



**SAN ANTONIO HOUSING FACILITY
CORPORATION MEETING
OCT. 8, 2020**



BOARD OF DIRECTORS

Dr. Ana "Cha" Guzmán
Chair

Jessica Weaver
Vice Chair

Charles Clack
Director

Jo-Anne Kaplan
Director

Olga Kauffman
Director

Ruth Rodriguez
Director

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

818 S. Flores St., San Antonio, TX 78204
Call In Phone Number: (346) 248-7799
Meeting ID: 93839434337# Passcode: 654170#
1:00 p.m., Thursday, October 08, 2020

The Board of Directors will convene for a Board meeting at the Central Office of the San Antonio Housing Authority located at 818 South Flores Street, San Antonio, TX, 78204, and host a teleconference for discussion on the following matters:

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.

PUBLIC COMMENT

2. Public Comment - Citizens are provided three minutes each to speak to any agenda items. Citizens wishing to speak to items posted on the agenda should access Phone Number: **(346) 248-7799** and enter Meeting ID: **93839434337#** and Passcode: **654170#**, prior to 1:00 p.m.

MINUTES

3. Minutes
 - Approval of the September 10, 2020, San Antonio Housing Facility Corporation Meeting minutes

INDIVIDUAL ITEMS FOR CONSIDERATION

4. Consideration and approval regarding Resolution 20FAC-09-10, authorizing Kitty Hawk Flats Apartments transaction, including the execution of all documentation necessary to carry out the 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 authorizing the purchase of the land for the transaction and the lease of such land for the transaction; and authorizing the acquisition of the membership interest in Kitty Hawk Flats GP LLC; and authorizing the financing for such transaction; and authorizing San Antonio Housing Facility Corporation to serve as the General Contractor; and other matters in connection therewith (Timothy E. Alcott, Chief Legal and Real Estate Officer; Lorraine Robles, Director of Development Services and Neighborhood Revitalization)
5. Consideration and approval regarding Resolution 20FAC-09-11, inducing the Granada 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, Chief Legal and Real Estate Officer; Lorraine Robles, Director of Development Services and Neighborhood Revitalization)

6. Consideration and approval regarding Resolution 20FAC-09-12, inducing the Somerset Ranch 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, Chief Legal and Real Estate Officer; Lorraine Robles, Director of Development Services and Neighborhood Revitalization)
7. 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
TELECONFERENCE
Call In Phone Number: (502) 632-7562
PIN: 847220217#
September 10, 2020

SCHEDULED: 1:00 p.m. teleconference meeting

DIRECTORS PRESENT:

Dr. Ana “Cha” Guzman, Chair
Jessica Weaver, Vice Chair
Charles Clack, Director
Jo-Anne Kaplan, Director
Olga Kauffman, Director
Ruth Rodriguez, Director

DIRECTORS ABSENT:

None

COUNSEL: Doug Poneck, Escamilla &
Poneck, LLP

STAFF:

David Nisivoccia, President and CEO
Ed Hinojosa, Chief Financial Officer
Muriel Rhoder, Chief Administrative Officer
Timothy E. Alcott, Chief Legal and Real Estate Officer
Brandee Perez, Chief Operating Officer
Jo Ana Alvarado, Director of Innovative Technology
Kristi Baird, Director of Beacon Communities
Diana Kollodziej Fiedler, Director of Finance and
Accounting
Domingo Ibarra, Director of Security

Aiyana Longoria, Director of Internal Audit
Hector Martinez, Director of Construction Services
and Sustainability
Richard Milk, Director of Policy and Planning
Steven Morando, Director of Procurement and
General Services
Lorraine Robles, Director of Development
Services and Neighborhood Revitalization
Janie Rodriguez, Director of Human Resources
Thomas Roth, Director of Asset Management

Item 1: Meeting called to order
Vice Chair Jessica Weaver called the meeting to order at 2:54 p.m.

Item 2: Public Comment
There were no citizens who spoke to the agenda.

Item 3: Minutes

- Approval of the August 13, 2020, San Antonio Housing Facility Corporation Meeting minutes

Motion: Director Clack moved to approve the August 13, 2020, meeting minutes. Director Kauffman, seconded the motion. Approved.

Member	Aye	Nay	Absent At Time of Vote	Abstained
Dr. Ana “Cha” Guzman, Chair	X			
Jessica Weaver, Vice Chair	X			
Charles Clack, Director	X			
Jo-Anne Kaplan, Director	X			
Olga Kauffman, Director	X			
Ruth Rodriguez, Director	X			

INDIVIDUAL ITEMS FOR CONSIDERATION

Item 4: **Consideration and approval regarding Resolution 20FAC-08-20, authorizing the San Antonio Housing Facility Corporation to approve a resolution to issue a letter of credit in connection with the permanent financing of the Tampico Apartments Project** (Timothy E. Alcott, Chief Legal and Real Estate Officer; Lorraine Robles, Director of Development Services and Neighborhood Revitalization)

Motion: Director Clack moved to approve Resolution 20-FAC-08-20. Vice Chair Weaver seconded the motion. Approved.

