



SAN ANTONIO HOUSING FACILITY CORPORATION MEETING

**AUG. 1
2019**



SAHA | SAN ANTONIO
HOUSING AUTHORITY
Opportunity Lives Here





BOARD OF DIRECTORS

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

SAN ANTONIO HOUSING FACILITY CORPORATION
***BOARD MEETING**

818 S. Flores St., San Antonio, TX 78204
1:00 p.m., Thursday, August 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 18, 2019, San Antonio Housing Facility Corporation Meeting minutes

OPERATIONS

3. Consideration and approval regarding Resolution 19-FAC-07-24, inducing the 1604 Flats transaction, including the execution of all documentation necessary to obtain the financing for such transaction; and authorizing all filings and agreements with Texas Department of Housing and Community Affairs in connection with applications for Low Income Housing tax credits; and other matters in connection therewith (Timothy E. Alcott, Real Estate and Legal Services Officer)
4. Consideration and approval regarding Resolution 19-FAC-07-25, inducing the Old Pearsall Flats transaction, including the execution of all documentation necessary to obtain the financing for such transaction; and authorizing all filings and agreements with Texas Department of Housing and Community Affairs in connection with applications for Low Income Housing tax credits; and other matters in connection therewith (Timothy E. Alcott, Real Estate and Legal Services Officer)
5. Consideration and approval regarding Resolution 19-FAC-07-26, inducing the Trader Flats transaction, including the execution of all documentation necessary to obtain the financing for such transaction; and authorizing all filings and agreements with Texas Department of Housing and Community Affairs in connection with applications for Low Income Housing tax credits; and other matters in connection therewith (Timothy E. Alcott, Real Estate and Legal Services Officer)
6. Consideration and approval regarding Resolution 19-FAC-07-27, inducing the Kitty Hawk Flats transaction, including the execution of all documentation necessary to obtain the financing for such transaction; and authorizing all filings and agreements with Texas Department of Housing and Community Affairs in connection with applications for Low Income Housing tax credits; and other matters in connection therewith (Timothy E. Alcott, Real Estate and Legal Services Officer)
7. Consideration and approval regarding Resolution 19-FAC-07-28, inducing the Alazan Courts transaction, including the execution of all documentation necessary to obtain the financing for such

transaction; and authorizing all filings and agreements with Texas Department of Housing and Community Affairs in connection with applications for Low Income Housing tax credits; and other matters in connection therewith (Timothy E. Alcott, Real Estate and Legal Services Officer)

8. Consideration and approval regarding Resolution 19-FAC-07-29, inducing the Mira Vista Apartments transaction, including the execution of all documentation necessary to obtain the financing for such transaction; and authorizing all filings and agreements with Texas Department of Housing and Community Affairs in connection with applications for Low Income Housing tax credits; and other matters in connection therewith (Timothy E. Alcott, Real Estate and Legal Services Officer)
9. Consideration and approval regarding Resolution 19FAC-07-20, authorizing the Culebra Crossing transaction, including the execution of all documentation necessary to carry out the transaction; authorizing the purchase of land for the transaction and the lease of such land for the transaction; authorizing the creation of and acquisition of ownership interest in SAHFC Culebra Crossing LP, LLC and/or any limited partnerships relating thereto, and authorizing the financing for such transaction; authorizing San Antonio Housing Facility Corporation to serve as the General Contractor; and other matters in connection therewith (Timothy E. Alcott, Real Estate and Legal Services Officer)
10. Consideration and approval regarding Resolution 19FAC-07-23, authorizing the Artisan at Ruiz transaction including: (i) execution of all documentation necessary to carry out the transaction; (ii) a construction loan to ARDC Ruiz, LTD, from Bank of America, N.A. that convert to a permanent loan from PNC Bank, National Association, which will be assigned to the Federal Home Loan Mortgage Corporation; (iii) the sale of the land and lease of the land from the Housing Authority of the City of San Antonio, Texas, or its designee (SAHA), to ARDC Ruiz, LTD; (v) authorizing San Antonio Housing Facility Corporation (SAHFC) to serve as the prime contractor; (vi) authorizing ARDC Ruiz GP, LLC to enter into the amended and restated agreement of limited partnership for ARDC Ruiz, LTD.; and (vii) obtaining Texas Department of Housing and Community Affairs tax credits for the project; and other matters in connection therewith (Timothy E. Alcott, Real Estate and Legal Services Officer)
11. Consideration and approval regarding Resolution 19FAC-07-21, 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. Consideration and approval regarding Resolution 19FAC-07-18, authorizing the entering into a partnership with Vesta Corporation to acquire three existing Low Income Housing Tax Credit (LIHTC) properties located in San Antonio, TX, and authorizing the President and CEO, and his designated staff to negotiate the terms of the acquisition agreement; submit application for financing; create any legal entities; execute contracts for conveyance of land; retain legal counsel; and any and all actions required to consummate the transaction (Ed Hinojosa, Chief Financial Officer; Thomas Roth, Director of Asset Management)
13. 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
SAN ANTONIO HOUSING FACILITY CORPORATION
July 16, 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
 Lorraine Robles, Director of Development Services and Neighborhood Revitalization
 Janie Rodriguez, Director of Human Resources

Item 1: Meeting called to order
 Chair Morris A. Stribling, DPM, called the meeting to order at 2:53 p.m.

Item 2: Minutes

- Approval of the June 6, 2019, San Antonio Housing Facility Corporation Meeting minutes

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

Member	Aye	Nay	Absent At Time of Vote	Abstained
Morris A. Stribling, DPM, Chair	X			
Jessica Weaver, Vice Chair	X			

Charles Clack, Director	X			
Gabriel L. Lopez, Director	X			
Jo-Anne Kaplan, Director	X			
Marie R. McClure, Director	X			

OPERATIONS

- Item 3:** Consideration and appropriate action regarding Resolution 19-FAC-07-24, inducing the 1604 Flats transaction, including the execution of all documentation necessary to obtain the financing for such transaction; and authorizing all filings and agreements with Texas Department of Housing and Community Affairs in connection with applications for Low Income Housing tax credits; and other matters in connection therewith
- Item 4:** Consideration and appropriate action regarding Resolution 19-FAC-07-25, inducing the Old Pearsall Flats transaction, including the execution of all documentation necessary to obtain the financing for such transaction; and authorizing all filings and agreements with Texas Department of Housing and Community Affairs in connection with applications for Low Income Housing tax credits; and other matters in connection therewith
- Item 5:** Consideration and appropriate action regarding Resolution 19-FAC-07-26, inducing the Trader Flats transaction, including the execution of all documentation necessary to obtain the financing for such transaction; and authorizing all filings and agreements with Texas Department of Housing and Community Affairs in connection with applications for Low Income Housing tax credits; and other matters in connection therewith
- Item 6:** Consideration and appropriate action regarding Resolution 19-FAC-07-27, inducing the Kitty Hawk Flats transaction, including the execution of all documentation necessary to obtain the financing for such transaction; and authorizing all filings and agreements with Texas Department of Housing and Community Affairs in connection with applications for Low Income Housing tax credits; and other matters in connection therewith
- Item 7:** Consideration and appropriate action regarding Resolution 19-FAC-07-28, inducing the Alazan Courts transaction, including the execution of all documentation necessary to obtain the financing for such transaction; and authorizing all filings and agreements with Texas Department of Housing and Community Affairs in connection with applications for Low Income Housing tax credits; and other matters in connection therewith
Resolution 19-FAC-07-28 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-FAC-07-29, inducing the Mira Vista Apartments transaction, including the execution of all documentation necessary to obtain the financing for such transaction; and authorizing all filings and agreements with Texas Department of Housing and Community Affairs in connection with applications for Low Income Housing tax credits; and 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 19FAC-07-20, authorizing the Culebra Crossing transaction, including the execution of all documentation necessary to carry out the transaction; authorizing the purchase of land for the transaction and the lease of such land for the transaction; authorizing the creation of and acquisition of ownership interest in SAHFC Culebra Crossing LP, LLC and/or any limited partnerships relating thereto, and authorizing the financing for such transaction; authorizing San Antonio Housing Facility Corporation to serve as the General Contractor; and other matters in connection therewith

Mr. Alcott introduced Mr. Scott Brimer, Executive Vice President for the Lynd Company. Mr. Brimer reported that the Lynd Company has proposed a public-private partnership with the San Antonio Housing Authority's affiliated entity, the San Antonio Housing Facility Corporation, to construct the Culebra Crossing Development. Lynd is both a real estate developer and property management company. The Clubra Crossing is a proposed 326-unit Class A multifamily rental housing development to be constructed near the intersection of Culebra Road and 1604. The total development costs for the Project are estimated to be \$47,140,798.00 and it will be composed of one-, two- and three-bedroom units ranging in size from 530 square feet to 1,348 square feet. The Project will feature amenities similar to other Class A multifamily developments in the market, including a clubhouse, pool, and fitness center.

Mr. Alcott further reported that Lynd 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 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. The SAHFC will own the real estate on which the project is located, the purchase of which will be funded by an upfront lease payment from the partnership. 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 seventy-five year lease to Culebra Crossing Apartments LP that is jointly owned by a Lynd affiliate. The SAHFC will have a 25% interest in the cash flow received by the project 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 own 100% of the Project at that point. 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 (163 units) are restricted for rental by residents earning less than 80% of area median income (AMI). The Project will be constructed pursuant to a construction contract from Culebra Crossing Apartments LP to SAHFC and a sub-general contract to Lynd. This enables the

Project to obtain a sales tax exemption on the materials purchased for the Project. Mr. Alcott also informed the Board of Commissioners that SAHFC will also enter into a development agreement addressing the construction and operation of the Project, and will be paid a \$250,000.00 closing fee and the greater of (a) 25% of 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 as an asset management fee. SAHFC will also receive 25% percent of the value of the transaction when Lynd exits the transaction in year five. It is estimated that the SAHFC will earn \$8,200,000.00 in their first five years of this transaction.

Item 10: Consideration and appropriate action regarding Resolution 19FAC-07-23, authorizing the Artisan at Ruiz transaction including: (i) execution of all documentation necessary to carry out the transaction; (ii) a construction loan to ARDC Ruiz, LTD, from Bank of America, N.A. that convert to a permanent loan from PNC Bank, National Association, which will be assigned to the Federal Home Loan Mortgage Corporation; (iii) the sale of the land and lease of the land from the Housing Authority of the City of San Antonio, Texas (SAHA) to ARDC Ruiz, LTD; (v) authorizing San Antonio Housing Facility Corporation (SAHFC) to serve as the prime contractor; (vi) authorizing ARDC Ruiz GP, LLC to enter into the amended and restated agreement of limited partnership for ARDC Ruiz, LTD.; and (vii) obtaining Texas Department of Housing and Community Affairs tax credits for the project; and other matters in connection therewith

Ms. Lorraine Robles, Director of Development Services and Neighborhood Revitalization, reported that the project will consist of 102 family units, the entirety of which will be reserved for rental to families earning 60% or less of area median income. Specifically, eleven efficiency units will be reserved for rental to individuals earning 30% or less of area median income, forty-one two-bedroom units will be reserved for rental to families earning 50% or less of area median income, and fifty three-bedroom units will be reserved for rental to families earning 60% or less of area median income. The Board is being asked to authorize all of the actions necessary to finance and construct the project.

The project will be financed by a construction loan from Bank of America, N.A. in an amount not to exceed \$16,000,000.00 as a construction loan, which will convert to a permanent loan in the approximate amount of \$7,046,000.00. Equity contributions from an affiliate of Bank of America, N.A., as an investor limited partner, will also be used to finance the construction and long-term operations. Investor has issued a commitment to purchase the project tax credits at an equity price of \$0.95 per credit dollar, for a total projected equity contribution of \$14,284,575.00. SAHA is targeting a closing date of August 15, 2019. SAHA will enter into the construction contract upon the closing of the construction loan and immediately, thereafter, will issue the general contractor a Limited Notice to Proceed. SAHA is doing this to ensure substantial completion of the Project by December 31, 2020, which is required to maintain the tax credits.

Ms. Robles further reported that the total project cost is expected to be \$18,972,000.00 or \$186,000.00 per unit. The developer is Franklin Development Properties, Ltd. (Franklin). Franklin or an affiliate will provide any guarantees of construction, completion, operating deficit and tax credit delivery. The required permanent loan debt service ratio for Artisan at Ruiz is 1.15. The total developer fee is \$2,159,000.00 and 30% of the fee will be deferred. SAHFC's developer fee is approximately \$539,750.00 (25% of the total developer fee). After payment of tax credit shortfall payments, if any; amounts owed to the investor limited partner, Bank of America, N.A. (Investor), due to advances that are due to restoration after a casualty, if any, the Asset Management Fee (\$5,000.00), and deferred developer fee, the Partnership Management Fee will be paid to Franklin and the General Partner from the project's cash flow. After the Partnership Management Fee is paid and the operating reserve is funded up to

approximately \$282,633.00, the Incentive Management Fee (no less than 12% of the gross revenue of ARDC Ruiz, Ltd. for such fiscal year) will be paid to ARDC Ruiz GP, LLC. Any further distributions of cash flow to Franklin and the General Partner will be split 50/50.

Item 12: Resolution 19FAC-07-18, authorizing the entering into a partnership with Vesta Corporation to acquire three existing Low Income Housing Tax Credit (LIHTC) properties located in San Antonio, TX, and authorizing the President and CEO, and his designated staff to negotiate the terms of the acquisition agreement; submit application for financing; create any legal entities; execute contracts for conveyance of land; retain legal counsel; and any and all actions required to consummate the transaction

Mr. Thomas Roth, Director of Asset Management, reported that in April of 2019, SAHA was approached by a representative of Alden Torch about a potential business opportunity involving the sale of three existing Low Income Housing Tax Credit (LIHTC) properties that would be reaching the end of the initial fifteen year compliance period. Alden Torch represents the current investor limited partnership interest. They have made a business decision to exit the San Antonio market. The existing general partner is Prospera. However, they are not in a position to purchase the properties at their current market value. Currently, Prospera provides only a 50% reduction on the real estate tax liability for these properties. The prospective purchaser is Vesta Corporation (Vesta), which is located in Connecticut. Vesta is asking for SAHA or a related entity to partner with them in acquiring the following three properties: Champion at Del Rio, Champion at Marshall Meadow and Champion at Port Royal. The three properties under consideration are all fifteen years of age and were constructed by the same developer. They are generally in good condition for their age and have good curb appeal. Vesta is allotting \$3.2 million (\$4,700.00 per unit) for capital repairs/replacements in the near term. Partnering with SAHA is an attractive proposition for Vesta Corporation, since the properties will qualify for 100% tax exemption.

Mr. Roth also explained the ownership structure in which a new limited partnership or limited liability company (LLC) would be created to acquire each property. A SAHA related entity would serve as the general partner or managing member, and a Vesta related entity would serve as the limited partner or non managing member. A SAHA related entity would acquire title to the properties and simultaneously lease back the property to the limited partnership or LLC. The purchase price of the properties is \$53,250,000.00 (\$79,000.00 per unit). Vesta and its affiliated investment funds will invest approximately \$15,67,000.00 in equity, which represents 20% of the acquisition and closing costs. Mortgage financing of \$42,600,000.00 will be provided by either Fannie Mae or Freddie Mac, which represents 80% of the purchase price. SAHA would invest \$0.00 to cover the acquisition or future operational costs.

In addition, Mr. Roth also reported the financial benefits that SAHA would be receiving: payment at closing of \$150,000.00 fee; credit of up to \$50,000.00 to cover SAHA's legal expenses associated with this transaction; projected cumulative cash flow payments of \$1,369,000.00 (assuming a seven year hold period); projected net sale proceeds of \$4,583,000.00 (assuming a sale at the end of the seven year hold period); a contract with SAHA's Community Development Initiatives Department (CDI) to provide supportive services required under the existing Land Use Restriction Agreement (LURA) at a rate of \$107,000 per year; additionally, SAHA will be acquiring an ownership interest in 682 multifamily units, of which 582 units are affordable at 60% of area median income (AMI).

Motion: Director Clack moved to approve items 3, 4, 5, 6, 7, 8, 9, 10, and 12. Director Kaplan seconded the motion. Approved.

Member	Aye	Nay	Absent At Time of Vote	Abstained
Morris A. Stribling, DPM, Chair	X			
Jessica Weaver, Vice Chair	X			
Charles Clack, Director	X			
Gabriel L. Lopez, Director	X			
Jo-Anne Kaplan, Director	X			
Marie R. McClure, Director	X			

Item 11: Consideration and appropriate action regarding Resolution 19FAC-07-21, 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. 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: Vice Chair Weaver moved to approve Resolution 19FAC-07-21. Director Kaplan seconded the motion. Approved.

