; and

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

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

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; and

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; and

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

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

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

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

   (a) subject to the negotiation of mutually acceptable agreements, issue the Bonds, in an amount not to exceed $44,000,000.00;

   (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 (collectively, 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 Housing Authority (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 Housing Authority, and the User;

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

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

The Bonds shall specifically provide that neither the State of Texas (State), the Housing Authority, 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 Housing Authority, or any political issuer, subdivision, or agency thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

Section 2. It is understood by the Issuer, and the User has represented to the Issuer, that in consideration of the Issuer’s adoption of this Resolution and by filing the Application, and subject to the terms and conditions hereof, the User has agreed that

(a) prior to or contemporaneously with the sale of the Bonds in one or more series or issues from time to time as the Issuer and the User shall hereafter agree to in writing, the User will enter into the Contracts with the Issuer under the terms of which the User will obligate itself, on a nonrecourse basis, to pay to the Issuer (or to a trustee, as the case may be) sums sufficient in the aggregate to pay the principal of, interest on, redemption premiums on, paying agents’ and trustee’s fees and charges, if any, on the Bonds, as and when the same become due and payable, with such Contracts to contain the provisions described in Section 1 hereof and such other provisions as may be required or permitted by law and to be mutually acceptable to the Issuer and the User;

(b) the User will (1) pay all Project costs which are not or cannot be paid or reimbursed from the proceeds of the Bonds and (2) at all times from and after the issuance of the Bonds, indemnify and hold harmless the Issuer and the Housing Authority 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 Housing Authority) and prior
to or contemporaneously with the sale of the Bonds will agree to provide indemnification on terms satisfactory to the Issuer; and

(c) no Bonds will be issued without the approval of the Housing Authority.

Section 3. The User is hereby authorized to make all filings necessary to obtain and maintain tax credits on the Project.

Section 4. Except as expressly extended by the Issuer, it is understood by the Issuer and the User that all commitments of the Issuer with respect to the Project and the Bonds are subject to the condition that the Bonds shall have been issued no later than two years from the date of this Resolution.

Section 5. It is recognized and agreed by the Issuer that the User may exercise its rights and perform its obligations with respect to the financing of the Project either through (i) itself in its own name; (ii) any “related person” as defined in section 144(a)(3) of the Code; (iii) any legal successor thereto; (iv) an entity in which any of the above is a general partner or sole member; or (v) or any entity approved by the Issuer, provided that suitable guaranties necessary or convenient for the marketability of the Bonds shall be furnished, if required by the Issuer, and all references herein to the User shall be deemed to include the User acting directly through itself or any such approved entities.

Section 6. This Resolution shall be deemed to constitute the acceptance of the User’s proposal that it be further induced to proceed with providing the Project. The Allocation Application and this Resolution shall constitute an agreement between the Issuer and the User effective on the date that this Resolution is adopted. This Resolution is affirmative official action taken by the Issuer towards the issuance of the Bonds in order to comply with the requirements of the Code. Neither the User nor any other party is entitled to rely on this Resolution as a commitment to issue bonds or loan funds, and the Issuer reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Issuer shall not be subject to any liability or damages of any nature. Neither the User nor any one claiming by, through or under the User, nor any investment banking firm or potential purchaser of the Bonds shall have any claim against the Issuer whatsoever as a result of any decision by the Issuer not to issue the Bonds.

Section 7. 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 2019 and/or 2020 Allocation Application and/or any carryforward applications associated with such Allocation 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.

Section 8. The Issuer respectfully requests that the Allocation Application be accepted and approved by the Texas Bond Review Board.

Section 9. Any officer of the Issuer (or his designee) is hereby authorized to execute the Allocation Application, to pay (or cause the User to pay) the Application Fee of $5,000.00 for each Allocation Application (submitted to the Issuer by the User) to the Texas Bond Review Board and to submit any additional information or to make any necessary corrections or revisions
requested by the Texas Bond Review Board in order to satisfy the requirements of the Allocation Act in connection with the Allocation Application.

Section 10. The Board certifies that the Bonds are not being issued for the same stated purpose for which the Issuer has received sufficient carryforward during a prior year or for which there exists unexpended proceeds from a prior issue or issues of bonds issued by the Issuer.

Section 11. In connection with the issuance of the Bonds, the Board hereby authorizes its bond counsel to arrange for the publication of a notice of public hearing in the City of San Antonio, Texas regarding the Bonds for the purpose of complying with section 147(f) of the Code. The form of notice of such hearing and the date, place, and manner of its publication shall be acceptable to the Corporation’s bond counsel. The hearing shall be held by the Corporation’s bond counsel.

Section 12. 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 $44,000,000.00. This Resolution shall constitute a declaration of official intent under the Treasury Regulation Section 1.150-2.

Section 13. The Board authorizes the President, Vice President, Secretary, Treasurer or any Assistant Secretary of the Board to execute any documents or certificates necessary to seek the approval of the Bonds by the Texas Attorney General.

Section 14. 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 15. 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 16. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

Section 17. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 18. This Resolution shall be in force and effect from and after its passage.

Passed and approved the 1st day of August 2019.

Morris A. Stribling, DPM
Chair, Board of Directors

Attested and approved as to form:

David Nisivoccia
Secretary/Treasurer
CERTIFICATE FOR RESOLUTION
MIRA VISTA APARTMENTS

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 August 1, 2019 (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 19LVPFC-07-27 CONCERNING THE APPLICATION OF MIRA VISTA SA APARTMENTS, LP RELATING TO THE PROPOSED FINANCING OF UP TO $28,000,000.00 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUPPING OF THE MIRA VISTA APARTMENTS, TO BE LOCATED AT 1226 MIRA VISTA DRIVE, SAN ANTONIO, TEXAS; AND OTHER MATTERS IN CONNECTION THEREWITH

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

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

SIGNED this 1st day of August 2019.