Member	Aye	Nay	Absent At Time of Vote	Abstained
Dr. Ana “Cha” Guzman, Chair	X			
Jessica Weaver, Vice Chair	X			
Charles Clack, Director	X			
Jo-Anne Kaplan, Director	X			
Olga Kauffman, Director	X			
Ruth Rodriguez, Director	X			

Dr. Guzman, Board Chair, announced a Closed Session Special Meeting of the Board to be held September 21, 2020.

Item 5: **Adjournment.**
With no objections, Dr. Guzman, Board Chair, adjourned the meeting at 3:01 p.m.

ATTEST:

Ana M. “Cha” Guzman
Chair, Board of Directors

Date

David Nisivoccia
Secretary/Treasurer

Date

SAN ANTONIO HOUSING FACILITY CORPORATION**October 8, 2020****BOARD OF DIRECTORS**

RESOLUTION 20FAC-09-10, AUTHORIZING KITTY HAWK FLATS APARTMENTS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE 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 AUTHORIZING THE PURCHASE OF THE LAND FOR THE TRANSACTION AND THE LEASE OF SUCH LAND FOR THE TRANSACTION; AND AUTHORIZING THE ACQUISITION OF THE MEMBERSHIP INTEREST IN KITTY HAWK FLATS GP LLC; AND AUTHORIZING THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING SAN ANTONIO HOUSING FACILITY CORPORATION TO SERVE AS THE GENERAL CONTRACTOR; AND OTHER MATTERS IN CONNECTION THEREWITH

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David Nisivoccia

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David Nisivoccia
President and CEO

DocuSigned by:

Timothy Alcott

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Timothy E. Alcott
Chief Legal and Real Estate Officer

REQUESTED ACTION:

Consideration and approval regarding Resolution 20FAC-09-10, authorizing Kitty Hawk Flats apartments transaction, including the execution of all documentation necessary to carry out the 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 authorizing the purchase of the land for the transaction and the lease of such land for the transaction; and authorizing the acquisition of the membership interest in Kitty Hawk Flats GP LLC; and authorizing the financing for such transaction; and authorizing San Antonio Housing Facility Corporation to serve as the general contractor; and other matters in connection therewith.

FINANCIAL IMPACT:

To authorize the transaction for Kitty Hawk Flats for the development of a new tax credit project. To request authority to enter a development agreement with NRP Group LLC (NRP), as well as, authorize the issuance of bonds and secure other debt financing for the project. The project will consist of 212 family units, all of which will be low income housing tax credit units serving families whose incomes average 60% AMI, located on the east side of San Antonio. There are currently 22 units at 30% AMI, 135 units at 60% AMI and 55 units at 70% AMI. Construction is projected to begin October of 2020, with completion in May of 2022. The Board is being asked to authorize all of the actions necessary to finance and construct the project.

The total project cost is expected to be approximately \$41,526,258.00 or \$196,000.00 per unit. The developer is NRP. NRP will give all required guarantees. At the end of the 15 year tax credit compliance period, SAHFC (SAHA) will have the right to buy the property by assuming the outstanding debt and paying any exit taxes.

The total developer fee is \$4,414,000.00 and subsequent cash flow will be shared between SAHA and NRP.

SAN ANTONIO HOUSING FACILITY CORPORATION

October 8, 2020

SUMMARY:

The land will be purchased by SAHFC, which will lease it to Kitty Hawk Flats Ltd., who will pay SAHFC an upfront lease payment sufficient to acquire the land. Up to \$28,000,000.00 of tax-exempt bonds will be issued by LVPFC and purchased by KeyBank, and equity contributions from an affiliate of U.S. Bancorp Community Development Corporation (USBCDC), as an investor limited partner, will be used to finance the construction and long-term operations. USBCDC has issued a commitment to purchase the project tax credits at an equity price of \$93.50 cents per credit dollar, for a total projected equity contribution of \$12,628,743.00. The interest rate on the bonds will be set at closing at LIBOR plus 275 basis points for the construction period and a rate not to exceed 5% for the permanent period.

We are targeting a closing date of October 9, 2020, as funding must close by October 16, 2020, or we will lose the allocated volume cap from the Texas Bond Review Board.

STRATEGIC GOALS:

Strategically expand the supply of affordable housing.