Member	Aye	Nay	Absent At Time of Vote	Abstained
Morris A. Stribling, DPM, Chair	X			
Jessica Weaver, Vice Chair	X			
Charles Clack, Director	X			
Gabriel L. Lopez, Director			X (Recused)	
Jo-Anne Kaplan, Director	X			
Marie R. McClure, Director	X			

Item 13: Adjournment.
With no objections, Chair Morris A. Stribling, DPM, adjourned at 2:55 p.m.

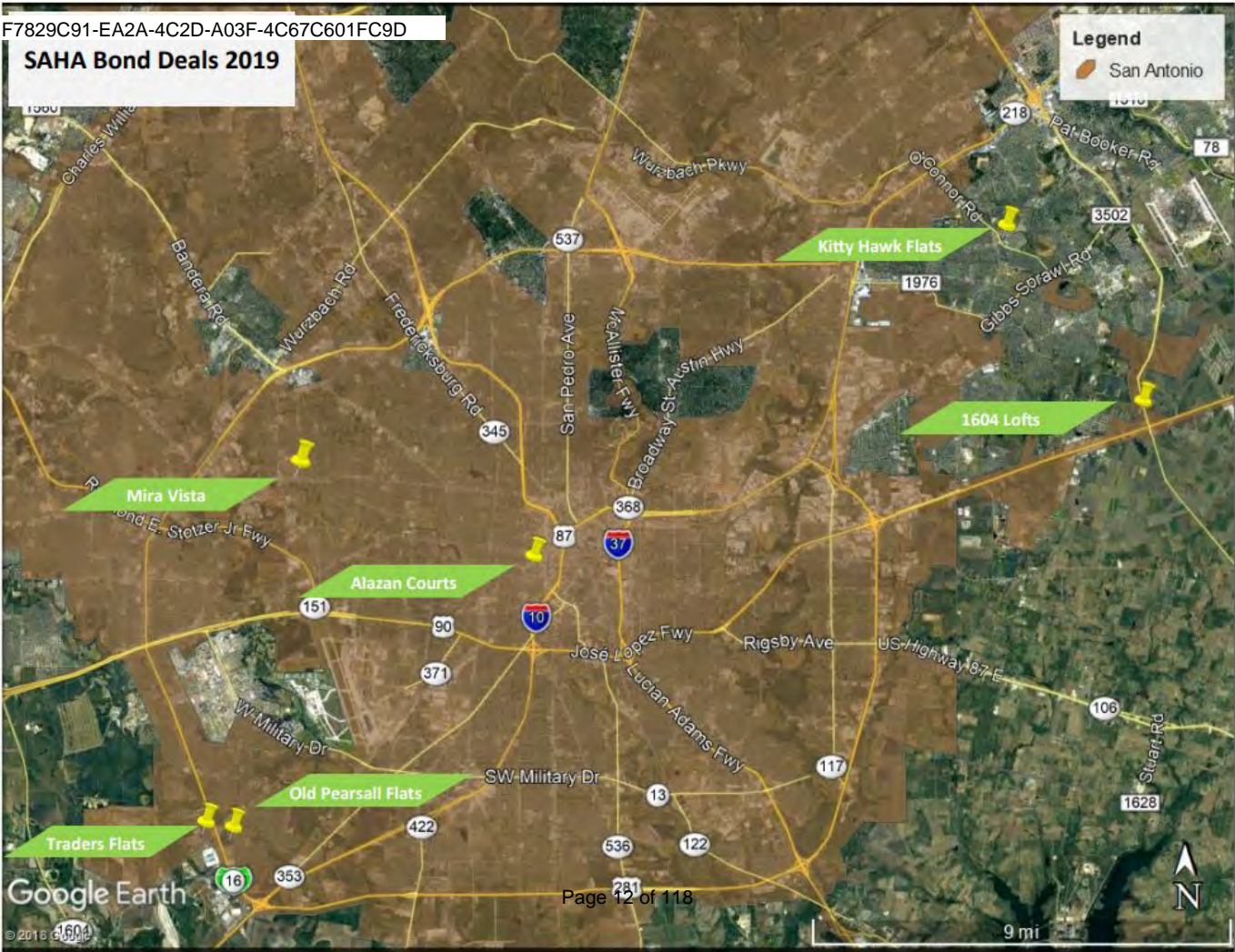
ATTEST:

Morris A. Stribling, DPM
Chair, Board of Directors

Date

David Nisivoccia
Secretary/Treasurer

Date



**CERTIFICATE FOR RESOLUTION
1604 LOFTS APARTMENTS**

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

1. In accordance with its bylaws, the Board of Directors of SAHFC (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-FAC-07-24, INDUCING THE 1604 FLATS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO OBTAIN THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; AND 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 Bylaws of SAHFC.

SIGNED AND SEALED this 1st day of August 2019.



David Nisivoccia
Secretary/Treasurer

**San Antonio Housing Facility Corporation
Resolution 19FAC-07-24**

RESOLUTION 19-FAC-07-24, INDUCING THE 1604 FLATS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO OBTAIN THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, 1604 Lofts Ltd., a Texas limited partnership (Partnership), and SAHA 1604 Lofts GP, LLC, a Texas limited liability company and its general partner (General Partner), will be formed to acquire and construct an approximately 330-unit multifamily housing facility (Housing Facility) to be located at the northwest corner of Loop 1604 and IH – 10, Converse, Texas (Land, together with the Housing Facility, the Project); and

WHEREAS, at the request of the Partnership, San Antonio Housing Facility Corporation (SAHFC), a Texas non-profit public facility corporation created pursuant to the Texas Public Facility Corporations Act, Chapter 303, Texas Local Government Code, by the Housing Authority of the City of San Antonio, Texas (Housing Authority) has agreed to (i) serve as the sole member of the General Partner of the Partnership in connection with the financing of the Project, (ii) acquire the Land and lease it to the Partnership pursuant to a Ground Lease (Ground Lease), and (iii) will serve as the general contractor for the Project (General Contractor); and

WHEREAS, the Partnership has requested that the Las Varas Public Facility Corporation (Issuer) issue its Multifamily Housing Revenue Bonds (1604 Lofts Apartments) Series 2020 (Bonds) to finance the Project (Bond Financing); and

WHEREAS, the Issuer will issue the Bonds in an amount not to exceed \$38,000,000.00 and loan such proceeds to the Partnership; and

WHEREAS, in connection with the Bond Financing, the Partnership, the General Partner, and/or SAHFC will be required to enter into certain agreements, including but not limited to a Loan Agreement, a Trust Indenture, a Note, a Regulatory Agreement and Declaration of Restrictive Covenants, a Leasehold Deed of Trust, Assignment of Rents, Security Agreement, and Fixture Filing together with Ground Lessor Subordination and Joinder, a Servicing Agreement, and a Ground Lease (collectively, Note Documents); and

WHEREAS, the Partnership, will apply for low income housing tax credits (LIHTCs) from the Texas Department of Housing and Community Affairs (TDHCA); and

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

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

WHEREAS, in connection with the Equity Financing, the Partnership, the General Partner, and/or SAHFC will be required to enter into certain agreements, including but not limited to an Amended and Restated Agreement of Limited Partnership, a Development Agreement, and closing certificates (collectively, Equity Documents); and

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

WHEREAS, in connection with the Subordinate Loans, the Partnership, the General Partner, and/or SAHFC will be required to enter into certain agreements, including but not limited to loan agreements, leasehold deeds of trust, declaration of restrictive covenant of affordability or land use restriction agreements, assignments, notes, and subordination agreements (collectively, Subordinate Loan Documents); and

WHEREAS, the members of the Board of Directors of SAHFC (Board) and their respective offices are as follows: and

<u>Name of Director/Officer</u>	<u>Position</u>
Morris A. Stribling	President and Director
Charles Clack	Vice President and Director
Jo-Anne Kaplan	Director
Gabriel L. Lopez	Director
Sofia A. Lopez	Director
Marie R. McClure	Director
Jessica Weaver	Director
David Nisivoccia	Secretary/Treasurer
Timothy E. Alcott	Assistant Secretary
Ed Hinojosa	Assistant Secretary
Muriel Rhoder	Assistant Secretary

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 Partnership may construct the Project; and

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

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of SAHFC hereby approves:

- 1) The Project, the various structures of financing contemplated for the Project, including but not limited to the Bond Financing, the LIHTCs, the Equity Financing and the Subordinate Loans are hereby authorized to be applied for and negotiated and the TDHCA Document.
- 2) The President, any Vice President, the Secretary, the Treasurer, any Assistant Secretary, or any of them, are hereby authorized to execute any and all applications and term sheets

required for the financing and construction of the Project, including, but not limited to, the TDHCA Documents and all other documents relating to obtaining the Bond Financing, LIHTCs, Equity Financing, and the Subordinate Loans to which the Partnership, the General Partner, and/or SAHFC is a party.

- 3) The President, any Vice President, the Secretary, the Treasurer, and any Assistant Secretary, or any of them, and, if required by the form of the document, the Secretary and any Assistant Secretary, or any of them, of SAHFC are authorized and directed to modify, execute and deliver any of the documents to be signed by or consented to by the Partnership, General Partner, SAHFC, and any and all certificates and other instruments necessary to carry out the intent thereof and hereof, including, without limitation, the TDHCA Documents and all filings or other actions required by the TDHCA in connection with the LIHTCs. The President, any Vice President, the Secretary, the Treasurer, any Assistant Secretary, or any of them, are authorized to negotiate and approve such changes in, or additions to, the terms of any of the documents, including amendments, renewals, and extensions, as such officers shall deem necessary or appropriate upon the advice of counsel to 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.
- 4) It is understood by SAHFC and the Partnership and Developer have represented to SAHFC, that in consideration of SAHFC's adoption of this Resolution, and subject to the terms and conditions hereof, that the Partnership and Developer have agreed that
 - a) (a) the Partnership and Developer will (1) pay all Project costs that are not or cannot be paid or reimbursed from the proceeds of any debt and (2) indemnify and hold harmless SAHFC 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 courts costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to the Project, or the design, construction, equipping, installation, operation, use, occupancy, maintenance or ownership of the Project (other than claims arising from the gross negligence or willful misconduct of SAHFC or the Housing Authority).
- 5) This Resolution shall be deemed to constitute the acceptance of the Partnership's and Developer's proposal that it be further induced to proceed with providing the Project. Provided that neither the Partnership nor the Developer nor any other party is entitled to rely on this Resolution as a commitment to enter into the proposed transaction, and SAHFC reserves the right not to enter into the proposed transaction either with or without cause and with or without notice, and in such event SAHFC shall not be subject to any liability or damages of any nature. Neither the Partnership nor the Developer nor anyone claiming by, through or under the Partnership or the Developer, nor any investment banking firm or potential purchaser shall have any claim against SAHFC whatsoever as a result of any decision by SAHFC not to enter into the proposed transaction.
- 6) 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.

- 7) The officers of this Board hereby approve the selection of Bracewell LLP as counsel to the General Partner and SAHFC for this transaction.
- 8) If any section, paragraph, clause, or provisions of this Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.
- 9) 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.
- 10) 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.
- 11) This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.
- 12) 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 PEARSALL FLATS**

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

1. In accordance with its bylaws, the Board of Directors of SAHFC (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-FAC-07-25, INDUCING THE OLD PEARSALL FLATS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO OBTAIN THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; AND 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 SAHFC.

SIGNED AND SEALED this 1st day of August 2019.



David Nisivoccia
Secretary/Treasurer

**San Antonio Housing Facility Corporation
Resolution 19FAC-07-25**

RESOLUTION 19-FAC-07-25, INDUCING THE OLD PEARSALL FLATS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO OBTAIN THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, Old Pearsall Flats Ltd., a Texas limited partnership (Partnership), and SAHA Pearsall Flats GP, LLC, a Texas limited liability company and its general partner (General Partner), will be formed to acquire and construct an approximately 345-unit multifamily housing facility (Housing Facility) to be located at 9326 SW Loop 410, San Antonio, Texas (Land, together with the Housing Facility, the Project); and

WHEREAS, at the request of the Partnership, San Antonio Housing Facility Corporation (SAHFC), a Texas non-profit public facility corporation created pursuant to the Texas Public Facility Corporations Act, Chapter 303, Texas Local Government Code, by the Housing Authority of the City of San Antonio, Texas (Housing Authority) has agreed to (i) serve as the sole member of the General Partner of the Partnership in connection with the financing of the Project, (ii) acquire the Land and lease it to the Partnership pursuant to a Ground Lease (Ground Lease), and (iii) will serve as the general contractor for the Project (General Contractor); and

WHEREAS, the Partnership has requested that the Las Varas Public Facility Corporation (the Issuer) issue its Multifamily Housing Revenue Bonds (Old Pearsall Flats Apartments) Series 2020 (the "Bonds") to finance the Project (Bond Financing); and

WHEREAS, the Issuer will issue the Bonds in an amount not to exceed \$41,000,000.00 and loan such proceeds to the Partnership; and

WHEREAS, in connection with the Bond Financing, the Partnership, the General Partner, and/or SAHFC will be required to enter into certain agreements, including but not limited to a Loan Agreement, a Trust Indenture, a Note, a Regulatory Agreement and Declaration of Restrictive Covenants, a Leasehold Deed of Trust, Assignment of Rents, Security Agreement, and Fixture Filing together with Ground Lessor Subordination and Joinder, a Servicing Agreement, and a Ground Lease (Note Documents); and

WHEREAS, the Partnership, will apply for low income housing tax credits (LIHTCs) from the Texas Department of Housing and Community Affairs (TDHCA); and

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

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

WHEREAS, in connection with the Equity Financing, the Partnership, the General Partner, and/or SAHFC will be required to enter into certain agreements, including but not limited to an Amended and Restated Agreement of Limited Partnership, a Development Agreement, and closing certificates (Equity Documents); and

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

WHEREAS, in connection with the Subordinate Loans, the Partnership, the General Partner, and/or SAHFC will be required to enter into certain agreements, including but not limited to loan agreements, leasehold deeds of trust, declaration of restrictive covenant of affordability or land use restriction agreements, assignments, notes, and subordination agreements (Subordinate Loan Documents); and

WHEREAS, the members of the Board of Directors of SAHFC (Board) and their respective offices are as follows:

<u>Name of Director/Officer</u>	<u>Position</u>
Morris A. Stribling	President and Director
Charles Clack	Vice President and Director
Jo-Anne Kaplan	Director
Gabriel L. Lopez	Director
Sofia A. Lopez	Director
Marie R. McClure	Director
Jessica Weaver	Director
David Nisivoccia	Secretary/Treasurer
Timothy E. Alcott	Assistant Secretary
Ed Hinojosa	Assistant Secretary
Muriel Rhoder	Assistant Secretary

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 Partnership may construct the Project; and

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

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of SAHFC hereby approves:

Section 1. The Project, the various structures of financing contemplated for the Project, including but not limited to the Bond Financing, the LIHTCs, the Equity Financing and the Subordinate Loans are hereby authorized to be applied for and negotiated and the TDHCA Document.

Section 2. The President, any Vice President, the Secretary, the Treasurer, any Assistant Secretary, or any of them, are hereby authorized to execute any and all applications and term sheets required for the financing and construction of the Project, including, but not limited to, the TDHCA Documents and all other documents relating to obtaining the Bond Financing, LIHTCs, Equity Financing, and the Subordinate Loans to which the Partnership, the General Partner, and/or SAHFC is a party.

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

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

(a) the Partnership and Developer will (1) pay all Project costs that are not or cannot be paid or reimbursed from the proceeds of any debt and (2) indemnify and hold harmless SAHFC 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 Project, or the design, construction, equipping, installation, operation, use, occupancy, maintenance or ownership of the Project (other than claims arising from the gross negligence or willful misconduct of SAHFC or the Housing Authority).

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

Section 6. The officers of this Board, or any of them, are authorized to take any and all action necessary to carry out and consummate the transactions described in or contemplated

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

Section 7. The officers of this Board hereby approve the selection of Bracewell LLP as counsel to the General Partner and SAHFC for this transaction.

Section 8. If any section, paragraph, clause, or provisions of this Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

Section 9. 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 10. 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 11. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 12. 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
TRADER FLATS APARTMENTS**

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

1. In accordance with its bylaws, the Board of Directors of SAHFC (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 19FAC-07-26 INDUCING THE TRADER FLATS APARTMENTS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO OBTAIN THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; AND 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 SAHFC.

SIGNED AND SEALED this 1st day of August 2019.