________________________________________
David Nisivoccia
Secretary/Treasurer
RESOLUTION 19LVPFC-07-27 CONCERNING THE APPLICATION OF MIRA VISTA SA APARTMENTS, LP RELATING TO THE PROPOSED FINANCING OF UP TO $28,000,000.00 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE MIRA VISTA APARTMENTS, TO BE LOCATED AT 1226 MIRA VISTA DRIVE, SAN ANTONIO, TEXAS; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the Housing Authority of the City of San Antonio, Texas (Housing Authority), 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 nonstock, nonprofit public facility corporation (Issuer); and

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

WHEREAS, Mira Vista SA Apartments LP, a Texas limited partnership (User), has filed an Application (Application), requesting that (i) the Issuer finance the acquisition, construction, and equipping of a proposed 300-unit multifamily housing facility to be located at 1226 Mira Vista Drive, San Antonio, Texas, and known as the Mira Vista Apartments (Project); and (ii) the Issuer file a 2019 and/or 2020 Allocation Application (defined hereafter) and/or any carryforward applications associated with such Allocation Applications to the Texas Bond Review Board as described herein; and

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 any Development Costs, as defined in the Act, for the Project; and

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; and

WHEREAS, this Resolution shall constitute the Issuer’s commitment, subject to the terms hereof, to issue Bonds, or other obligations, pursuant to the Act in an amount prescribed by the User now contemplated not to exceed $28,000,000.00 and to expend the proceeds thereof to pay Development Costs including costs of acquisition, construction, equipping, and improvement of the Project, funding a debt service or other reserve fund for the Project, and paying expenses and costs in connection with the issuance of the Bonds, including costs of obtaining credit enhancement, if any; and

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
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; and

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

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; and

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

WHEREAS, the Allocation Application and the Allocation Act requires 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; and

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; and

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; and

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

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

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

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

(a) subject to the negotiation of mutually acceptable agreements, issue the Bonds, in an amount not to exceed $28,000,000.00;

(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 (collectively, the “Contracts”), providing among other things for payment of
the principal of, interest on, redemption premiums on, and paying agents’ and trustee’s fees and charges, if any, on the Bonds; payment of fees, charges, and expenses of the Issuer and the Housing Authority (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 Housing Authority, and the User;

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

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

The Bonds shall specifically provide that neither the State of Texas (State), the Housing Authority, 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 Housing Authority, or any political issuer, subdivision, or agency thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

Section 2. It is understood by the Issuer, and the User has represented to the Issuer, that in consideration of the Issuer's adoption of this Resolution and by filing the Application, and subject to the terms and conditions hereof, the User has agreed that

(a) prior to or contemporaneously with the sale of the Bonds in one or more series or issues from time to time as the Issuer and the User shall hereafter agree to in writing, the User will enter into the Contracts with the Issuer under the terms of which the User will obligate itself, on a nonrecourse basis, to pay to the Issuer (or to a trustee, as the case may be) sums sufficient in the aggregate to pay the principal of, interest on, redemption premiums on, paying agents’ and trustee’s fees and charges, if any, on the Bonds, as and when the same become due and payable, with such Contracts to contain the provisions described in Section 1 hereof and such other provisions as may be required or permitted by law and to be mutually acceptable to the Issuer and the User;

(b) the User will (1) pay all Project costs which are not or cannot be paid or reimbursed from the proceeds of the Bonds and (2) at all times from and after the issuance of the Bonds, indemnify and hold harmless the Issuer and the Housing Authority 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 Housing Authority) and prior to or contemporaneously with the sale of the Bonds will agree to provide indemnification on terms satisfactory to the Issuer; and
(c) no Bonds will be issued without the approval of the Housing Authority.

Section 3. The User is hereby authorized to make all filings necessary to obtain and maintain tax credits on the Project.

Section 4. Except as expressly extended by the Issuer, it is understood by the Issuer and the User that all commitments of the Issuer with respect to the Project and the Bonds are subject to the condition that the Bonds shall have been issued no later than two years from the date of this Resolution.

Section 5. 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) any entity approved by the Issuer, provided that suitable guaranties necessary or convenient for the marketability of the Bonds shall be furnished, if required by the Issuer, and all references herein to the User shall be deemed to include the User acting directly through itself or any such approved entities.

Section 6. This Resolution shall be deemed to constitute the acceptance of the User’s proposal that it be further induced to proceed with providing the Project. The Allocation Application and this Resolution shall constitute an agreement between the Issuer and the User effective on the date that this Resolution is adopted. This Resolution is affirmative official action taken by the Issuer towards the issuance of the Bonds in order to comply with the requirements of the Code. Neither the User nor any other party is entitled to rely on this Resolution as a commitment to issue bonds or loan funds, and the Issuer reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Issuer shall not be subject to any liability or damages of any nature. Neither the User nor any one claiming by, through or under the User, nor any investment banking firm or potential purchaser of the Bonds shall have any claim against the Issuer whatsoever as a result of any decision by the Issuer not to issue the Bonds.

Section 7. 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 2019 and/or 2020 Allocation Application and/or any carryforward applications associated with such Allocation 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.

Section 8. The Issuer respectfully requests that the Allocation Application be accepted and approved by the Texas Bond Review Board.

Section 9. Any officer of the Issuer (or his designee) is hereby authorized to execute the Allocation Application, to pay (or cause the User to pay) the Application Fee of $5,000.00 for each Allocation Application (submitted to the Issuer by the User) to the Texas Bond Review Board and to submit any additional information or to make any necessary corrections or revisions requested by the Texas Bond Review Board in order to satisfy the requirements of the Allocation Act in connection with the Allocation Application.
Section 10. The Board certifies that the Bonds are not being issued for the same stated purpose for which the Issuer has received sufficient carryforward during a prior year or for which there exists unexpended proceeds from a prior issue or issues of bonds issued by the Issuer.

Section 11. In connection with the issuance of the Bonds, the Board hereby authorizes its bond counsel to arrange for the publication of a notice of public hearing in the City of San Antonio, Texas regarding the Bonds for the purpose of complying with section 147(f) of the Code. The form of notice of such hearing and the date, place, and manner of its publication shall be acceptable to the Corporation’s bond counsel. The hearing shall be held by the Corporation’s bond counsel.

Section 12. 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 $28,000,000.00. This Resolution shall constitute a declaration of official intent under the Treasury Regulation Section 1.150-2.

Section 13. The Board authorizes the President, Vice President, Secretary, Treasurer or any Assistant Secretary of the Board to execute any documents or certificates necessary to seek the approval of the Bonds by the Texas Attorney General.

Section 14. 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 15. 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 16. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

Section 17. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 18. This Resolution shall be in force and effect from and after its passage.

Passed and approved the 1st day of August 2019.

_____________________________
Morris A. Stribling, DPM
Chair, Board of Directors

Attested and approved as to form:

_____________________________
David Nisivoccia
Secretary/Treasurer
RESOLUTION 19LVPFC-07-19, AUTHORIZING WEAL DEVELOPMENT, LLC AS DEVELOPER OF ST. JOHN'S SQUARE TRANSACTION INCLUDING: (I) EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT TRANSACTION; (II) AUTHORIZING THE LAS VARAS PUBLIC FACILITY CORPORATION TO SERVE AS PRIME CONTRACTOR; (III) TO ENTER INTO AN AGREEMENT OF LIMITED PARTNERSHIP FOR ST. JOHN'S SQUARE; AND (IV) OBTAINING TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS TAX CREDITS FOR THE PROJECT AND OTHER MATTERS IN CONNECTION HEREWITH

REQUESTED ACTION:
Consideration and approval regarding Resolution 19LVPFC-07-19, authorizing Weal Development, LLC as developer of St. John’s Square transaction including: (I) execution of all documentation necessary to carry out transaction; (II) authorizing the Las Varas Public Facility Corporation to serve as prime contractor; (III) to enter into an agreement of limited partnership for St. John’s Square; and (IV) obtaining Texas Department of Housing and Community Affairs tax credits for the project and other matters in connection herewith.

FINANCIAL IMPACT:
The final deal terms will be presented at a later time to the Board of Directors once negotiated.

SUMMARY:
St. John’s Square is an 8-story, 251 unit apartment complex proposed on a 1.314 acre existing parking lot at the corner of South St. Mary’s Street and East Nueva Street. The project would be Type II Construction with a podium that wraps around a precast concrete 8-level public and private parking garage. Conceptually, this project aims to add to its historic surroundings on the outside while finding elements of contemporary surprise as patrons move inside the building. These surprises are defined with pops of color, tactile elements, and well defined common spaces sprinkled throughout the building. The project was inspired by the consistent “base, body, cap” striations seen across downtown San Antonio. This horizontal focus is further defined by a gradient of textures moving up the building, as well as subtle setbacks at each level. Being such a primary focal point along the St. Mary’s Street and Nueva Street views from downtown, the design of the project aims to elegantly anchor the street-scape formally, while also adding new life to this critical intersection. The project offers four different scales of street and community building activity: 1) Retail and Restaurant at ground floor; 2) Walk-up “brownstone” Units at ground floor; 3) Studio units with “back patios”; 4) Community spaces on each level. The new development will provide a mix of one-, two- and three-bedroom units with appropriate design considerations and amenities.

Weal Development, LLC will partner with the San Antonio Housing Authority, which will benefit both entities. The partnership will receive the benefit of the Las Varas Public Facility Corporation’s ad valorem tax exemption, as well as its sales tax exemption, and the agency will
add units to its affordable housing portfolio, enabling the agency to serve more residents and further its mission. Weal Development, LLC will provide ongoing guarantees and long term property management.

**STRATEGIC GOAL:**
Strategically expand the supply of affordable housing.

**ATTACHMENT:**
Resolution 19LVPFC-07-19
Map
Las Varas Public Facility Corporation  
Resolution 19LVPFC-07-19

RESOLUTION 19LVPFC-07-19, AUTHORIZING WEAL DEVELOPMENT, LLC AS DEVELOPER OF ST. JOHN’S SQUARE TRANSACTION INCLUDING: (I) EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT TRANSACTION; (II) AUTHORIZING THE LAS VARAS PUBLIC FACILITY CORPORATION TO SERVE AS PRIME CONTRACTOR; (III) TO ENTER INTO AN AGREEMENT OF LIMITED PARTNERSHIP FOR ST. JOHN’S SQUARE; AND (IV) OBTAINING TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS TAX CREDITS FOR THE PROJECT AND OTHER MATTERS IN CONNECTION HEREWITH

WHEREAS, Weal Development, LLC has proposed a development for affordable, multifamily rental housing located at the corner of South St. Mary’s Street and East Nueva Street in the City of San Antonio; and

WHEREAS, at the request of Weal Development, LLC, the Las Varas Public Facility Corporation agreed to serve as the sole member of the General Partner of the Partnership in connection with the financing; and

WHEREAS, Weal Development, LLC and the San Antonio Housing Authority have submitted an application to the Texas Department of Housing and Community Affairs (TDHCA) for four percent Housing Tax Credits for St. John’s Square; and

WHEREAS, the Board of Directors has determined that it is in the public's interest and to the benefit of the citizens and residents of San Antonio for the various entities to enter into the transaction described above so that the partners may construct the project; and

WHEREAS, this Board of Directors has reviewed the foregoing and determined that the action herein is in furtherance of the public purposes of Las Varas Public Facility Corporation.