David Nisivoccia
Secretary/Treasurer

**San Antonio Housing Facility Corporation
Resolution 19FAC-07-26**

RESOLUTION 19-FAC-07-26, INDUCING THE TRADER FLATS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO OBTAIN THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, Trader Flats Ltd., a Texas limited partnership (Partnership), and SAHA Trader Flats GP, LLC, a Texas limited liability company and its general partner (General Partner), will be formed to acquire and construct an approximately 324-unit multifamily housing facility (Housing Facility) to be located at 8671 SW Loop 410, San Antonio, Texas (the “Land,” together with the Housing Facility, Project); and

WHEREAS, at the request of the Partnership, San Antonio Housing Facility Corporation (SAHFC), a Texas non-profit public facility corporation created pursuant to the Texas Public Facility Corporations Act, Chapter 303, Texas Local Government Code, by the Housing Authority of the City of San Antonio, Texas (Housing Authority) has agreed to (i) serve as the sole member of the General Partner of the Partnership in connection with the financing of the Project, (ii) acquire the Land and lease it to the Partnership pursuant to a Ground Lease (the “Ground Lease”), and (iii) will serve as the general contractor for the Project (the “General Contractor”); and

WHEREAS, the Partnership has requested that the Las Varas Public Facility Corporation (Issuer) issue its Multifamily Housing Revenue Bonds (Trader Flats Apartments) Series 2020 (Bonds) to finance the Project (Bond Financing); and

WHEREAS, the Issuer will issue the Bonds in an amount not to exceed \$38,000,000.00 and loan such proceeds to the Partnership; and

WHEREAS, in connection with the Bond Financing, the Partnership, the General Partner, and/or SAHFC will be required to enter into certain agreements, including but not limited to a Loan Agreement, a Trust Indenture, a Note, a Regulatory Agreement and Declaration of Restrictive Covenants, a Leasehold Deed of Trust, Assignment of Rents, Security Agreement, and Fixture Filing together with Ground Lessor Subordination and Joinder, a Servicing Agreement, and a Ground Lease (collectively, Note Documents); and

WHEREAS, the Partnership, will apply for low income housing tax credits (LIHTCs) from the Texas Department of Housing and Community Affairs (TDHCA); and

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

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

WHEREAS, in connection with the Equity Financing, the Partnership, the General Partner, and/or SAHFC will be required to enter into certain agreements, including but not limited to an Amended and Restated Agreement of Limited Partnership, a Development Agreement, and closing certificates (collectively, Equity Documents); and

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

WHEREAS, in connection with the Subordinate Loans, the Partnership, the General Partner, and/or SAHFC will be required to enter into certain agreements, including but not limited to loan agreements, leasehold deeds of trust, declaration of restrictive covenant of affordability or land use restriction agreements, assignments, notes, and subordination agreements (collectively, Subordinate Loan Documents); and

WHEREAS, the members of the Board of Directors of SAHFC (collectively, Board) and their respective offices are as follows:

<u>Name of Director/Officer</u>	<u>Position</u>
Morris A. Stribling	President and Director
Charles Clack	Vice President and Director
Jo-Anne Kaplan	Director
Gabriel L. Lopez	Director
Sofia A. Lopez	Director
Marie R. McClure	Director
Jessica Weaver	Director
David Nisivoccia	Secretary/Treasurer
Timothy E. Alcott	Assistant Secretary
Ed Hinojosa	Assistant Secretary
Muriel Rhoder	Assistant Secretary

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 Partnership may construct the Project; and

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

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of SAHFC hereby approves:

Section 1. The Project, the various structures of financing contemplated for the Project, including but not limited to the Bond Financing, the LIHTCs, the Equity Financing and the Subordinate Loans are hereby authorized to be applied for and negotiated and the TDHCA Document.

Section 2. The President, any Vice President, the Secretary, the Treasurer, any Assistant Secretary, or any of them, are hereby authorized to execute any and all applications and term sheets required for the financing and construction of the Project, including, but not limited to, the TDHCA Documents and all other documents relating to obtaining the Bond Financing, LIHTCs, Equity Financing, and the Subordinate Loans to which the Partnership, the General Partner, and/or SAHFC is a party.

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

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

(a) the Partnership and Developer will (1) pay all Project costs that are not or cannot be paid or reimbursed from the proceeds of any debt and (2) indemnify and hold harmless SAHFC 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 courts costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to the Project, or the design, construction, equipping, installation, operation, use, occupancy, maintenance or ownership of the Project (other than claims arising from the gross negligence or willful misconduct of SAHFC or the Housing Authority).

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

Section 6. The officers of this Board, or any of them, are authorized to take any and all action necessary to carry out and consummate the transactions described in or contemplated

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

Section 7. The officers of this Board hereby approve the selection of Bracewell LLP as counsel to the General Partner and SAHFC for this transaction.

Section 8. If any section, paragraph, clause, or provisions of this Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

Section 9. 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 10. 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 11. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 12. 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 San Antonio Housing Facility Corporation, a Texas nonprofit corporation created pursuant to the laws of the State of Texas (SAHFC) hereby certifies as follows:

1. In accordance with its bylaws, the Board of Directors of SAHFC (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-FAC-07-27, INDUCING THE KITTY HAWK FLATS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO OBTAIN THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; AND 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 SAHFC.

SIGNED AND SEALED this 1st day of August 2019.



David Nisivoccia
Secretary/Treasurer

**San Antonio Housing Facility Corporation
Resolution 19FAC-07-27**

RESOLUTION 19-FAC-07-27, INDUCING THE KITTY HAWK FLATS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO OBTAIN THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, Kitty Hawk Flats Ltd., a Texas limited partnership (Partnership), and SAHA Kitty Hawk GP, LLC, a Texas limited liability company and its general partner (General Partner), will be formed to acquire and construct an approximately 240-unit multifamily housing facility (Housing Facility) to be located at the north corner of Kitty Hawk and O'Connor Roads, San Antonio, Texas (the "Land," together with the Housing Facility, Project); and

WHEREAS, at the request of the Partnership, San Antonio Housing Facility Corporation (SAHFC), a Texas non-profit public facility corporation created pursuant to the Texas Public Facility Corporations Act, Chapter 303, Texas Local Government Code, by the Housing Authority of the City of San Antonio, Texas (Housing Authority) has agreed to (i) serve as the sole member of the General Partner of the Partnership in connection with the financing of the Project, (ii) acquire the Land and lease it to the Partnership pursuant to a Ground Lease (Ground Lease), and (iii) will serve as the general contractor for the Project (the "General Contractor"); and

WHEREAS, the Partnership has requested that the Las Varas Public Facility Corporation (Issuer) issue its Multifamily Housing Revenue Bonds (Kitty Hawk Flats Apartments) Series 2020 (Bonds) to finance the Project (Bond Financing); and

WHEREAS, the Issuer will issue the Bonds in an amount not to exceed \$28,000,000.00 and loan such proceeds to the Partnership; and

WHEREAS, in connection with the Bond Financing, the Partnership, the General Partner, and/or SAHFC will be required to enter into certain agreements, including but not limited to a Loan Agreement, a Trust Indenture, a Note, a Regulatory Agreement and Declaration of Restrictive Covenants, a Leasehold Deed of Trust, Assignment of Rents, Security Agreement, and Fixture Filing together with Ground Lessor Subordination and Joinder, a Servicing Agreement, and a Ground Lease (collectively, Note Documents); and

WHEREAS, the Partnership, will apply for low income housing tax credits (LIHTCs) from the Texas Department of Housing and Community Affairs (TDHCA); and

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

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

WHEREAS, in connection with the Equity Financing, the Partnership, the General Partner, and/or SAHFC will be required to enter into certain agreements, including but not limited to an Amended and Restated Agreement of Limited Partnership, a Development Agreement, and closing certificates (collectively, Equity Documents); and

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

WHEREAS, in connection with the Subordinate Loans, the Partnership, the General Partner, and/or SAHFC will be required to enter into certain agreements, including but not limited to loan agreements, leasehold deeds of trust, declaration of restrictive covenant of affordability or land use restriction agreements, assignments, notes, and subordination agreements (collectively, Subordinate Loan Documents); and

WHEREAS, the members of the Board of Directors of SAHFC (collectively, Board) and their respective offices are as follows:

<u>Name of Director/Officer</u>	<u>Position</u>
Morris A. Stribling	President and Director
Charles Clack	Vice President and Director
Jo-Anne Kaplan	Director
Gabriel L. Lopez	Director
Sofia A. Lopez	Director
Marie R. McClure	Director
Jessica Weaver	Director
David Nisivoccia	Secretary/Treasurer
Timothy E. Alcott	Assistant Secretary
Ed Hinojosa	Assistant Secretary
Muriel Rhoder	Assistant Secretary

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 Partnership may construct the Project; and

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

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of SAHFC hereby approves:

Section 1. The Project, the various structures of financing contemplated for the Project, including but not limited to the Bond Financing, the LIHTCs, the Equity Financing and the Subordinate Loans are hereby authorized to be applied for and negotiated and the TDHCA Document.

Section 2. The President, any Vice President, the Secretary, the Treasurer, any Assistant Secretary, or any of them, are hereby authorized to execute any and all applications and term sheets required for the financing and construction of the Project, including, but not limited to, the TDHCA Documents and all other documents relating to obtaining the Bond Financing, LIHTCs, Equity Financing, and the Subordinate Loans to which the Partnership, the General Partner, and/or SAHFC is a party.

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

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

(a) the Partnership and Developer will (1) pay all Project costs that are not or cannot be paid or reimbursed from the proceeds of any debt and (2) indemnify and hold harmless SAHFC 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 Project, or the design, construction, equipping, installation, operation, use, occupancy, maintenance or ownership of the Project (other than claims arising from the gross negligence or willful misconduct of SAHFC or the Housing Authority).

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

Section 6. The officers of this Board, or any of them, are authorized to take any and all action necessary to carry out and consummate the transactions described in or contemplated

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

Section 7. The officers of this Board hereby approve the selection of Bracewell LLP as counsel to the General Partner and SAHFC for this transaction.

Section 8. If any section, paragraph, clause, or provisions of this Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

Section 9. 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 10. 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 11. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 12. 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 APARTMENTS**

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

1. In accordance with its bylaws, the Board of Directors of SAHFC (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 19FAC-07-28 INDUCING THE ALAZAN COURTS
APARTMENTS TRANSACTION, INCLUDING THE EXECUTION OF ALL
DOCUMENTATION NECESSARY TO OBTAIN THE FINANCING FOR
SUCH TRANSACTION; AND AUTHORIZING ALL FILINGS AND
AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND
COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR
LOW INCOME HOUSING TAX CREDITS; AND 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 SAHFC.

SIGNED AND SEALED this 1st day of August 2019.



David Nisivoccia
Secretary/Treasurer

**San Antonio Housing Facility Corporation
Resolution 19FAC-07-28**

RESOLUTION 19-FAC-07-28, INDUCING THE ALAZAN COURTS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO OBTAIN THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, Alazan Courts Ltd., a Texas limited partnership (Partnership), and SAHA Alazan Courts GP, LLC, a Texas limited liability company and its general partner (General Partner), will be formed to acquire and construct an approximately 328-unit multifamily housing facility (the “Housing Facility”) to be located on various lots surrounded by South Colorado, Torreon, South Brazos Streets and West Cesar Chavez Boulevard, San Antonio, Texas (the “Land,” together with the Housing Facility, Project); and

WHEREAS, at the request of the Partnership, San Antonio Housing Facility Corporation (“SAHFC”), a Texas non-profit public facility corporation created pursuant to the Texas Public Facility Corporations Act, Chapter 303, Texas Local Government Code, by the Housing Authority of the City of San Antonio, Texas (Housing Authority) has agreed to (i) serve as the sole member of the General Partner of the Partnership in connection with the financing of the Project, (ii) acquire the Land and lease it to the Partnership pursuant to a Ground Lease (Ground Lease), and (iii) will serve as the general contractor for the Project (General Contractor); and

WHEREAS, the Partnership has requested that the Las Varas Public Facility Corporation (Issuer) issue its Multifamily Housing Revenue Bonds (Alazan Courts Apartments) Series 2020 (Bonds) to finance the Project (Bond Financing); and

WHEREAS, the Issuer will issue the Bonds in an amount not to exceed \$44,000,000.00 and loan such proceeds to the Partnership; and

WHEREAS, in connection with the Bond Financing, the Partnership, the General Partner, and/or SAHFC will be required to enter into certain agreements, including but not limited to a Loan Agreement, a Trust Indenture, a Note, a Regulatory Agreement and Declaration of Restrictive Covenants, a Leasehold Deed of Trust, Assignment of Rents, Security Agreement, and Fixture Filing together with Ground Lessor Subordination and Joinder, a Servicing Agreement, and a Ground Lease (collectively, Note Documents); and

WHEREAS, the Partnership, will apply for low income housing tax credits (LIHTCs) from the Texas Department of Housing and Community Affairs (TDHCA); and

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

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

WHEREAS, in connection with the Equity Financing, the Partnership, the General Partner, and/or SAHFC will be required to enter into certain agreements, including but not limited to an Amended and Restated Agreement of Limited Partnership, a Development Agreement, and closing certificates (collectively, Equity Documents); and

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

WHEREAS, in connection with the Subordinate Loans, the Partnership, the General Partner, and/or SAHFC will be required to enter into certain agreements, including but not limited to loan agreements, leasehold deeds of trust, declaration of restrictive covenant of affordability or land use restriction agreements, assignments, notes, and subordination agreements (collectively, Subordinate Loan Documents); and

WHEREAS, the members of the Board of Directors of SAHFC (collectively, Board) and their respective offices are as follows:

<u>Name of Director/Officer</u>	<u>Position</u>
Morris A. Stribling	President and Director
Charles Clack	Vice President and Director
Jo-Anne Kaplan	Director
Gabriel L. Lopez	Director
Sofia A. Lopez	Director
Marie R. McClure	Director
Jessica Weaver	Director
David Nisivoccia	Secretary/Treasurer
Timothy E. Alcott	Assistant Secretary
Ed Hinojosa	Assistant Secretary
Muriel Rhoder	Assistant Secretary

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 Partnership may construct the Project; and

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

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of SAHFC hereby approves:

Section 1. The Project, the various structures of financing contemplated for the Project, including but not limited to the Bond Financing, the LIHTCs, the Equity Financing and the Subordinate Loans are hereby authorized to be applied for and negotiated and the TDHCA Document.

Section 2. The President, any Vice President, the Secretary, the Treasurer, any Assistant Secretary, or any of them, are hereby authorized to execute any and all applications and term sheets required for the financing and construction of the Project, including, but not limited to, the TDHCA Documents and all other documents relating to obtaining the Bond Financing, LIHTCs, Equity Financing, and the Subordinate Loans to which the Partnership, the General Partner, and/or SAHFC is a party.

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

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

(a) the Partnership and Developer will (1) pay all Project costs that are not or cannot be paid or reimbursed from the proceeds of any debt and (2) indemnify and hold harmless SAHFC 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 courts costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to the Project, or the design, construction, equipping, installation, operation, use, occupancy, maintenance or ownership of the Project (other than claims arising from the gross negligence or willful misconduct of SAHFC or the Housing Authority).

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

Section 6. The officers of this Board, or any of them, are authorized to take any and all action necessary to carry out and consummate the transactions described in or contemplated by the documents approved hereby or otherwise to give effect to the actions authorized hereby and the intent hereof.

Section 7. The officers of this Board hereby approve the selection of Bracewell LLP as counsel to the General Partner and SAHFC for this transaction.

Section 8. If any section, paragraph, clause, or provisions of this Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

Section 9. 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 10. 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 11. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 12. 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 San Antonio Housing Facility Corporation, a Texas nonprofit corporation created pursuant to the laws of the State of Texas (SAHFC) hereby certifies as follows:

1. In accordance with its bylaws, the Board of Directors of SAHFC (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-FAC-07-29, INDUCING THE MIRA VISTA APARTMENTS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO OBTAIN THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; AND 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 SAHFC.

SIGNED AND SEALED this 1st day of August 2019.