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

1) Confirms that it supports the proposed St. John’s Square located at the corner of South St. Mary’s Street and East Nueva Street in the City of San Antonio, TX, and that this formal action has been taken to put on record the opinions expressed by the San Antonio Housing Authority.

2) Approves Resolution 19LVPFC-07-19, authorizing Weal Development, LLC as developer of St. John’s Square transaction including: (I) execution of all documentation necessary to carry out transaction; (II) authorizing the Las Varas Public Facility Corporation to serve as prime contractor; (III) to enter into an agreement of limited partnership for St. John’s Square; and (IV) obtaining Texas Department of Housing and Community Affairs tax credits.
credits for the project and other matters in connection herewith.

3) Authorizes the following officers, or any one of them acting alone without the joinder of any other officer, to execute the Application and all necessary documents and extensions related thereto on behalf of the San Antonio Housing Authority and/or Las Varas Public Facility Corporation.

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
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<tbody>
<tr>
<td>David Nisivoccia</td>
<td>Secretary/Treasurer</td>
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<tr>
<td>Timothy Alcott</td>
<td>Assistant Secretary/Treasurer</td>
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<td>Muriel Rhoder</td>
<td>Assistant Secretary/Treasurer</td>
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<tr>
<td>Ed Hinojosa</td>
<td>Assistant Secretary/Treasurer</td>
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<td>Morris A. Stripling</td>
<td>Chairman</td>
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<td>Jessica Weaver</td>
<td>Vice Chair</td>
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<td>Jo-Anne Kaplan</td>
<td>Director</td>
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<td>Gabriel L. Lopez</td>
<td>Director</td>
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<td>Sofia A. Lopez</td>
<td>Director</td>
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<td>Charles Clack</td>
<td>Director</td>
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<td>Marie R. McClure</td>
<td>Director</td>
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</table>

Passed and approved the 1st day of August 2019.

Morris A. Stribling, DPM  
Chair, Board of Directors

Attested and approved as to form:

David Nisivoccia  
Secretary/Treasurer
RESOLUTION 19LVPFC-07-21, AUTHORIZING THE RESOLUTION OF 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 (CHARITY AT SPRINGVIEW 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 CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

REQUESTED ACTION:
Consideration and approval regarding Resolution 19LVPFC-07-21, authorizing the resolution of 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 (Charity at Springview 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 containing other provisions relating to the subject.

FINANCIAL IMPACT:
The bonds will assist with financing of the Project. The total financing will be brought to the Board of Commissioners for approval at a later date.

SUMMARY:
Las Varas Public Facility Corporation (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 approval to take non-binding preliminary action to apply to the Texas Bond Review Board for volume cap in the amount of up to $20,000,000.00 and to apply for 4% Tax Credits to finance the costs of the acquisition, rehabilitation and equipping of multifamily housing residential facility by ARDC Springview, Ltd., or an affiliated Texas limited partnership, to be located at approximately 210 South Grimes Street, San Antonio, Texas 78203, and to be known as the Charity at Springview Apartments.
LAS VARAS PUBLIC FACILITY CORPORATION

STRATEGIC GOAL:
Strategically expand the supply of affordable housing.

ATTACHMENTS:
Resolution 19LVPFC-07-21
Map
CERTIFICATE FOR RESOLUTION

The undersigned officer of the Las Varas Public Facility Corporation, a Texas nonprofit corporation created pursuant to the laws of the State of Texas (LVPFC) hereby certifies as follows:

1. The Board of Directors of the Las Varas Public Facility Corporation (Board) held a meeting on August 1, 2019 (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, was a written

RESOLUTION 19LVPFC-07-21, AUTHORIZING THE RESOLUTION OF 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 (CHARITY AT SPRINGVIEW 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 CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

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.

SIGNED this 1st day of August 2019.

___________________
David Nisivoccia
Secretary/Treasurer
Las Varas Public Facility Corporation
Resolution 19LVPFC-07-21

RESOLUTION 19LVPFC-07-21, AUTHORIZING THE RESOLUTION OF 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 (CHARITY AT SPRINGVIEW 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 CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Las Varas Public Facility Corporation (Issuer) was created by the San Antonio Housing Authority (Sponsor) pursuant to the provisions of the Public Facility Corporation Act, Chapter 303, Texas Local Government Code (Act); and

WHEREAS, it is deemed necessary and advisable that this Resolution be adopted.

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

1) The Issuer’s Resolution Declaring Intent to Issue Bonds to Provide Financing for a Multifamily Residential Rental Development for Persons of Low and Moderate Income (Charity at Springview Apartments); Prescribing Certain Terms and Conditions of Such Bonds; Authorizing the Filing of an Application with the Texas Bond Review Board; and Containing Other Provisions Relating to the Subject to be adopted by the Issuer on August 1, 2019, a copy of which is attached hereto as Exhibit A- Resolution 19LVPFC-07-21 and made a part hereof for all purposes, is hereby specifically approved.

2) The approval herein given is in accordance with the provisions of the Act and is not to be construed as any undertaking by the Sponsor, and the Bonds shall never constitute an indebtedness or pledge of the Sponsor, the City of San Antonio, Bexar County, Texas or the State of Texas, within the meaning of any constitutional or statutory provision, and the holder of the Bonds shall never be paid in whole or in part out of any funds raised or to be raised by taxation or any other revenues of the Issuer, the Sponsor, the City of San Antonio, Bexar County, Texas or the State of Texas except those revenues assigned and pledged by the Issuer in the Indenture of Trust referenced in the Issuer Resolution.

Passed and approved the 1st day of August 2019.

Morris A. Stribling, DPM  
Chair, Board of Directors

Attested and approved as to form:

David Nisivoccia  
Secretary/Treasurer
Approximately 7.83 acres on the North East Quadrant of Hedges and Grimes, San Antonio, TX
Approximately 7.01 acres (including historic building structures on the South East Quadrant of Montana and Grimes, San Antonio, TX
RESOLUTION 19LVPFC-07-20, SAN ANTONIO HOUSING AUTHORITY (SAHA) AUTHORIZES ITS AFFILIATED ENTITY, THE SAN ANTONIO HOUSING FACILITY CORPORATION (SAHFC) TO AUTHORIZE THE ST. MARY’S TOWER TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; AUTHORIZING THE DEVELOPMENT AND CONSTRUCTION OF THE APARTMENTS AND THE LEASE OF SUCH APARTMENTS; AUTHORIZING THE RESOLUTION OF LAS VARAS PUBLIC FACILITY CORPORATION TO ISSUE TAX EXEMPT BONDS; AUTHORIZING THE PURCHASE OF A MEMBERSHIP INTEREST IN SAHA ST. MARY’S TOWER, LLC AND AUTHORIZING THE FINANCING FOR SUCH TRANSACTION; AND OTHER MATTERS IN CONNECTION THEREWITH

REQUESTED ACTION:
Consideration and approval regarding Resolution 19LVPFC-07-20, the San Antonio Housing Authority (SAHA) authorizes its affiliated entity, the San Antonio Housing Facility Corporation (SAHFC) to authorize the St. Mary’s Tower transaction, including the execution of all documentation necessary to carry out the transaction; authorizing the development and construction of the apartments and the lease of such apartments; authorizing the resolution of Las Varas Public Facility Corporation to issue tax exempt bonds; authorizing the purchase of a membership interest in SAHA St. Mary’s Tower, LLC and authorizing the financing for such transaction; and other matters in connection therewith.

FINANCIAL IMPACT:
San Antonio Housing Authority’s affiliated entity, the SAHFC will be paid a $250,000.00 closing fee and the greater of (a) the sum of i) 25% of any and all developer fees (both deferred and current pay), plus ii) the cash flow after debt service; or (b) 25% of the tax savings, as a result of the property tax exemption as a preferred return. SAHFC will also be paid $25,000.00/year as an asset management fee. SAHFC will also receive 25% percent of the net value of the transaction when JMJ Development, LLC, the Developer (JMJ), exits the transaction. It is estimated that SAHFC will earn over $6.9 million in their first ten years of this transaction.

SUMMARY:
JMJ has proposed a public-private partnership with SAHA’s affiliated entity, SAHFC, to construct the St. Mary’s Tower development (St. Mary’s Tower or Project). JMJ is a real estate developer with a nearly 30-year history as a diversified, full service real estate firm that is active in the development of hotel, residential and multifamily properties. JMJ has developed nearly $2.5 billion in assets and over 12-million square feet, making it one of the largest privately held development companies in the United States. JMJ is also developing the La Villita Tower on the San Antonio, Riverwalk, adjacent to St. Mary’s Tower. La Villita Towers is a “market rate,” 24-story tower containing 226 units with ground level retail spaces.
The St. Mary’s Tower is a proposed 24-story, 250-unit Class A multifamily rental housing development to be constructed at 126 Villita Street, at the corner of La Villita and St. Mary’s Street. The total development costs for the Project are estimated to be $63,447,368.00 and it will be composed of one- and two-bedroom units ranging in size from 485-square feet to 1150-square feet. The Project will feature amenities similar to other Class A multifamily developments in the market, including a clubhouse, pool, and fitness center. JMJ, or an affiliate thereof, will (i) be the developer for the Project, (ii) will provide all financing and financial guarantees for the Project, and (iii) will either directly (or through a third Party Management firm) market, lease and manage the Project. Neither SAHA, nor SAHFC, will have any financial obligations with respect to the Project, except to obtain the property tax exemption.

SAHFC will own the real estate on which the Project is located. JMJ is approaching the local Tax Increment Reinvestment Zone (TIRZ), the City of San Antonio and Bexar County in an effort to discuss payment and funding options relative to the land acquisition and infrastructure funding, including a 290-space structured parking garage. As the Project is constructed by the development partnership, it will become the property of the SAHFC. The SAHFC will, simultaneously with the closing of its acquisition of the real estate, enter into a 75-year ground lease with St. Mary’s Tower, LP (St. Mary’s Partnership) that is jointly owned by SAHFC and a JMJ affiliate. The SAHFC will have a 25% interest in the cash flow received by the St. Mary’s Partnership after the payment of preferred returns and debt service. At the end of the 75-year lease, the Project, including all the improvements located on the land, will revert back to the SAHFC, which will then own 100% of the Project at that point. Both JMJ and SAHFC will have buy-sell provisions relative to the St. Mary’s Partnership.

By the SAHFC owning the Project in fee simple, the Project will be eligible to receive a 100% exemption from the payment of ad valorem taxes so long as at least 50% of the total units (125 units) are restricted for rental by residents earning less than 80% of area median income (AMI).

Las Varas Public Facility Corporation will issue housing revenue bonds for the development costs to include acquisition, construction, equipping, and improvement of the project, funding a debt service or other reserve fund for the project, and paying expenses and costs in connection with the issuance of the bonds.

The Project will be constructed pursuant to a construction contract from the St. Mary’s Partnership to SAHFC, and a sub-general contract to JMJ. This enables the Project to obtain a sales tax exemption on the materials purchased for the Project. SAHFC will also enter into a development agreement with JMJ addressing the construction and operation of the Project.