David Nisivoccia
Secretary/Treasurer

**San Antonio Housing Facility Corporation
Resolution 19FAC-07-29**

RESOLUTION 19-FAC-07-29, INDUCING THE MIRA VISTA APARTMENTS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO OBTAIN THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, Mira Vista SA Apartments, LP, a Texas limited partnership (Partnership), and SAHA Mira Vista Living GP, LLC, a Texas limited liability company and its general partner (General Partner), have been formed to acquire and construct an approximately 300-unit multifamily housing facility (Housing Facility) to be located at 1226 Mira Vista Drive, San Antonio, Texas (Land, together with the Housing Facility, the Project); and

WHEREAS, at the request of the Partnership, San Antonio Housing Facility Corporation (SAHFC), a Texas non-profit public facility corporation created pursuant to the Texas Public Facility Corporations Act, Chapter 303, Texas Local Government Code, by the Housing Authority of the City of San Antonio, Texas (Housing Authority) has agreed to (i) serve as the sole member of the General Partner of the Partnership in connection with the financing of the Project, (ii) acquire the Land and lease it to the Partnership pursuant to a Ground Lease (Ground Lease), and (iii) enter into a joint venture with a construction company to form an entity that will serve as the general contractor for the Project (Joint Venture); and

WHEREAS, the Partnership has requested that the Las Varas Public Facility Corporation (the Issuer) issue its Multifamily Housing Revenue Bonds (Mira Vista Apartments) Series 2019 (the Bonds) to finance the Project (Bond Financing); and

WHEREAS, the Issuer will issue the Bonds in an amount not to exceed \$28,000,000.00 and loan such proceeds to the Partnership; and

WHEREAS, in connection with the Bond Financing, the Partnership, the General Partner, and/or SAHFC will be required to enter into certain agreements, including but not limited to a Loan Agreement, a Trust Indenture, a Note, a Regulatory Agreement and Declaration of Restrictive Covenants, a Leasehold Deed of Trust, Assignment of Rents, Security Agreement, and Fixture Filing together with Ground Lessor Subordination and Joinder, a Servicing Agreement, and a Ground Lease (collectively, Note Documents); and

WHEREAS, the Partnership, will apply for approximately \$18,000,000.00 in low income housing tax credits (LIHTCs) from the Texas Department of Housing and Community Affairs (TDHCA); and

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

WHEREAS, the Partnership will contribute approximately \$18,000,000.00 of equity to the construction of the Project, which will be contributed by a limited partner to be determined at a

later date (Equity Financing) as reflected in the attached Memorandum of Understanding (Memorandum of Understanding) with HomeSpring Realty Partners (Developer); and

WHEREAS, in connection with the Equity Financing, the Partnership, the General Partner, and/or SAHFC will be required to enter into certain agreements, including but not limited to an Amended and Restated Agreement of Limited Partnership, a Development Agreement, and closing certificates (collectively, Equity Documents); and

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

WHEREAS, in connection with the Subordinate Loans, the Partnership, the General Partner, and/or SAHFC will be required to enter into certain agreements, including but not limited to loan agreements, leasehold deeds of trust, declaration of restrictive covenant of affordability or land use restriction agreements, assignments, notes, and subordination agreements (collectively, Subordinate Loan Documents); and

WHEREAS, SAHFC will enter into the Joint Venture to form an entity that will enter into a construction contract with the Partnership to serve as the general contractor to construct the Project (Construction Documents); and

WHEREAS, the members of the Board of Directors of SAHFC (collectively, Board) and their respective offices are as follows:

<u>Name of Director/Officer</u>	<u>Position</u>
Morris A. Stribling	President and Director
Charles Clack	Vice President and Director
Jo-Anne Kaplan	Director
Gabriel L. Lopez	Director
Sofia A. Lopez	Director
Marie R. McClure	Director
Jessica Weaver	Director
David Nisivoccia	Secretary/Treasurer
Timothy E. Alcott	Assistant Secretary
Ed Hinojosa	Assistant Secretary
Muriel Rhoder	Assistant Secretary

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 Partnership may construct the Project; and

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

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of SAHFC hereby approves:

Section 1. The Project, the various structures of financing contemplated for the Project, including but not limited to the Bond Financing, the LIHTCs, the Equity Financing and the Subordinate Loans are hereby authorized to be applied for and negotiated and the TDHCA Documents and the Memorandum of Understanding, are hereby approved.

Section 2. The President, any Vice President, the Secretary, the Treasurer, any Assistant Secretary, or any of them, are hereby authorized to execute any and all applications and term sheets required for the financing and construction of the Project, including, but not limited to, the TDHCA Documents and the Memorandum of Understanding and all other documents relating to obtaining the Bond Financing, LIHTCs, Equity Financing, and the Subordinate Loans to which the Partnership, the General Partner, and/or SAHFC is a party.

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

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

(a) the Partnership and Developer will (1) pay all Project costs that are not or cannot be paid or reimbursed from the proceeds of any debt and (2) indemnify and hold harmless SAHFC 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 courts costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to the Project, or the design, construction, equipping, installation, operation, use, occupancy, maintenance or ownership of the Project (other than claims arising from the gross negligence or willful misconduct of SAHFC or the Housing Authority).

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

potential purchaser shall have any claim against SAHFC whatsoever as a result of any decision by SAHFC not to enter into the proposed transaction.

Section 6. The officers of this Board, or any of them, are authorized to take any and all action necessary to carry out and consummate the transactions described in or contemplated by the documents approved hereby or otherwise to give effect to the actions authorized hereby and the intent hereof.

Section 7. The officers of this Board hereby approve the selection of Bracewell LLP as counsel to the General Partner and SAHFC for this transaction.

Section 8. If any section, paragraph, clause, or provisions of this Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

Section 9. 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 10. 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 11. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 12. This Resolution shall be in force and effect from and after its passage.

Passed and approved the 1st day of August 2019.

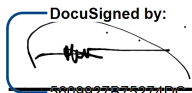
Morris A. Stribling, DPM
Chair, Board of Directors

Attested and approved as to form:

David Nisivoccia
Secretary/Treasurer

SAN ANTONIO HOUSING FACILITY CORPORATION**August 1, 2019****BOARD OF DIRECTORS**

RESOLUTION 19FAC-07-20, SAN ANTONIO HOUSING AUTHORITY'S AUTHORIZES ITS AFFILIATED ENTITY, THE SAN ANTONIO HOUSING FACILITY CORPORATION TO AUTHORIZE THE CULEBRA CROSSING 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 MEMBERSHIP INTEREST IN SAHFC CULEBRA CROSSING LP, LLC; AUTHORIZING THE FINANCING FOR SUCH TRANSACTION; AND OTHER MATTERS IN CONNECTION THEREWITH

DocuSigned by:

 3009927B73274DC...
David Nisiovocchia
President and CEO

DocuSigned by:

 D75AC7200C08D466...
Timothy E. Alcott
Real Estate and Legal Services Officer

REQUESTED ACTION:

Consideration and approval regarding Resolution 19FAC-07-20, San Antonio Housing Authority authorizes its affiliated entity, the San Antonio Housing Facility Corporation (SAHFC) to authorize the Culebra Crossing 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 membership interest in SAHFC Culebra Crossing LP, LLC; 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) 25% of 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 as an asset management fee. SAHFC will also receive 25% percent of the value of the transaction when Lynd exits the transaction in year five. It is estimated that the SAHFC will earn \$8,200,000.00 in their first five years of this transaction.

SUMMARY:

The Lynd Company (Lynd) has proposed a public-private partnership with the San Antonio Housing Authority's affiliated entity, the San Antonio Housing Facility Corporation, to construct the Culebra Crossing Development (Culebra Crossing). Lynd is both a real estate developer and property management company. Over the last ten years, Lynd has acquired, divested, managed, developed, underwritten, or brokered directly or indirectly over \$1.5 billion in residential properties. Over the last seven years, Lynd has developed approximately \$500M in new developments in San Antonio, Chicago, Denver, Miami, and Austin.

The Clubra Crossing is a proposed 326-unit Class A multifamily rental housing development to be constructed near the intersection of Culebra Road and 1604. The total development costs for the Project are estimated to be \$47,140,798.00 and it will be composed of one-, two- and three-bedroom units ranging in size from 530 square feet to 1,348 square feet. The Project will

feature amenities similar to other Class A multifamily developments in the market, including a clubhouse, pool, and fitness center. Lynd 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 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.

The SAHFC will own the real estate on which the project is located, the purchase of which will be funded by an upfront lease payment from the partnership. 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 seventy-five year lease to Culebra Crossing Apartments LP that is jointly owned by a Lynd affiliate. The SAHFC will have a 25% interest in the cash flow received by the project 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 own 100% of the Project at that point.

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 (163 units) are restricted for rental by residents earning less than 80% of area median income (AMI).

The Project will be constructed pursuant to a construction contract from Culebra Crossing Apartments LP to SAHFC and a sub-general contract to Lynd. 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 addressing the construction and operation of the Project.

STRATEGIC GOAL:

Strategically expand the supply of affordable housing.

ATTACHMENTS:

Resolution 19FAC-07-20

Map and Concept Drawings

CERTIFICATE FOR RESOLUTION

The undersigned officer of the San Antonio Housing Facility Corporation, a Texas non-profit corporation created pursuant to the laws of the State of Texas (SAHFC) hereby certifies as follows:

1. In accordance with its bylaws, the Board of Directors of SAHFC (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 19FAC07-20, SAN ANTONIO HOUSING AUTHORITY'S AUTHORIZES ITS AFFILIATED ENTITY, THE SAN ANTONIO HOUSING FACILITY CORPORATION TO AUTHORIZE THE CULEBRA CROSSING 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 MEMBERSHIP INTEREST IN SAHFC CULEBRA CROSSING LP, LLC; 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 SAHA.

SIGNED AND SEALED this 1st day of August 2019.



David Nisivoccia
Secretary/Treasurer

**San Antonio Housing Facility Corporation
Resolution 19FAC-07-20**

RESOLUTION 19FAC07-20, SAN ANTONIO HOUSING AUTHORITY AUTHORIZES ITS AFFILIATED ENTITY, THE SAN ANTONIO HOUSING FACILITY CORPORATION (SAHFC) TO AUTHORIZE THE CULEBRA CROSSING 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 MEMBERSHIP INTEREST IN SAHFC CULEBRA CROSSING LP, LLC; AUTHORIZING THE FINANCING FOR SUCH TRANSACTION; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, SAHA's affiliated entity, the San Antonio Housing Facility Corporation (SAHFC) and The Lynd Company (Lynd) propose to enter into a public-private partnership in the form of a limited partnership (Partnership) to acquire and construct a 326-unit Class A multifamily rental housing development to be known as the Culebra Crossing Development (Housing Facility) to be constructed on or near the intersection of Culebra Road and Loop 1604 (Land, together with the Housing Facility, the Project); and

WHEREAS, in connection with the Project, SAHFC will form a limited liability company, which shall be a Partnership limited partner (SAHFC Culebra Crossing LLC); and

WHEREAS, at the request of the Partnership, the SAHFC Culebra Crossing LLC has agreed to serve as a limited partner of the Partnership, and SAHFC has agreed to (i) serve as the sole member of the SAHFC Culebra Crossing 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 Culebra Crossing 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 Culebra Crossing 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 SAHFC hereby approves:

- 1) The Project, the various forms of financing contemplated for the Project, including but not limited to, the Equity Financing, 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 Culebra Crossing 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 Culebra Crossing 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.

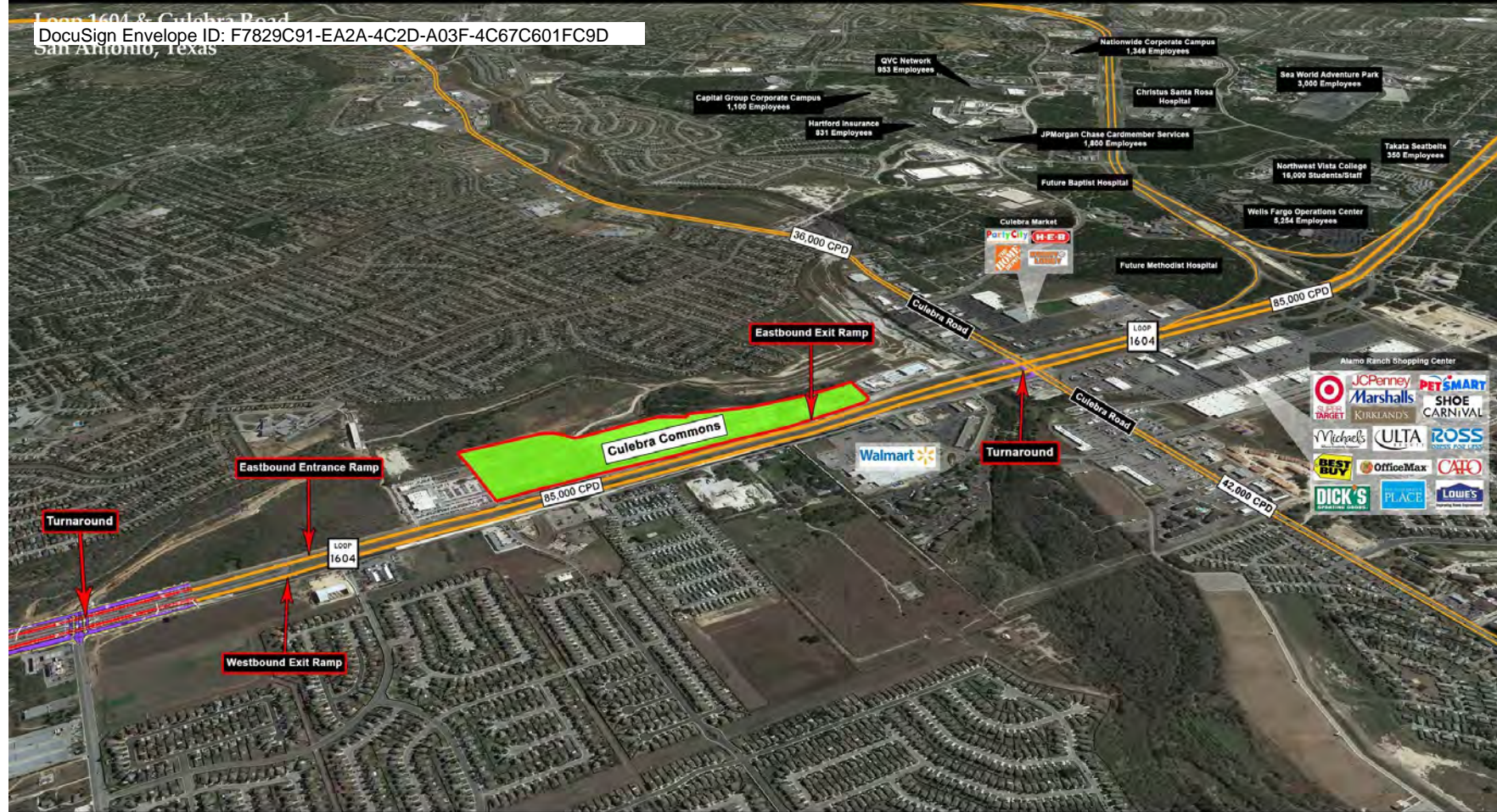
- 5) The officers of this Board, or any of them, are authorized to take any and all action necessary to carry out and consummate the transactions described in or contemplated by the documents approved hereby or otherwise to give effect to the actions authorized hereby and the intent hereof.
- 6) The officers of this Board hereby approve the selection of Bracewell LLP as counsel to the SAHFC Culebra Crossing 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:

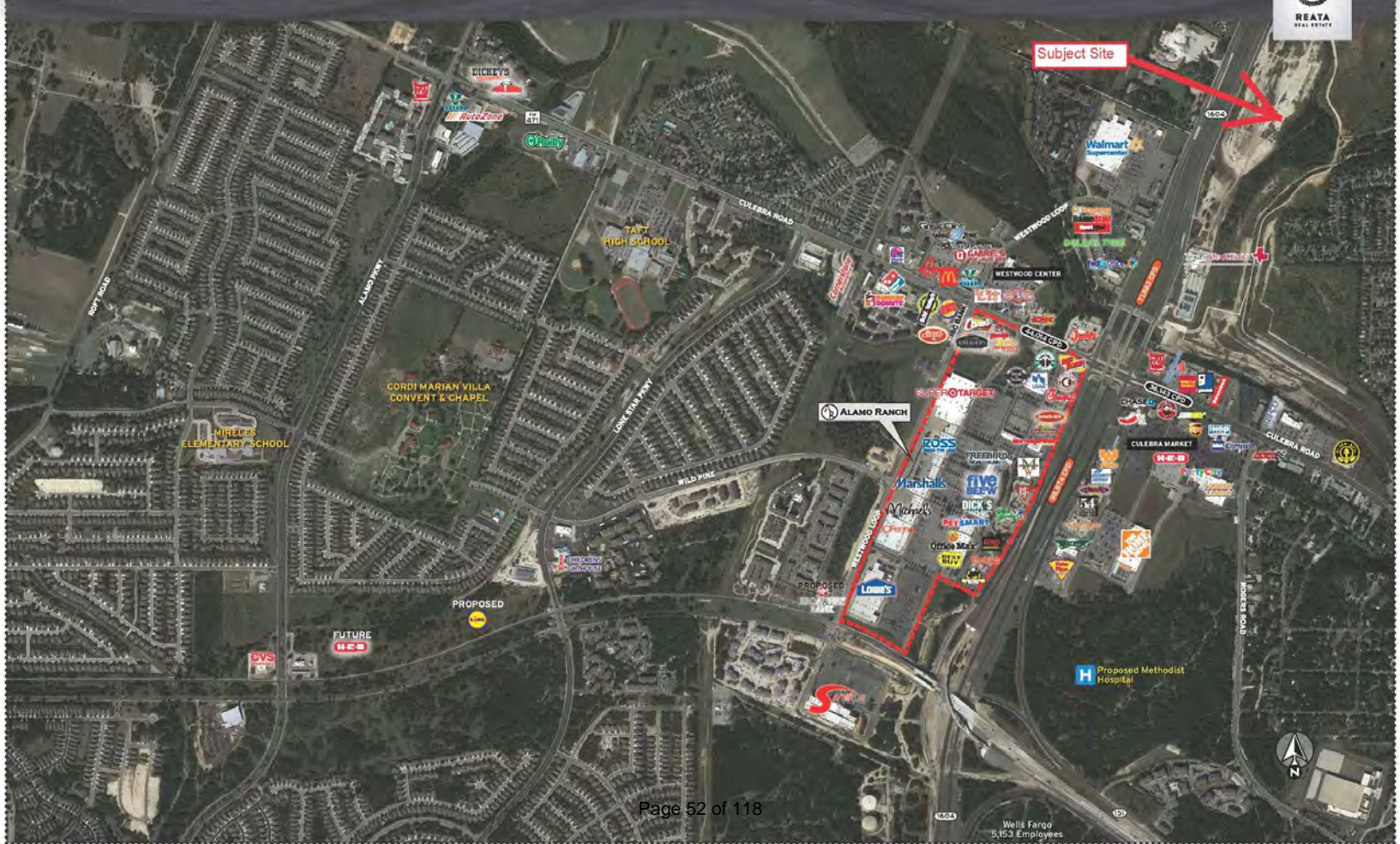
David Nisivoccia
Secretary/Treasurer



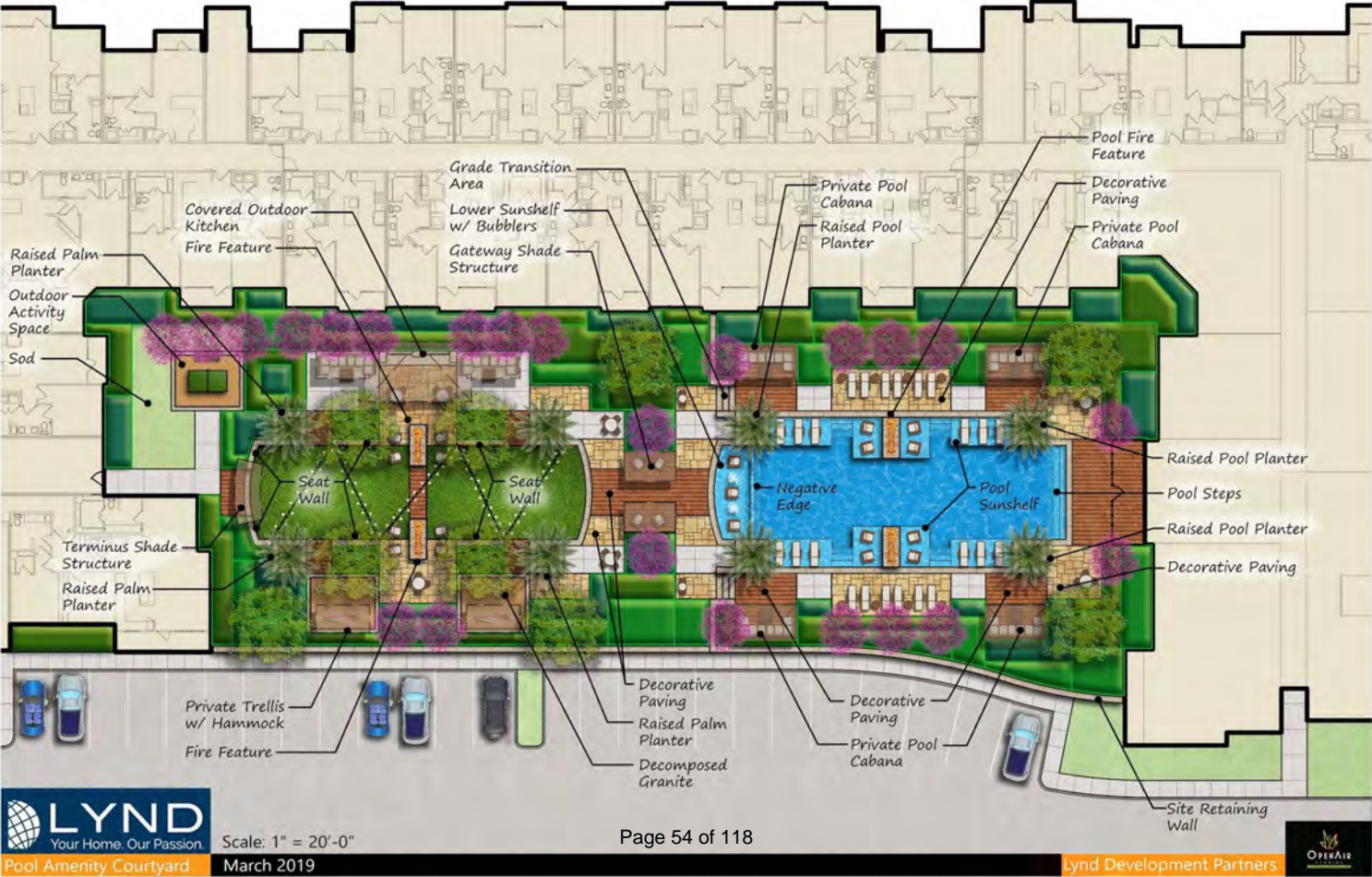




Subject Site









CULEBRA COMMONS
Calculations

Total Acres:	14.133
Buildable Acres:	10.04
Total Units:	320
Carport spaces:	60
Garage spaces:	20
Uncovered spaces:	416
Total Parking:	496
Parking Ratio:	1.55

NOT TO SCALE



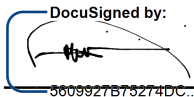




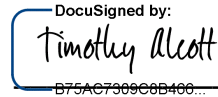


SAN ANTONIO HOUSING FACILITY CORPORATION**August 1, 2019****BOARD OF DIRECTORS**

RESOLUTION 19FAC-07-23, AUTHORIZING THE ARTISAN AT RUIZ TRANSACTION INCLUDING: (i) EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; (ii) A CONSTRUCTION LOAN TO ARDC RUIZ, LTD., FROM BANK OF AMERICA, N.A. THAT WILL CONVERT TO A PERMANENT LOAN FROM PNC BANK, NATIONAL ASSOCIATION, WHICH WILL BE ASSIGNED TO THE FEDERAL HOME LOAN MORTGAGE CORPORATION; (iii) THE SALE OF THE LAND AND LEASE OF THE LAND FROM THE HOUSING AUTHORITY OF THE CITY OF SAN ANTONIO, TEXAS, OR ITS DESIGNEE (SAHA), TO ARDC RUIZ, LTD.; (v) AUTHORIZING SAN ANTONIO HOUSING FACILITY CORPORATION (SAHFC) TO SERVE AS THE PRIME CONTRACTOR; (vi) AUTHORIZING ARDC RUIZ GP, LLC TO ENTER INTO THE AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP FOR ARDC RUIZ, LTD.; AND (vii) OBTAINING TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS TAX CREDITS FOR THE PROJECT; AND OTHER MATTERS IN CONNECTION THEREWITH

DocuSigned by:

 3609927873274DC...

David Nisiovocchia
President and CEO

DocuSigned by:

 B75AC7309C6B460...

Timothy E. Alcott
Real Estate and Legal Services Officer

REQUESTED ACTION:

Consideration and approval regarding Resolution 19FAC-07-23, authorizing the Artisan at Ruiz transaction including: (i) execution of all documentation necessary to carry out the transaction; (ii) a construction loan to ARDC Ruiz, LTD, from Bank of America, N.A. that will convert to a permanent loan from PNC Bank, National Association, which will be assigned to the Federal Home Loan Mortgage Corporation; (iii) the sale of the land and lease of the land from the Housing Authority of the City of San Antonio, Texas, or its designee (SAHA), to ARDC Ruiz, LTD; (v) authorizing San Antonio Housing Facility Corporation (SAHFC) to serve as the prime contractor; (vi) authorizing ARDC Ruiz GP, LLC to enter into the amended and restated agreement of limited partnership for ARDC Ruiz, LTD.; and (vii) obtaining Texas Department of Housing and Community Affairs tax credits for the project; and other matters in connection therewith.

FINANCIAL IMPACT:

The total project cost is expected to be \$18,972,000.00 or \$186,000.00 per unit. The developer is Franklin Development Properties, Ltd. (Franklin). Franklin or an affiliate will provide any guarantees of construction, completion, operating deficit and tax credit delivery. The required permanent loan debt service ratio for Artisan at Ruiz is 1.15.

The total developer fee is \$2,159,000.00 and 30% of the fee will be deferred. SAHFC's developer fee is approximately \$539,750.00 (25% of the total developer fee). After payment of tax credit shortfall payments, if any; amounts owed to the investor limited partner, Bank of America, N.A. (Investor), due to advances that are due to restoration after a casualty, if any, the Asset Management Fee (\$5,000.00), and deferred developer fee, the Partnership Management Fee will be paid to Franklin and the General Partner from the project's cash flow. After the Partnership Management Fee is paid and the operating reserve is funded up to approximately \$282,633.00, the Incentive Management Fee (no less than 12% of the gross revenue of ARDC

Ruiz, Ltd. for such fiscal year) will be paid to ARDC Ruiz GP, LLC. Any further distributions of cash flow to Franklin and the General Partner will be split 50/50.

The pro forma and Texas Department of Housing and Community Affairs underwriting report for the project are attached.

SUMMARY:

The project will consist of 102 family units, the entirety of which will be reserved for rental to families earning 60% or less of area median income. Specifically, eleven efficiency units will be reserved for rental to individuals earning 30% or less of area median income, forty-one two-bedroom units will be reserved for rental to families earning 50% or less of area median income, and fifty three bedroom units will be reserved for rental to families earning 60% or less of area median income. The Board is being asked to authorize all of the actions necessary to finance and construct the project.

The project will be financed by a construction loan from Bank of America, N.A. in an amount not to exceed \$16,000,000.00 as a construction loan, which will convert to a permanent loan in the approximate amount of \$7,046,000.00. Equity contributions from an affiliate of Bank of America, N.A., as an investor limited partner, will also be used to finance the construction and long-term operations. Investor has issued a commitment to purchase the project tax credits at an equity price of \$0.95 per credit dollar, for a total projected equity contribution of \$14,284,575.

SAHA is targeting a closing date of August 15, 2019.

SAHA will enter into the construction contract upon the closing of the construction loan and immediately, thereafter, will issue the general contractor a Limited Notice to Proceed. SAHA is doing this to ensure substantial completion of the Project by December 31, 2020, which is required to maintain the tax credits.

STRATEGIC GOAL:

Strategically expand the supply of affordable housing.

ATTACHMENTS:

Resolution 19FAC-07-23

Map

Franklin/SAHA Term Sheet

**San Antonio Housing Facility Corporation
Resolution 19FAC-07-23**

RESOLUTION 19FAC-07-23, AUTHORIZING THE ARTISAN AT RUIZ TRANSACTION INCLUDING: (i) EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; (ii) A CONSTRUCTION LOAN TO ARDC RUIZ, LTD., FROM BANK OF AMERICA, N.A. THAT WILL CONVERT TO A PERMANENT LOAN FROM PNC BANK, NATIONAL ASSOCIATION, WHICH WILL BE ASSIGNED TO THE FEDERAL HOME LOAN MORTGAGE CORPORATION; (iii) THE SALE OF THE LAND AND LEASE OF THE LAND FROM THE HOUSING AUTHORITY OF THE CITY OF SAN ANTONIO, TEXAS, OR ITS DESIGNEE (SAHA), TO ARDC RUIZ, LTD.; (v) AUTHORIZING SAN ANTONIO HOUSING FACILITY CORPORATION (SAHFC) TO SERVE AS THE PRIME CONTRACTOR; (vi) AUTHORIZING ARDC RUIZ GP, LLC TO ENTER INTO THE AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP FOR ARDC RUIZ, LTD.; AND (vii) OBTAINING TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS TAX CREDITS FOR THE PROJECT; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the Housing Authority of the City of San Antonio, Texas, a municipal housing authority, organized under the laws of the State of Texas (Housing Authority), wishes to cause the construction of a 102 unit multi-family housing apartment complex to be located in San Antonio, Bexar County, Texas, constructed as housing for low-income persons and known as Artisan at Ruiz (Project); and

WHEREAS, a limited company was formed and is known as ARDC Ruiz GP, LLC, a Texas limited liability company (Company); and

WHEREAS, San Antonio Housing Facility Corporation, a Texas nonprofit and public facility corporation (SAHFC) is a sponsored affiliate of the Housing Authority, which was organized, in part, "to assist and to act as the instrumentality of the Housing Authority of the City of San Antonio, Texas ...in providing decent, safe, and sanitary housing for persons of low and moderate income..."; and

WHEREAS, SAHFC is the sole member of the Company, which is the general partner of ARDC Ruiz, Ltd., a Texas limited partnership (Partnership), that was formed to develop, own and operate the Project; and

WHEREAS, for the purpose of carrying out the Project, the Housing Authority intends to acquire that certain real property located at 1507 Ruiz Street in San Antonio, Texas (Land), pursuant to a purchase and sale agreement (Purchase Agreement), upon which Land, the Project will be constructed, and lease the Property to the Partnership pursuant to a seventy-five year ground lease (Ground Lease) by and between the Housing Authority and the Partnership; and

WHEREAS, in connection with the financing and development of the Project, various project participants (Project Participants) shall require the Housing Authority to execute and deliver certain documents, instruments, and agreements, including, without limitation, the Ground Lease, and one or more loan agreements, promissory notes, indentures, regulatory agreements and/or restrictive covenants affecting the Property, environmental indemnity agreements, replacement and/or other reserve agreements, subordination and/or intercreditor agreements, assignments, and any other documents evidencing or reasonably required by any of the Project Participants in connection with the Ground Lease and the development of the Project (Project Documents).

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of SAHFC hereby approves:

- 1) Resolution 19FAC-07-23, authorizing the Artisan at Ruiz transaction including: (i) execution of all documentation necessary to carry out the transaction; (ii) a construction loan to ARDC Ruiz, LTD, from Bank of America, N.A. that will convert to a permanent loan from PNC Bank, National Association, which will be assigned to the Federal Home Loan Mortgage Corporation; (iii) the sale of the land and lease of the land from the Housing Authority of the City of San Antonio, Texas, or its designee (SAHA), to ARDC Ruiz, LTD; (v) authorizing San Antonio Housing Facility Corporation (SAHFC) to serve as the prime contractor; (vi) authorizing ARDC Ruiz GP, LLC to enter into the amended and restated agreement of limited partnership for ARDC Ruiz, LTD.; and (vii) obtaining Texas Department of Housing and Community Affairs tax credits for the project; and other matters in connection therewith.
- 2) That the foregoing recitals are incorporated herein, made a part hereof, and approved, confirmed and ratified in all respects.
- 3) That the Ground Lease and the entirety of the Project Documents, are all approved and that the Housing Authority may and shall undertake all of the duties and obligations imposed therein in furtherance of the Project.
- 4) That any officer or commissioner including, without limitation, the President and CEO (Authorized Representative) of the Housing Authority be and hereby is authorized, empowered and directed, on behalf of the Housing Authority, to execute and deliver the Ground Lease and the Project Documents and to take such actions as are necessary to cause the Housing Authority to perform the duties and obligations imposed by any of them, and to execute such additional documents, agreements and instruments as the Authorized Representative may deem necessary or appropriate in connection with the matters authorized in the foregoing resolutions in its sole discretion, and that the execution by such Authorized Representative of any documents, agreements or instruments or the performance of any such actions shall be conclusive evidence of such Authorized Representative's authority to take such actions or execute such documents, agreements or instruments on behalf of the Housing Authority.
- 5) That any and all acts heretofore taken by an Authorized Representative in connection with the matters authorized by the foregoing resolutions are hereby ratified, confirmed, and approved by the Board of Directors of the SAHFC.