STRATEGIC GOAL:
Strategically expand the supply of affordable housing.

ATTACHMENTS:
Resolution 19LVPFC-07-20
Map and Concept Drawings
CERTIFICATE FOR RESOLUTION

The undersigned officer of the Las Varas Public Facility Corporation, a Texas nonprofit corporation created pursuant to the laws of the State of Texas (LVPFC) hereby certifies as follows:

1. In accordance with its bylaws, the Board of Directors of Las Varas Public Facility Corporation (Board) held a meeting on July 18, 2019, (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 19LVPFC-07-20, SAN ANTONIO HOUSING AUTHORITY (SAHA) AUTHORIZES ITS AFFILIATED ENTITY, THE SAN ANTONIO HOUSING FACILITY CORPORATION (SAHFC) TO AUTHORIZATION THE ST. MARY’S TOWER TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; AUTHORIZING THE DEVELOPMENT AND CONSTRUCTION OF THE APARTMENTS AND THE LEASE OF SUCH APARTMENTS; AUTHORIZING THE RESOLUTION OF LAS VARAS PUBLIC FACILITY CORPORATION TO ISSUE TAX EXEMPT BONDS; AUTHORIZING THE PURCHASE OF A MEMBERSHIP INTEREST IN SAHA ST. MARY’S TOWER, LLC AND AUTHORIZING THE FINANCING FOR SUCH TRANSACTION; AND OTHER MATTERS IN CONNECTION THEREWITH

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

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

SIGNED this 1st day of August 2019.

___________________
David Nisivoccia
Secretary/Treasurer
Las Varas Public Facility Corporation
Resolution 19LVPF-07-20

RESOLUTION 19LVPF-07-20, SAN ANTONIO HOUSING AUTHORITY (SAHA) AUTHORIZES ITS AFFILIATED ENTITY, THE SAN ANTONIO HOUSING FACILITY CORPORATION (SAHFC) TO AUTHORIZE THE ST. MARY’S TOWER TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; AUTHORIZING THE DEVELOPMENT AND CONSTRUCTION OF THE APARTMENTS AND THE LEASE OF SUCH APARTMENTS; AUTHORIZING THE RESOLUTION OF LAS VARAS PUBLIC FACILITY CORPORATION TO ISSUE TAX EXEMPT BONDS; AUTHORIZING THE PURCHASE OF A MEMBERSHIP INTEREST IN SAHA ST. MARY’S TOWER, LLC AND AUTHORIZING THE FINANCING FOR SUCH TRANSACTION; AND OTHER MATTERS IN CONNECTION THERewith.

WHEREAS, SAHA’s affiliated entity, SAHFC, and JMJ Development, LLC (JMJ) propose to enter into a public-private partnership in the form of a limited partnership (Partnership) to acquire and construct a 250-unit Class A multifamily rental housing development to be known as the St. Mary’s Tower (Housing Facility) to be constructed at 126 Villita Street, at the corner of La Villita and St. Mary’s Street (Land and/or Project); and

WHEREAS, in connection with the Project, SAHFC will form a limited liability company, which shall be a Partnership limited partner (SAHFC St. Mary's Tower, LLC); and

WHEREAS, at the request of the Partnership, the SAHFC St. Mary's Tower, LLC has agreed to serve as a limited partner of the Partnership, and San Antonio Housing Facility Corporation (SAHFC) has agreed to (i) serve as the sole member of the SAHFC St. Mary's Tower, LLC in connection with the financing of the Project, (ii) acquire the Land and own the Project and lease it to the Partnership pursuant to a Ground Lease (Ground Lease), and (iii) serve as the general contractor for the Project; and

WHEREAS, in connection with the financing of the Project, the Partnership may enter into a loan transaction (Loan); and

WHEREAS, in connection with the execution of the Loan, the Partnership, the SAHFC St. Mary's Tower, LLC and/or SAHFC will be required to enter into certain agreements, which may include, but are not limited to, a Promissory Note, a Construction Loan Agreement, a Deed of Trust, together with a Joinder of Deed of Trust or a Deed of Trust on the fee and various assignments and certificates (Loan Documents); and

WHEREAS, the Partnership will raise and contribute equity to construct the Project (Equity Financing); and

WHEREAS, in connection with the Equity Financing, the Partnership, the SAHFC St. Mary's Tower, LLC, and/or SAHFC will be required to enter into certain agreements, including, but not limited to, a Limited Partnership Agreement, Limited Liability Company Agreement and closing certificates (Equity Documents); and
WHEREAS, to reduce the cost of the Project by eliminating sales tax on the construction of the Project, SAHFC will serve as the general contractor and enter into any required construction contracts and ancillary documents (Construction Documents); and

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

WHEREAS, this Board of Directors has reviewed the foregoing and determined that the action herein authorized is in furtherance of the public purposes of SAHA and SAHFC.

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

1) The Project, the various forms of financing contemplated for the Project, including but not limited to, the Equity Financing, the Loan, and the terms of the Equity Documents, the Construction Documents, and the Loan Documents, are hereby authorized and approved when such documents are approved by the officers signing them.

2) The President, any Vice President, the Secretary, the Treasurer, any Assistant Secretary of SAHFC 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 Equity Documents, the Construction Documents, the Loan Documents, indemnity agreements and guaranties covering the Land or the Project, and all other documents relating to the Equity Financing, and the Loan to which the Partnership, the SAHFC St. Mary’s Tower LLC, and/or SAHFC is a party.

3) The purchase of the Land, the lease of the Land, the acquisition of membership interest in the SAHFC St. Mary’s Tower, LLC by SAHFC, the acquisition of the partnership interest in the Partnership, and the role of SAHFC as the general contractor for the Project are approved and the President, any Vice President, the Secretary, the Treasurer, the Executive Director, and any Assistant Secretary or SAHFC, or any of them, are hereby authorized to execute the documents required to be executed by SAHFC in order to effect such transactions.

4) The President, any Vice President, the Secretary, the Treasurer, and any Assistant Secretary of SAHFC, or any of them, and, if required by the form of the document, the Secretary and any Assistant Secretary, or any of them, of SAHFC are authorized and directed to modify, execute and deliver any of the documents to be signed by or consented to by SAHFC, 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 SAHFC, 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 SAHA and/or SAHFC, and approval of the terms of any of the documents by such officers and this Board shall be conclusively evidenced by the execution and delivery of such documents.

5) The officers of this Board, or any of them, are authorized to take any and all action necessary to carry out and consummate the transactions described in or contemplated by
the documents approved hereby or otherwise to give effect to the actions authorized hereby and the intent hereof.

6) The officers of this Board hereby approve the higher of legal counsel to the SAHFC St. Mary's Tower, LLC and SAHFC for this transaction.

7) 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.

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.

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.

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

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

Passed and approved the 1st day of August 2019.

______________________________________________________________
Morris A. Stribling, DPM
Chair, Board of Directors

Attested and approved as to form:

______________________________________________________________
David Nisivoccia
Secretary/Treasurer
ST. MARY’S TOWER
HIGH-RISE AFFORDABLE
MULTI-FAMILY
SAN ANTONIO, TEXAS
JULY 2019
ST. MARY’S TOWER
126 VILLITA STREET
SAN ANTONIO TEXAS
HIGH-RISE AFFORDABLE MULTIFAMILY

JMJ DEVELOPMENT & SAHA
JMJ Development ("JMJ") has expressed its desire to partner with the San Antonio Housing Authority ("SAHA") and Las Varas Public Facilities Corporation (the "PFC") to develop, own and operate 250-affordable, multifamily housing units on land that it controls in downtown San Antonio. The property is located at 126 Villita Street, which is the Southwest corner of Villita and St. Mary’s Street.

The St. Mary’s Tower will have 17 stories of multifamily sitting on top of a 7-story parking structure (total of 24-stories) and will contain 250, state of the art, high-rise residential housing units. In partnership with SAHA and the PFC, JMJ is seeking to develop a modern design at an exclusive location that will offer 50% of the units for residents at or below 80% of the Bexar County adjusted median income ("AMI") level. By targeting this AMI level, the St. Mary’s Tower will be able to offer affordable housing within walking distance for an extremely large population of professional and service-oriented employees working in downtown San Antonio.

In addition to the St. Mary’s Tower, JMJ is also developing an adjacent 24-story tower known as the Villita Tower. The Villita Tower will be a companion, market-rate tower which will be located on the San Antonio River Walk and will house 226 multifamily units. As a result of the significant investment and dense development plans, JMJ is also seeking the support from the public sector to fund the purchase of the land and structured parking garage which will be a shared used for both public parking and the residents of the residential towers.

The proposed structure of the transaction as well as the requested public sector support can be found herein. The Public-Private-Partnership will not only establish an immediate pipeline of income for SAHA and the PFC, but will also be an economic development engine for both the city and the county, and will create an affordable housing option that is not otherwise available in downtown San Antonio.
CAPITAL STRUCTURE

SENIOR DEBT $54,910,400
TAX CREDIT PROCEEDS $4,398,622
DEFERRED DEVELOPER’S FEE $2,709,012
TOTAL $62,018,034

DEVELOPMENT BUDGET

LAND $0
PUBLIC INFRASTRUCTURE $0
HARD COSTS $41,023,275
SOFT COSTS $10,114,525
FINANCING COSTS $5,510,500
RESERVES & ESCROWS $5,369,734
TOTAL $62,018,034
**ST. MARY’S AT A GLANCE**

**186,500 Net Rentable Sq. Ft., 24-story**

**Level 1 (Street Level)**
- Structured Parking
- Management and Leasing Office
- Bike Storage and Private Lockers

**Level 8-24 (Residential)**
- 250 Luxury Units Featuring Balconies with Large Floor to Ceiling Windows

**Level 7 (Amenities)**
- Rooftop pool and social deck

**GENERAL PROPERTY FEATURES:**
- Secured Building Access
- 24-hour Maintenance/Trash Service
- Private Storage
- Street Level Management/Leasing
- WiFi Business & Conference Center
- Cyber Bar - Coffee and Juice bar
- Fitness Center
- Roof-top Pool with Lifestyle Social Deck
- Bike Storage & Private Lockers

**UNIT FEATURES:**
- Private Security Available
- Nest (Smart Phone Enabled) Thermostats
- Spacious European Style Cabinetry
- Premium Countertops
- Island Kitchens
- Walk-in Showers Upgrades
- High Quality Tile/Wood Laminate Flooring
- High Grade Carpeting
- Private Balconies
JMJ Development, LLC, or its assigns ("JMJ")

A to-be-created limited liability company having the Las Varas Public Facility Corporation as the sole member.

JMJ to provide normal and customary guarantees for a transaction of this nature.

Equity, 4% tax credits, tax-exempt bonds, and taxable bonds; budgets to be agreed to before closing; subject to the hereafter-specified conditions. Developer provides or secures any requisite equity. Developer secures tax credits and financing acceptable to General Partner.

SAHA shall provide normal and customary annual rental subsidies comparable to similar transactions. SAHA shall be entitled to a $250,000 origination fee due at closing, as well as any refinance event. Furthermore, SAHA shall also be entitled to an asset management fee equal to $25,000 per year.

Fees to be payable to Developer Equal to 13% of total development costs.