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

Map - Artisan at Ruiz



OPPORTUNITY **LIVES HERE**
@HousingSAT

Artisan at Ruiz Rendering



OPPORTUNITY **LIVES HERE**
@HousingSAT



Ruiz PROPOSED 9% TERM SHEET

Purpose	To enter into a partnership with San Antonio Housing Facility Corporation ("SAHA") to construct 102 units on vacant land.
Developer	Franklin Development Properties, Ltd. ("Developer"). Developer will develop, construct and manage the community.
Ownership Structure	Partnership is to-be-formed for the purpose of owning the Development ("Partnership").
Partners	A single-purpose entity created/affiliated with SAHA will be the sole general partner ("General Partner"). Developer may designate an affiliate to serve as a special limited partner ("Class B LP") and Equity Investor as limited partner ("Investor, LP"). Franklin Construction will construct the property.
Property	Approximately 4.139 acres, consisting of three separate tracts, as shown on Exhibit A
Financing	As approved by both Guarantor and SAHA
Guarantees	Developer or affiliate will provide any guarantees of construction, completion, operating deficit and tax credit delivery. While providing guarantees, Developer or affiliate will retain final approval rights on issues that would affect the guarantee ,with such approval not unreasonably withheld.
Developer Fee	75% to Developer; 25% to SAHA
Management	Franklin Apartment Management will manage the property within the terms of the agreed upon Management Agreement and, at a minimum, during the term a Franklin affiliate is providing guarantees.
Construction	SAHA and Franklin Construction will enter into a Joint Venture agreement for the purpose of qualifying for the Sales Tax Exemption. Franklin Construction will provide Construction services for fees not to exceed 6% Profit, 2% Overhead and 6% General Conditions.
Priority Distributions	50% General Partner and 50% Class B LP
Net Cash Flow	50% General Partner and 50% Class B LP



Exhibit A
Ramert Tract



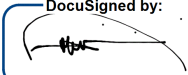
Exhibit B
Huerta Tract

DELGADO ST.

Page 67 of 118

SAN ANTONIO HOUSING FACILITY CORPORATION**August 1, 2019****BOARD OF DIRECTORS**

RESOLUTION 19FAC-07-21, 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

DocuSigned by:

 3609927B75274DC...
David Nisivoccia
 President and CEO

DocuSigned by:

 B75AC7309C8B406...
Timothy E. Alcott
 Real Estate and Legal Services Officer

REQUESTED ACTION:

Consideration and approval regarding Resolution 19FAC-07-21, 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 HOUSING FACILITY CORPORATION**August 1, 2019**

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 19FAC-07-21

Map and Concept Drawings

CERTIFICATE FOR RESOLUTION

The undersigned officer of the San Antonio Housing Facility Corporation, a Texas non-profit corporation created pursuant to the laws of the State of Texas (SAHFC) hereby certifies as follows:

1. In accordance with its bylaws, the Board of Directors of SAHFC (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 19FAC-07-21, 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

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 SAHA.

SIGNED AND SEALED this 1st day of August 2019.



David Nisivoccia
Secretary/Treasurer

**San Antonio Housing Facility Corporation
Resolution 19FAC-07-21**

RESOLUTION 19FAC-07-21, 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 SAHFC 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



&



SAHA

PROJECT OVERVIEW



SAHA &



SUMMARY

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.

OVERVIEW

LOAN REQUEST

INVESTMENT METRICS

Address	126 Villita Street San Antonio, Texas	Loan Amount	\$54,910,400	Effective Gross Income	\$4,539,919
Parking Spaces	290 / 7-Stories	Loan-to-Cost	87%	Property Operating Expenses	\$1,141,448
Net Rentable Square Feet	186,500	TDHCA Tax Credit Program	Non-Competitive 4% Housing Tax Credits	Net Cash Flow Before Debt Service	\$3,354,331
Number of Units	250	Debt Coverage Ratio	1.24	Return on Cost	5.4%
Average Unit Size	746 Square Feet	Loan Type	Section 220 with LIHTC	Income Restrictions	50% of Units @ 80% AMI

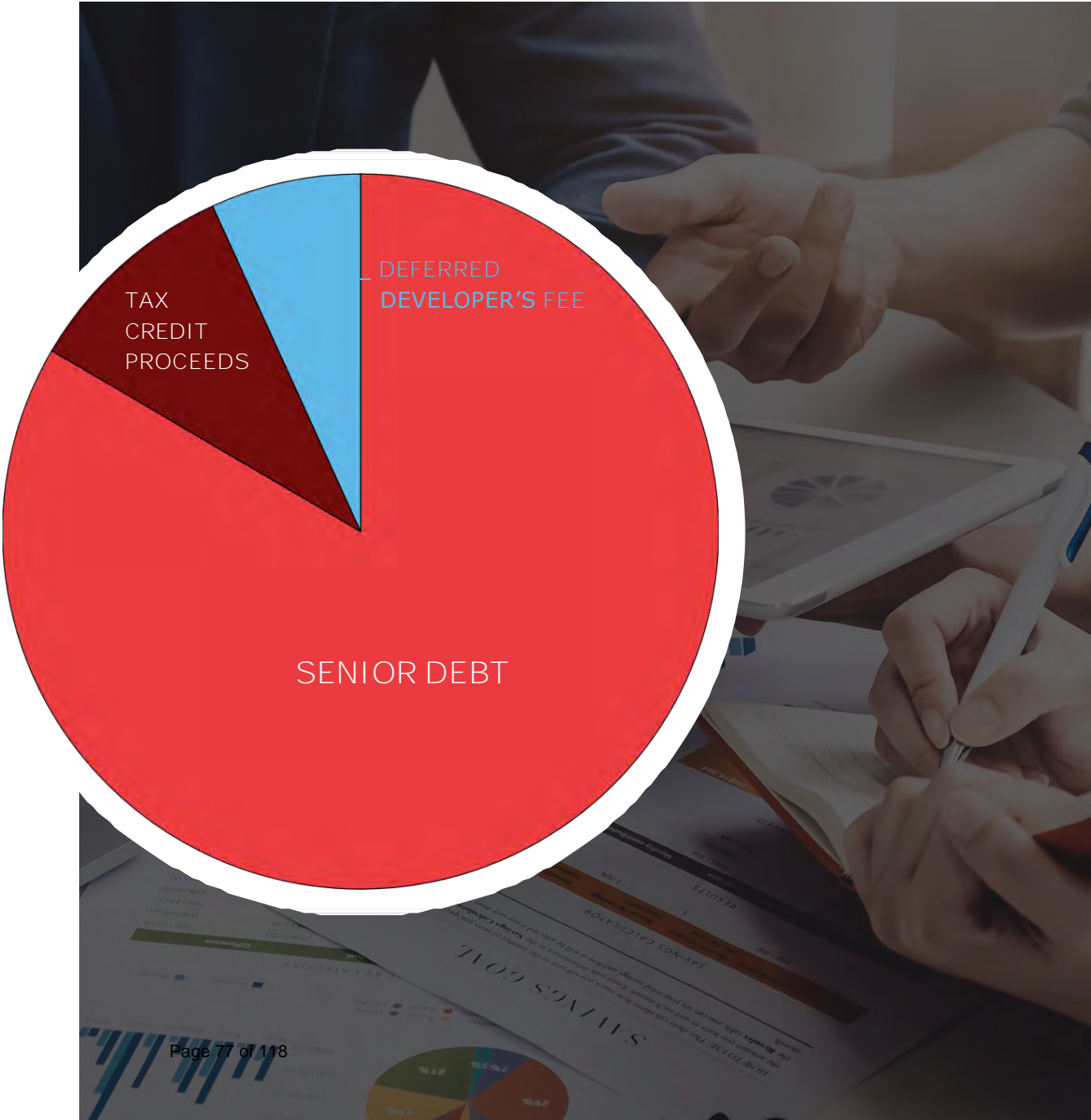


CAPITAL STRUCTURE

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	



PROPERTY DESCRIPTION



SAHA &



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

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



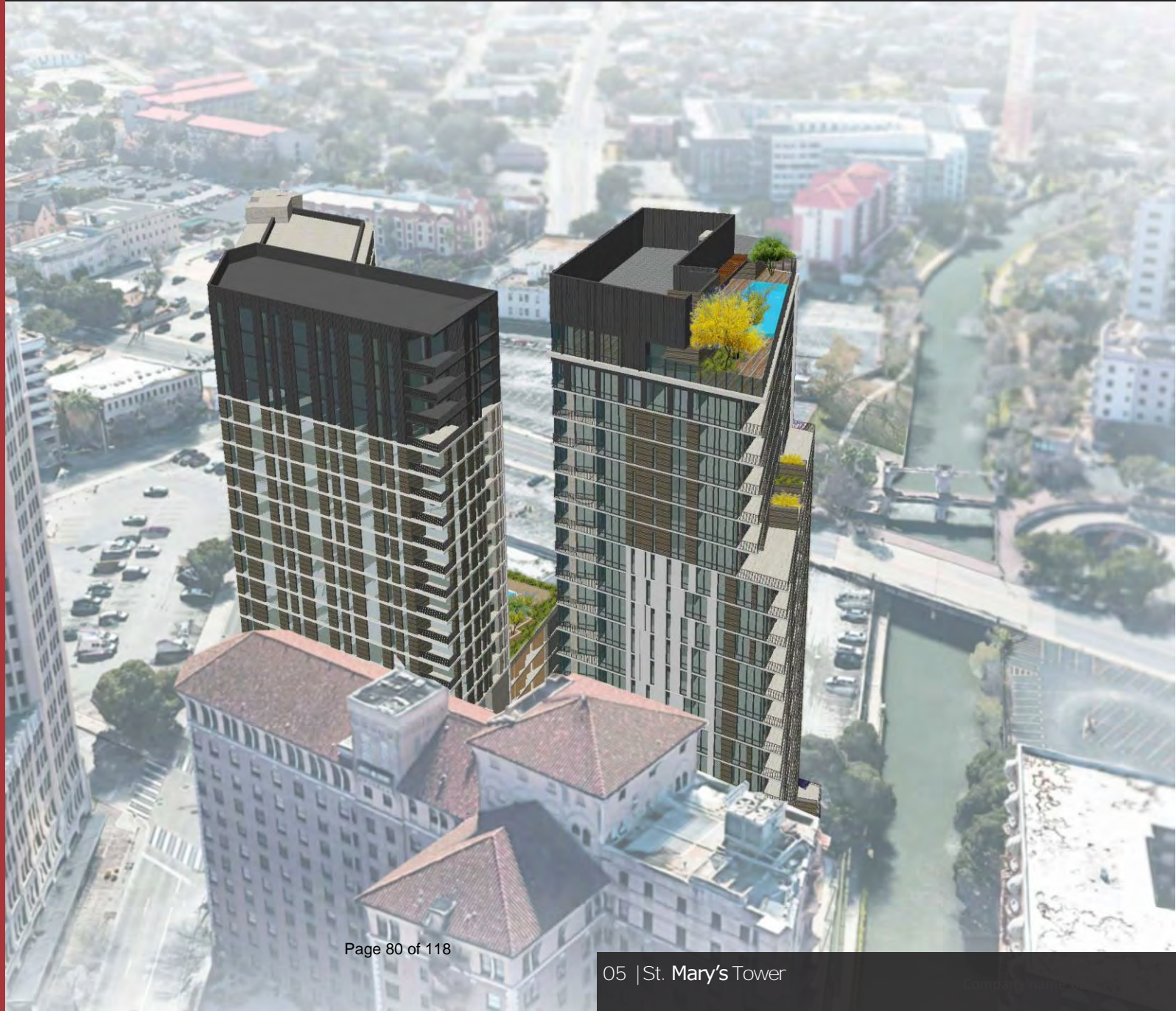
SCHEMATIC DRAWINGS



SAHA &



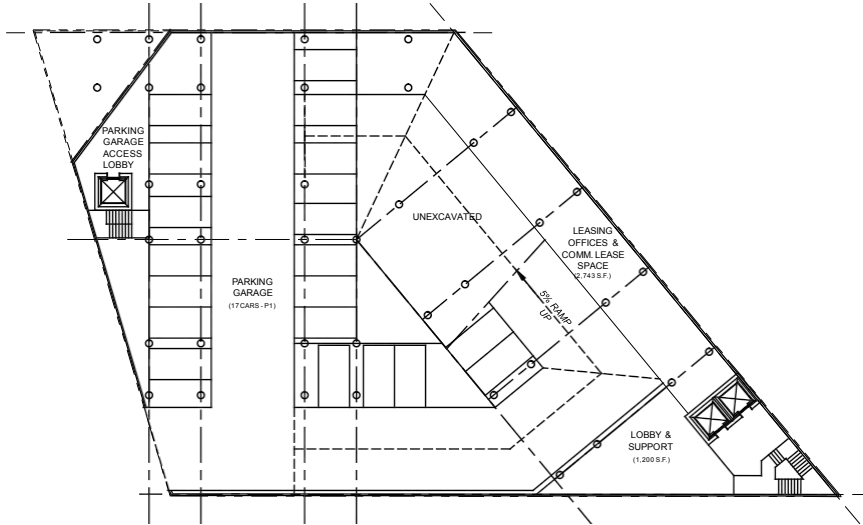
126 VILLITA STREET SAN ANTONIO, TEXAS



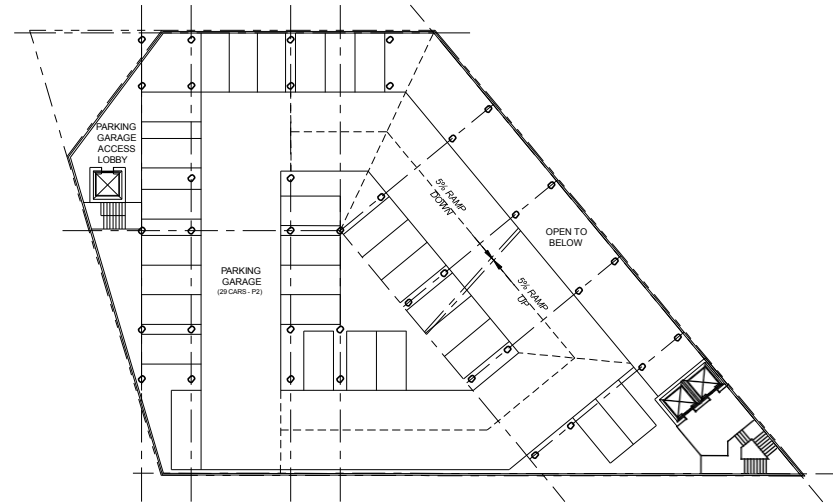
SCHEMATIC DRAWINGS



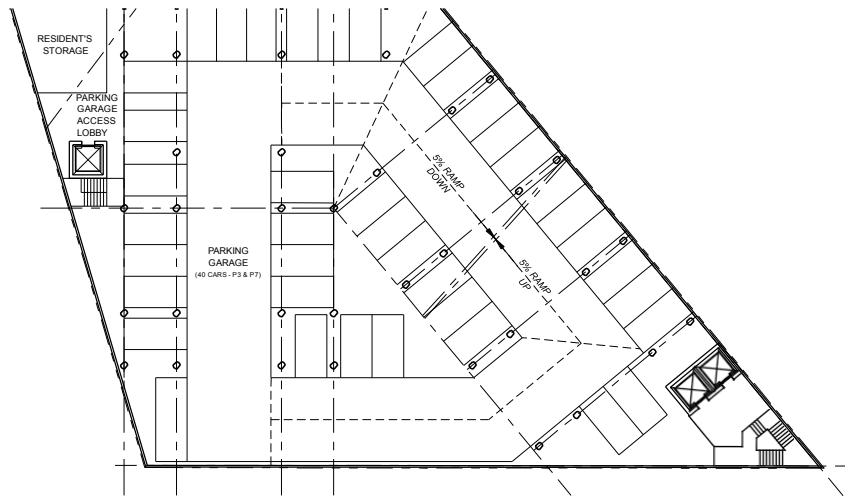
SAHA &



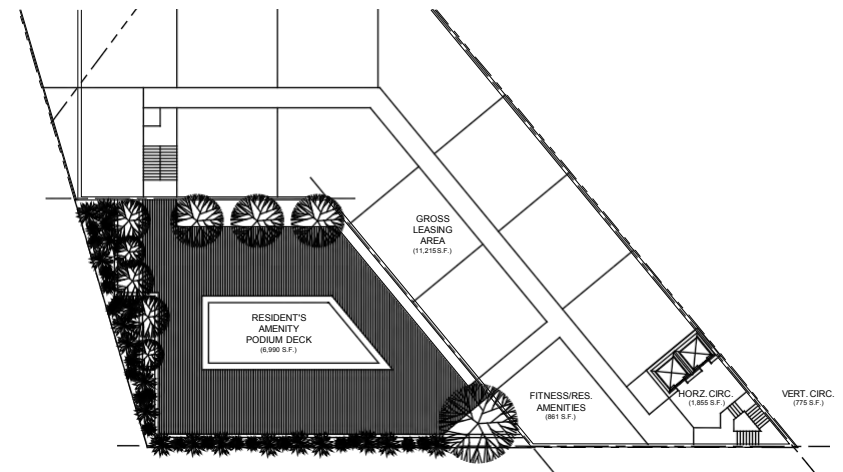
PARKING LEVEL - P1



PARKING LEVEL - P2



PARKING LEVELS - P3 & P7



RESIDENTIAL PODIUM LEVEL - 8

PROPOSED STRUCTURE



SAHA &



Owner / Developer:

JMJ Development, LLC, or its assigns ("JMJ")

General Partner:

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

Developer Guarantees:

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

Financing:

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 Financial Support:

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.