Development Fee shall be divided as follows: 75% to Developer; 25% to General Partner (to ultimately be returned to SAHA). Developer and SAHA shall share on a 75%/25% pro rata basis, any cash flow from operations or any sales proceeds that result from refinancing, sales, and other capital transactions (which shall not occur until after expiration of any tax credit compliance period). Any equity investor (including JMJ) shall receive an 8% preferred return on investment. San Antonio Housing Authority will provide supportive services, as required, at market rate pricing.

General Partner must obtain 100% ad valorem tax exemption.

At the expiration of any initial tax-credit compliance period, each of the Developer and SAHA shall have a right to buy out the other party, or both the Developer and SAHA may sell to a third party.
The purpose of this document is to set forth the strategic approach in an effort to fund a “gap” and to ensure that the St. Mary’s Tower can become economically viable. The tools that are outlined in this section are existing economic development tools which are presently being used in San Antonio. The proposed structure are as follows:

- JMJ and SAHA to coordinate with the City of San Antonio, Bexar County and the Tax Increment Reinvestment Zone (TIRZ) to fund 100% of the land acquisition, public infrastructure and development and construction cost of the 290-space parking garage.

- The land and parking garage to be assigned to the PFC.

- The JMJ / SAHA Partnership to enter into a long-term master lease of the land and parking garage, with a de minimus rental arrangement.

- The JMJ / SAHA Partnership to be responsible for any and all maintenance costs (repairs, insurance, etc.) of the parking garage as consideration during the term of the parking garage lease.

- The JMJ / SAHA Partnership retains any and all of the parking fee income from the parking garage during the term of the lease.

- The parking garage shall be utilized for the tenants of the St. Mary’s Tower and the Villita Tower, yet it shall be shared with the public during the daytime hours of operations.
LOCATION (VISUAL)

126 Villita Street
La Villita Historic Arts Village
Grand Hyatt San Antonio
Henry B. Gonzalez Convention Center
Tower of the Americas
UTSA Institute of Texan Cultures
Alamodome

Days Inn by Wyndham San Antonio Alamo/Riverwalk

Historic Market Square
San Fernando Cathedral
Dolores
San Antonio River Walk
Greyhound

St. Mary's Tower
**KEY STATISTICS**

-A growing economy and population boom have driven up real estate sales monthly for seven years.

-San Antonio has the third fastest-growing economy in the U.S. and has seen the job market increase by 3.2% over the last year. Future job growth over the next ten years is predicted to be 40% which is high than the US average of 38%.

-Commercial real estate growth in Texas ranks #1 in the U.S. and supports 379,781 jobs and contributes $59 billion to the states economy; California ranked second. Texas leads the nation in commercial real estate development for warehouses and flex positions, including e-commerce distribution, fulfillment facilities, retail real estate.

-San Antonio has a fast growing job market that includes Six Fortune 5000 companies, as well as Port San Antonio, an aerospace and industrial park, and a Toyota manufacturing plant.

<table>
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<th>MAJOR EMPLOYERS</th>
<th># OF EMPLOYEES</th>
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<tr>
<td>Lackland Air Force Base</td>
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<td>32,000</td>
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<tr>
<td>H.E.B.</td>
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<td>RackSpace</td>
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</table>

San Antonio is most famous for the Alamo, historical Spanish missions, the River Walk, Alamo bowl, and Tower of the Americas. The historical city’s rich culture is expressed through a vibrant art scene. Large corporations are increasingly moving to the Alamo city.

It’s being called the “model city” for the new face of America—a diverse, progressive and globally competitive market with a solid vision for national and international economic development. San Antonio offers local and state financial incentives, including tax credits, grants, low interest loans, tax exemptions, training funds and reduced utility costs, which help cultivate key industries and enhance San Antonio’s economic base by creating jobs in strategic areas of the city.

San Antonio is ranked as the best place to live for millennials based on a study conducted by Forbes. The outcome emanated from the city being the newest center of influence in the United States based on its growing economy, new job opportunities, low cost of living, and safety prospects. Other national rankings include: Forbes’ Top 10 list of Fastest Growing Cities Milken Institute’s Top 10 for Job Growth; Milken Institute’s Top 10 for Best Performing Cities; And #1 for Millennial Population Growth.
NEIGHBORHOOD OVERVIEW

PROXIMITY TO NEIGHBORHOOD
FACILITIES AND SERVICES

- CVS Pharmacy (0.5 miles)
- Children’s Hospital of San Antonio (0.7 miles)
- The University of Texas at San Antonio Downtown Campus (0.7 miles)
- Hippo’s Grocery and Deli (0.2 miles)
- AMC Rivercenter with Alamo IMAX (0.5 miles)
- Hemisfair Park (0.4 miles)
- Henry B Gonzalez Convention Center (0.6 miles)
- HEB Grocery Store (2.1 miles)
- AT&T Center (4.0 miles)

RIVER WALK ACCESS

- Historical landmarks:
  Alamo Missions
  Spanish Governors Palace
  Botanical Gardens
  Maverick Carter House
  Countless others
- Over 150 restaurants
- Unique shopping & retail
- Multiple theatres
SAN ANTONIO RIVERWALK

The Villita Towers site enjoys a highly accessible and prominent location along the River Walk and downtown San Antonio region where there are a high level of proposed mixed-use developments.

The San Antonio River Walk is a verdant oasis of cypress lined, paved paths, arched stone bridges and lush landscapes.

The River Walk gently winds through the city center providing millions of visitors each year with easy access to the city’s cultural hot spots, historic sites, and other attractions. Colorful umbrella provide shade to riverside tables as diners savor a splendid array of diverse River Walk cuisine. Barbecue, traditional Italian, traditional and contemporary Southwestern & classic Tex-Mex are just a few of the choices in the cafes, bistros, and world-class restaurants.