Development / Project Mgmt.:

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

Fee and Profits:

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 a 8% preferred return on investment. San Antonio Housing Authority will provide supportive services, as required, at market rate pricing.

Tax Exemption:

General Partner must obtain 100% ad valorem tax exemption.

Divestiture:

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

PROPOSED PUBLIC SECTOR INVOLVEMENT



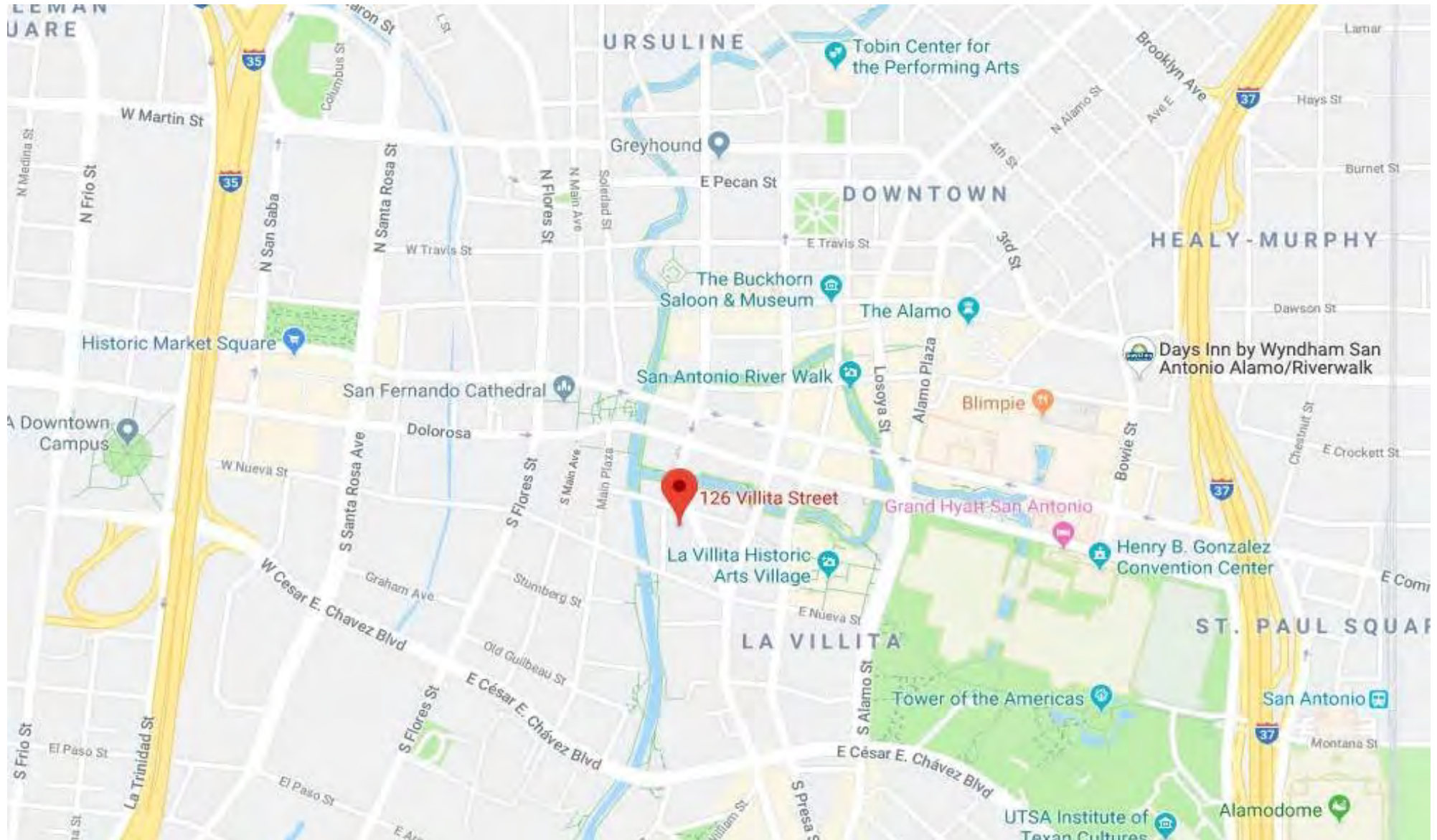
The purpose of this document is to set forth the strategic approach in an effort to fund a “gap” and to ensure that the St. **Mary’s** Tower can become economically viable. The tools that are outlined in this section are existing economic development tools which are presently being used in San Antonio. 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)



SAHA &



SAN ANTONIO OVERVIEW



SAHA &



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.

MAJOR EMPLOYERS	# OF EMPLOYEES
Lackland Air Force Base	37,000
Fort Sam Houston – U.S. Army	32,000
H.E.B.	20,000
USAA	17,000
Randolph Air Force Base	11,000
Cullen/ Frost Bank	3,900
Bill Miller Bar-B-Q	3,500
RackSpace	3,300

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



SAHA &



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



THE RIVER WALK AT LENGTH



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.

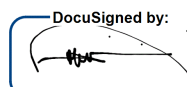
The San Antonio River Walk is a verdant oasis of cypress lined, paved paths, arched stone bridges and lush landscapes.

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 umbrellas 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.



SAN ANTONIO HOUSING FACILITY CORPORATION**August 1, 2019****BOARD OF DIRECTORS**

RESOLUTION 19FAC-07-18, CONSIDERATION AND APPROVAL AUTHORIZING THE ENTERING INTO A PARTNERSHIP WITH VESTA CORPORATION TO ACQUIRE THREE EXISTING LOW INCOME HOUSING TAX CREDIT (LIHTC) PROPERTIES LOCATED IN SAN ANTONIO, TX, AND AUTHORIZING THE PRESIDENT AND CEO, AND HIS DESIGNATED STAFF TO NEGOTIATE THE TERMS OF THE ACQUISITION AGREEMENT; SUBMIT APPLICATIONS FOR FINANCING; CREATE ANY LEGAL ENTITIES; EXECUTE CONTRACTS FOR CONVEYANCE OF LAND; RETAIN LEGAL COUNSEL; AND ANY AND ALL ACTIONS REQUIRED TO CONSUMMATE THE TRANSACTION

DocuSigned by:

 3609927B73274DC...
David Nisivoccia
President and CEO

DocuSigned by:

 C913B7D3871E469...
Ed Hinojosa
Chief Financial Officer

REQUESTED ACTION:

Consideration and approval regarding Resolution 19FAC-07-18, authorizing the entering into a partnership with Vesta Corporation to acquire three existing Low Income Housing Tax Credit (LIHTC) properties located in San Antonio, TX, and authorizing the President and CEO, and his designated staff to negotiate the terms of the acquisition agreement; submit applications for financing; create any legal entities; execute contracts for conveyance of land; retain legal counsel; and any and all actions required to consummate the transaction.

FINANCIAL IMPACT:

The transaction does not require a financial commitment from SAHA. However, it does provide an opportunity for future acquisitions with a new development partner. Additionally, SAHA will receive the following financial benefits:

- Payment at closing of \$150,000.00 fee
- Credit of up to \$50,000.00 to cover SAHA's legal expenses associated with this transaction
- Projected cumulative cash flow payments of \$1,369,000.00 (assuming a seven year hold period)
- Projected net sale proceeds of \$4,583,000.00 (assuming a sale at the end of the seven year hold period)
- A contract with SAHA's Community Development Initiatives Department (CDI) to provide supportive services required under the existing Land Use Restriction Agreement (LURA) at a rate of \$107,000 per year.

Additionally, SAHA will be acquiring an ownership interest in 682 multifamily units, of which 582 units are affordable at 60% of area median income (AMI).

SAN ANTONIO HOUSING FACILITY CORPORATION**August 1, 2019****SUMMARY:**

In April of 2019, SAHA was approached by a representative of Alden Torch about a potential business opportunity involving the sale of three existing Low Income Housing Tax Credit (LIHTC) properties that would be reaching the end of the initial fifteen year compliance period. Alden Torch represents the current investor limited partnership interest. They have made a business decision to exit the San Antonio market. The existing general partner is Prospera. However, they are not in a position to purchase the properties at their current market value. Currently, Prospera provides only a 50% reduction on the real estate tax liability for these properties.

The prospective purchaser is Vesta Corporation (Vesta), which is located in Connecticut. Founded in 1988, they currently own forty-six multifamily properties containing 7,500 units. They own fourteen LIHTC properties in Texas (four in the Houston area, one in San Antonio, and nine in the Rio Grande Valley). Vesta is asking for SAHA or a related entity to partner with them in acquiring the following three properties:

- | | |
|--|--|
| 1. Champion at Del Rio
927 VFW Blvd
San Antonio, TX 78223 | 180 units (100% @ 60% AMI) |
| 2. Champion at Marshall Meadow
1803 Marshall Cross
San Antonio, TX 78214 | 250 units (40% @ market and 60% @ 60% AMI) |
| 3. Champion at Port Royal
5350 W. Military Drive
San Antonio, TX 78242 | 252 units (100% @ 60% AMI) |

Representatives from SAHA's Asset Management team have visited the three properties and the one Vesta property owned in San Antonio. Additionally, we met with representatives from Vesta's property management team. The three properties under consideration are all fifteen years of age and were constructed by the same developer. They are generally in good condition for their age and have good curb appeal. Vesta is allotting \$3.2 million (\$4,700.00 per unit) for capital repairs/replacements in the near term.

Partnering with SAHA is an attractive proposition for Vesta Corporation, since the properties will qualify for 100% tax exemption. After several meetings with staff and representatives from Vesta, the following deal structure was agreed to in principal (subject to SAHA Board approval):

Ownership structure: A new limited partnership or limited liability company (LLC) would be created to acquire each property. A SAHA related entity would serve as the general partner or managing member, and a Vesta related entity would serve as the limited partner or non

SAN ANTONIO HOUSING FACILITY CORPORATION**August 1, 2019**

managing member. A SAHA related entity would acquire title to the properties and simultaneously lease back the property to the limited partnership or LLC.

Financing structure: The purchase price of the properties is \$53,250,000.00 (\$79,000.00 per unit). Vesta and its affiliated investment funds will invest approximately \$15,67,000.00 in equity, which represents 20% of the acquisition and closing costs. Mortgage financing of \$42,600,000.00 will be provided by either Fannie Mae or Freddie Mac, which represents 80% of the purchase price. SAHA would invest \$0.00 to cover the acquisition or future operational costs.

Acquisition/closing costs: Covered 100% by Vesta, with a \$50,000.00 contribution towards SAHA's legal/review costs.

Fee: SAHA would be paid a one time fee of \$150,000.00 payable at closing.

Cash flow participation: After payment of operating expenses, reserves, and debt service, the equity investor would receive a 6% preferred return on their equity investment. Any remaining cash flow would be split 75%/25% between Vesta and SAHA. SAHA's participation in the cash flow would be the greater of 25% of current annual real estate tax liability (based on the 2018 Bexar County Appraisal District assessed value and applicable tax rate), with a 3% escalation factor annually, or 25% of the cash flow (after payment of operating expenses, debt service, and preferred return of 6% to equity investor).

Capital event/sale proceeds participation: SAHA would be entitled to receive 25% of the net sale proceeds or refinance proceeds after payment of existing debt, equity investment, and closing costs. Additionally, SAHA would have the option to purchase the property at the fair market. It is not anticipated that a sale or refinance event would occur before year seven.

CDI revenue: SAHA's CDI department would be retained under a contract to provide supportive services required at each property per the terms of the Land Use Restriction Agreement (LURA). Initial contract is valued at \$107,000.00 per year.

Property Management: The properties would be managed by Vesta Management, TX (an affiliate of Vesta Corporation)

Guarantees: Vesta and/or its principals will provide compliance guarantees, and any and all carve out guarantees for the new non-recourse Fannie Mae or Freddie Mac agency debt.

STRATEGIC GOAL:

Strategically expand the supply of affordable housing.

ATTACHMENTS:

Resolution 19FAC-07-18

Site maps

Term Sheet

CERTIFICATE FOR RESOLUTION

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

1) In accordance with its bylaws, the Board of Directors of SAHA (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 19FAC-07-18, CONSIDERATION AND APPROVAL AUTHORIZING THE ENTERING INTO A PARTNERSHIP WITH VESTA CORPORATION TO ACQUIRE THREE EXISTING LOW INCOME HOUSING TAX CREDIT (LIHTC) PROPERTIES LOCATED IN SAN ANTONIO, TX, AND AUTHORIZING THE PRESIDENT AND CEO, AND HIS DESIGNATED STAFF TO NEGOTIATE THE TERMS OF THE ACQUISITION AGREEMENT; SUBMIT APPLICATIONS FOR FINANCING; CREATE ANY LEGAL ENTITIES; EXECUTE CONTRACTS FOR CONVEYANCE OF LAND; RETAIN LEGAL COUNSEL; AND ANY AND ALL ACTIONS REQUIRED TO CONSUMMATE THE TRANSACTION

(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 SAHA.

SIGNED AND SEALED this 1st day of August, 2019.



David Nisivoccia
Secretary/Treasurer

**San Antonio Housing Authority
Resolution 19FAC-07-18**

RESOLUTION 19FAC-07-18, CONSIDERATION AND APPROVAL AUTHORIZING THE ENTERING INTO A PARTNERSHIP WITH VESTA CORPORATION TO ACQUIRE THREE EXISTING LOW INCOME HOUSING TAX CREDIT (LIHTC) PROPERTIES LOCATED IN SAN ANTONIO, TX, AND AUTHORIZING THE PRESIDENT AND CEO, AND HIS DESIGNATED STAFF TO NEGOTIATE THE TERMS OF THE ACQUISITION AGREEMENT; SUBMIT APPLICATIONS FOR FINANCING; CREATE ANY LEGAL ENTITIES; EXECUTE CONTRACTS FOR CONVEYANCE OF LAND; RETAIN LEGAL COUNSEL; AND ANY AND ALL ACTIONS REQUIRED TO CONSUMMATE THE TRANSACTION

WHEREAS, Vesta Corporation (Vesta) has proposed a public private partnership with the San Antonio Housing Facility Corporation (SAHFC) to acquire the following properties:

Champion at Del Rio Apartments located at 927 VFW Blvd, San Antonio, TX

Champion at Marshall Meadow Apartments located at 1803 Marshall Cross, San Antonio, TX

Champion at Port Royal Apartments located at 5350 W. Military Dr., San Antonio, TX,

(Projects); and

WHEREAS, SAHFC has agreed to (i) acquire the Land for the Projects and lease them to development partnerships (Partnerships), pursuant to a seventy-five year Ground Leases (Ground Leases), and (ii) serve as either the sole member of the general partner, or managing member of limited liability company of the to be formed single asset entities, which will own the aforementioned Projects; and

WHEREAS, the Ground Leases will require lease payments to SAHFC; and

WHEREAS, in connection with the financing of the Project, the Partnerships or limited liability companies will enter into three loan transactions for an aggregate loan in the amount of approximately \$42,600,000.00 (Loan); and

WHEREAS, in connection with the execution of the Loan, the Partnership, or limited liability company and/or SAHFC will be required to enter into certain agreements, including, but not limited to, a promissory note, a construction loan agreement, a deed of trust, together with a joinder of deed of trust and various assignments and certificates (Loan Documents); and

WHEREAS, Vesta will raise and contribute approximately \$15,675,000.00 of equity to acquire and rehabilitate the Projects (Equity Financing); and

WHEREAS, in connection with the Equity Financing, each Partnership or limited liability company and SAHFC, as sole member of the general partner or managing member of the limited liability company, will be required to enter into certain agreements, including but not limited to a limited

partnership agreement or limited liability company agreement, and closing certificates (Equity Documents); and

WHEREAS, Vesta and SAHFC have negotiated the attached term sheet (Term Sheet) governing their relationship and the terms for acquiring the Project; and

WHEREAS, the Board of Directors has determined that it is in the public interest and to the benefit of the citizens and residents of San Antonio for the various entities to enter into the transactions described above so that the Partnership or limited liability company may enter into the Project; and

WHEREAS, staff requests that the Board of Directors authorize the President and CEO, or designee, to execute all documents necessary to consummate such transactions; 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 SAHFC; and

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

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of SAHFC hereby approves:

- 1) The Project, the Term Sheet, the various forms of financing contemplated for the Projects, including but not limited, to the Equity Financing, the Loan, and the terms of the Equity Documents, the Ground Leases and the Development Agreement, 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, or any of them, are hereby authorized to execute any and all documentation required for the financing of the Projects, including, but not limited to, the Equity Documents, the Lease and Development Agreement, the Loan Documents, the Land or the Projects, and all other documents relating to the Equity Financing, and the Loan to which the Partnership, the General Partner, and/or SAHFC is a party.
- 3) The purchase of the Land, the lease of the Land, and the acquisition of the general partnership interest or managing member interest in a limited liability company by SAHFC are approved and the President, any Vice President, the Secretary, the Treasurer, the Executive Director, and any Assistant Secretary, 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, Secretary, Treasurer, and any Assistant Secretary, or any of them, and, if required by the form of the document, the Secretary and any Assistant Secretary, or any of them, of 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 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 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 selection of Coates Rose as counsel to the general partner or managing member of the limited liability company, 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.

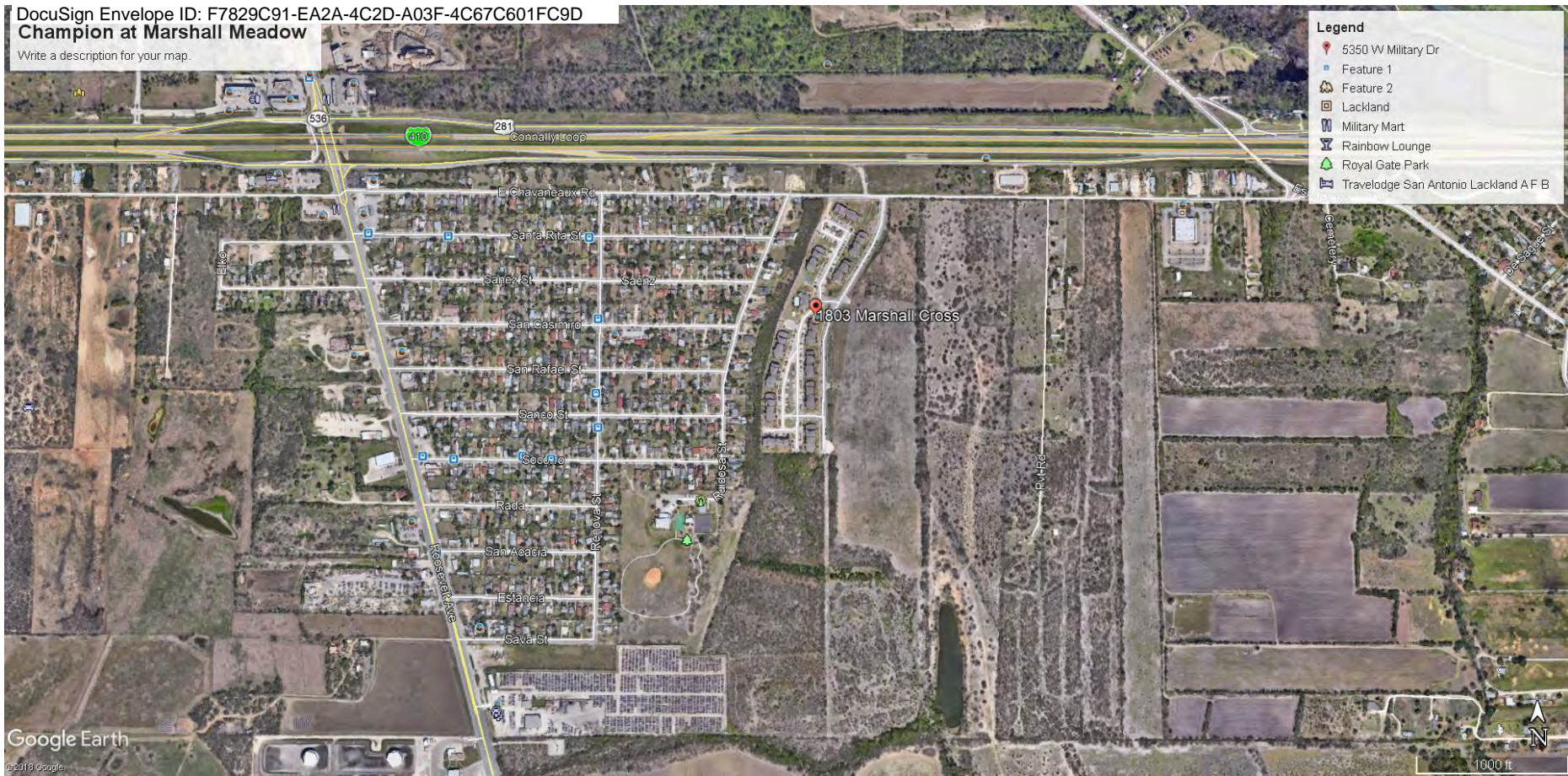
Morris A. Stribling, DPM
Chair, Board of Directors

Attested and approved as to form:

David Nisivoccia
Secretary/Treasurer

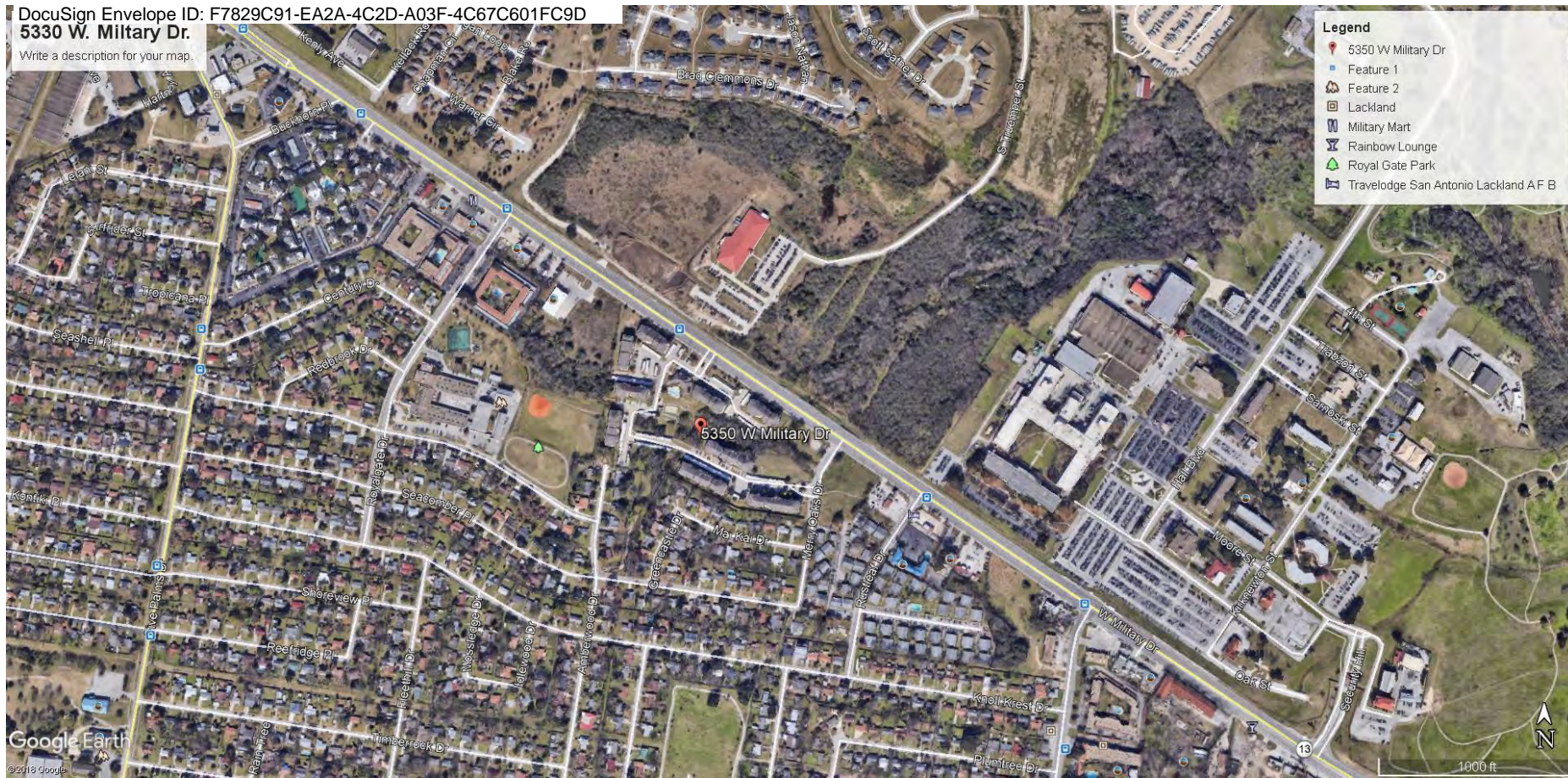
Champion at Marshall Meadow

Write a description for your map.



5330 W. Military Dr.

Write a description for your map.







Asset Acquisition with Vesta Corporation

August 1, 2019

CHAMPION AT PORT ROYAL - MAP



CHAMPION AT PORT ROYAL



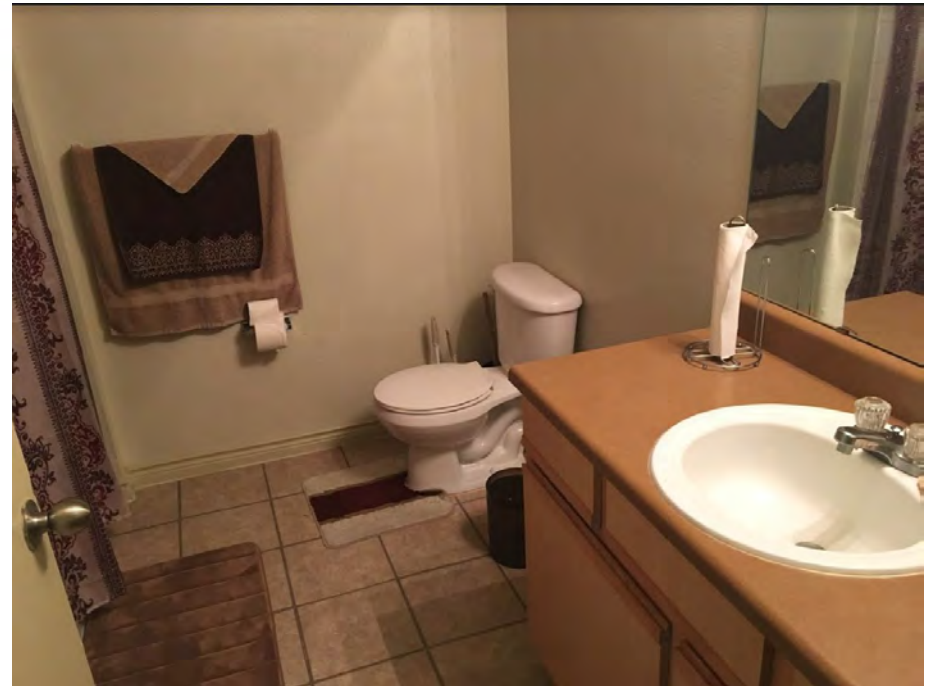
CHAMPION AT PORT ROYAL



CHAMPION AT PORT ROYAL



CHAMPION AT PORT ROYAL



CHAMPION AT PORT ROYAL



CHAMPION AT MARSHALL MEADOW - MAP



CHAMPION AT MARSHALL MEADOW



CHAMPION AT MARSHALL MEADOW



CHAMPION AT MARSHALL MEADOW



CHAMPION AT MARSHALL MEADOW



CHAMPION AT MARSHALL MEADOW



CHAMPION AT MISSION DEL RIO - MAP



CHAMPION AT MISSION DEL RIO



CHAMPION AT MISSION DEL RIO



CHAMPION AT MISSION DEL RIO



CHAMPION AT MISSION DEL RIO



DRAFT

Vesta Corporation and San Antonio Housing Authority Partnership

Purchase of Mission Del Rio, Marshall Meadows, and Port Royal in San Antonio, Texas

Vesta looks forward to the opportunity to partner with The San Antonio Housing Authority (“SAHA”) on the acquisition and future operation of the referenced properties. Vesta’s mission is to establish and maintain strong communities where all people, regardless of their income or background, have ample opportunities to reach their goals and potential. Vesta Management provides sound physical, fiscal, and social oversight of the properties it manages. This starts with sound “bricks and mortar” management to ensure the viability of the properties, and thereafter incorporates the integration of social services into the process, providing residents access to the support they need to succeed. Vesta’s resume is attached for your review.

Vesta has extensive experience partnering with multiple non-profits in much the same fashion as proposed below. References from those non-profit partners are available upon request.

The following are basic proposed deal terms for the acquisition of these three properties.

Deal Terms

- Combined Purchase Price for Mission Del Rio, Marshall Meadows, and Port Royal: \$56,000,000
- The Purchase Price will be funded by Fannie Mae/Freddie Mac debt coupled with private equity raised by Vesta’s strategic equity partner.
- Vesta Management TX will serve as Property Manager for the three properties.
- SAHA will serve as the non-profit/CHDO general partner in each of the newly formed single purpose partnership entities. SAHA will also administer and facilitate the social service programs at the three properties.
- Vesta Corporation and Arthur Greenblatt, Vesta’s CEO, will provide compliance guarantees on a going forward basis for the three properties. Vesta and Arthur Greenblatt will also provide any and all carve out guarantees for the new non-recourse agency debt.
- Vesta and SAHA will share 50/50 the upfront acquisition fee of \$300,000 for the purchase of the three properties.
- Pursuant to the Partnership waterfall, SAHA will receive the greater of 25% of cash flow, or 25% of the 2018 assessed real estate taxes for the three properties, inflated annually by 3%. Pursuant to the Partnership waterfall, SAHA will also receive 25% of any sale disposition proceeds.

- Pursuant to the Partnership Agreement, prior to a sale, SAHA will receive a right of first refusal to purchase all three properties at fair market value as determined by an independent third-party appraiser.
- At closing of the three properties, up to \$50,000 of SAHA's legal expenses will be paid for from transaction sources.
- Occupancy and collections information can be provided to SAHA on a monthly basis. Our standard procedure with a partner such as SAHA is to provide the following on a monthly basis:
 - Monthly operating report with budget to actual
 - Income and expense statement
 - Rent roll
 - Delinquency report
 - General ledger
 - Accounts payable report
 - Resident recertification status

In addition to these reports, Vesta Management TX will deliver annual audits and tax returns, completed by a third-party professional accounting firm.

Vesta Management TX will notify SAHA of all scheduled inspections, and will provide all TDHCA and third-party inspection results upon receipt.

Vesta's Texas LIHTC Compliance History

- Vesta Corporation has purchased 14 properties/GP interests in Texas since 2015 (13 of which are LIHTC). Some of the 13 properties had a history of compliance issues from the previous owner/manager. Vesta worked closely with TDHCA to quickly resolve these issues. Due to Vesta's approach and diligence, Vesta and the properties are held in high regard by TDHCA.
- Vesta Corporation recently closed on a tax credit redevelopment in Houston with a Fannie Mae loan, 4% tax credits, tax-exempt bonds, and City of Houston funds. This transaction would not have garnered TDHCA support but for Vesta's strong reputation with the Agency, in part due to the above.
- A property currently in Vesta's portfolio located in San Antonio, Gates of Capernum, recently received the Texas Apartment Association's Affordable Housing Award. Gates of Capernum was recognized for "providing creative and innovative affordable housing" in 2018.
- The last TDHCA physical inspection score for Vesta's Texas properties inspected in 2018 are:

Property	Location	Date of Inspection	Score
Brookside Gardens	Houston, TX	12-11-18	96

El Patrimonio	McAllen, TX	05-29-18	94
Galilean	Edinburg, TX	05-29-18	97
Rio De Vida	Mission, TX	05-14-18	95
Amistad	Donna, TX	01-18-18	90

We look forward to meeting with the SAHA Board at their convenience. If you have any questions, please feel free to contact Lewis Brown at lbrown@vestacorp.com or 860-325-1721.