ATTACHMENTS:

Resolution 20FAC-09-10

Map

**CERTIFICATE FOR RESOLUTION 20FAC-09-10
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 Commissioners of SAHFC (Board) held a meeting on October 8, 2020, (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 20FAC-09-10, AUTHORIZING KITTY HAWK FLATS APARTMENTS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE 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 AUTHORIZING THE PURCHASE OF THE LAND FOR THE TRANSACTION AND THE LEASE OF SUCH LAND FOR THE TRANSACTION; AND AUTHORIZING THE ACQUISITION OF THE MEMBERSHIP INTEREST IN KITTY HAWK FLATS GP LLC; AND AUTHORIZING THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING SAN ANTONIO HOUSING FACILITY CORPORATION TO SERVE AS THE GENERAL CONTRACTOR; AND OTHER MATTERS IN CONNECTION THEREWITH

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

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 8th day of October 2020.



David Nisivoccia
Secretary/Treasurer

**San Antonio Housing Facility Corporation
Resolution 20FAC-09-10**

RESOLUTION 20FAC-09-10, AUTHORIZING KITTY HAWK FLATS APARTMENTS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE 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 AUTHORIZING THE PURCHASE OF THE LAND FOR THE TRANSACTION AND THE LEASE OF SUCH LAND FOR THE TRANSACTION; AND AUTHORIZING THE ACQUISITION OF THE MEMBERSHIP INTEREST IN KITTY HAWK FLATS GP LLC; AND AUTHORIZING THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING SAN ANTONIO HOUSING FACILITY CORPORATION TO SERVE AS THE GENERAL CONTRACTOR; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, Kitty Hawk Flats Ltd., a Texas limited partnership (Partnership), and Kitty Hawk Flats GP LLC, a Texas limited liability company and its general partner (General Partner), have been formed to acquire and construct a 212-unit multifamily housing facility (Housing Facility) to be located at the north corner of Kitty Hawk Road and O'Connor Road, San Antonio, Texas (the Land, together with the Housing Facility, the Project) in partnership with the NRP Group or affiliates thereof (Developer); and

WHEREAS, at the request of the Partnership, San Antonio Housing Facility Corporation (SAHFC) 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) serve as the general contractor for the Project; and

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

WHEREAS, the Issuer will issue the Tax-Exempt Bonds in an amount not to exceed \$28,000,000.00 and loan all 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 Funding Loan Agreement, a Project Loan Agreement, a Note, a Regulatory Agreement and Declaration of Restrictive Covenants, Construction Phase Financing Agreement, a Deed of Trust, Assignment of Rents, Security Agreement, and Fixture Filing together with Ground Lessor Subordination and Joinder, a Ground Lease and a Forward Commitment (collectively, the Bond Documents); and

WHEREAS, the Developer, on behalf of the Partnership, has applied for approximately \$13,000,000.00 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 \$12,628,743.00 of equity to the construction of the Project, which will be raised from the sale of tax credits to U.S. Bancorp Community Development Corporation or an affiliate of such entity (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 Agreement, a Development Services Agreement, Property Management Agreement, a Right of First Refusal Agreement, and closing certificates (collectively, the Equity Documents); and

WHEREAS, the Developer, on behalf of the Partnership, has applied for a bridge loan from KeyBank, National Association in an approximate amount of \$7,450,000.00 (Bridge Loan) for the Project; and

WHEREAS, in connection with the Bridge Loan, the Partnership, the General Partner, and/or SAHFC will be required to enter into certain agreements, including, but not limited to, loan agreements, partnership interest pledge agreements, assignments, notes, and subordination agreements (collectively, the Bridge Loan Documents); and

WHEREAS, in order to provide additional funding for the Project, the Developer has agreed to provide a loan to the Partnership in an approximate amount of \$2,300,000.00 with an interest rate not to exceed 5.0% (NRP Loan) for the Project; and

WHEREAS, in connection with the NRP Loan, the Partnership, the General Partner, and/or SAHFC will be required to enter into certain agreements, including, but not limited to, loan agreements, partnership interest pledge agreements, assignments, notes, and subordination agreements (collectively, the NRP Loan Documents); and

WHEREAS, in order to provide additional funding for the Project, the Partnership may enter into one or more subordinate loans, including, but not limited to, a HOME funds loan from Bexar County in the amount of approximately \$260,000.00 (HOME Loan); and

WHEREAS, in connection with the Subordinate Loan, the Partnership, the General Partner, and/or SAHFC will be required to enter into certain agreements required in connection with the HOME program, including, but not limited to, a program agreement, a real estate lien note, a deed of trust, an assignment of leases and rentals and restrictive covenants and any other ancillary agreements (collectively, the HOME Loan 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 members of the Board of Directors of SAHFC (collectively, the Board) and their respective offices are as follows:

<u>Name of Director/Officer</u>	<u>Position</u>
Dr. Ana “Cha” Guzman	Chair and Director
Jessica Weaver	Vice Chair and Director
Jo-Anne Kaplan	Director
Olga Kauffman	Director
Ruth Rodriguez	Director
Charles Clack	Director
David Nisivoccia	Secretary/Treasurer
Timothy E. Alcott	Assistant Secretary
Ed Hinojosa	Assistant Secretary
Muriel Rhoder	Assistant Secretary
Brandee Perez	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 of Directors 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 the San Antonio Housing Facility Corporation hereby:

Section 1. The Project, the various forms of financing contemplated for the Project, including, but not limited to, the Bond Financing, the Equity Financing, the Bridge Loan, the NRP Loan, the HOME Loan and the terms of the Bond Documents, the Equity Documents, the Bridge Loan Documents, the NRP Loan Documents, the HOME Loan Documents, the Construction Documents and the TDHCA Documents, are hereby authorized and approved.

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

Section 3. The purchase of the Land, the lease of the Land, the acquisition of membership interest in the General Partner by SAHFC, 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 any of them, are hereby authorized to execute the documents required to be executed by SAHFC in order to effect such transactions.

Section 4. The President, any Vice President, the Secretary, the Treasurer, and the Executive Director, any Assistant Secretary, or any of them, and, if required by the form of the document, the Secretary and any Assistant Secretary, or any of them, of 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, the Executive Director, any Assistant Secretary, or any of them, are authorized to negotiate and approve such changes in, or additions to, the terms of any of the documents, including amendments, renewals, and extensions, as such officers shall deem necessary or appropriate upon the advice of counsel to 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 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.

Section 6. 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 7. 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 8. 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 9. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 10. This Resolution shall be in force and effect from and after its passage.

Passed and approved the 8th day of October 2020.

Ana M. "Cha" Guzman
Chair, Board of Directors

Attested and approved as to form:

David Nisivoccia
Secretary/Treasurer



Kitty Hawk

Timothy Alcott, Chief Legal and Real Estate Officer
Lorraine Robles, Director of Development Services
and Neighborhood Revitalization



DESIGN

3



QUESTIONS?

SAN ANTONIO HOUSING FACILITY CORPORATION

October 8, 2020

BOARD OF DIRECTORS

RESOLUTION 20FAC-09-11, INDUCING THE GRANADA 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

DocuSigned by:

David Nisivoccia

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David Nisivoccia
President and CEO

DocuSigned by:

Timothy Alcott

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Timothy E. Alcott
Chief Legal and Real Estate Officer

REQUESTED ACTION:

Consideration and approval regarding Resolution 20FAC-09-11, inducing the Granada 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

FINANCIAL IMPACT:

None at this time. However, by authorizing us to submit applications early, this project has a greater chance of being done, which could mean millions of dollars in additional revenue.

SUMMARY:

Today we are seeking authority to file applications relating to our proposed Granada Apartments 4% tax credit rehabilitation project. As you will recall, 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. We will apply for a volume cap, which may not be awarded until the end of the year, if any volume cap is available. We need to submit our applications as soon as we can. We will also have to apply for tax credits to the Texas Department of Housing and Community Development. Accordingly, we are asking you to authorize these actions so that we may get in line, but ***we are not asking you to specifically approve or be bound to this project. These are non-binding Resolutions.*** This will enable us to move forward, make applications for volume cap and tax credits and begin to put the financings together and negotiate the specific terms of the deals, which we will bring back to you for approval.

The Granada Apartments Project is a 249-unit rehabilitation project proposed by Mission Development Group located at 311 South St. Mary's Street. It is proposed that all 249 units be reserved for tenants whose incomes average 60% or less of average median income. Of those currently, 137 units are at 30% AMI, 45 units are at 40% AMI and 14 units are at 50% AMI and we will continue to serve residents at these AMIs. All units will have restricted rent and must accept Section 8 vouchers, and 94 of the units will be supported by Section 8 project-based vouchers. The total project cost is estimated to be approximately \$51,000,000.00. The rehabilitation will

SAN ANTONIO HOUSING FACILITY CORPORATION

October 8, 2020

take place on approximately 20% of the units at a time to eliminate tenant displacement outside the building.

Las Varas Public Facility Corporation will be the proposed issuer of the bonds. The San Antonio Housing Facility Corporation will own the land and create a single member limited liability company to serve as the general partner of the tax credit partnership, which will own the project.

The attached Resolution authorizes Las Varas Public Facility Corporation and the San Antonio Housing Facility Corporation to approve inducement Resolutions for each of the above projects.

STRATEGIC GOAL:

Strategically expand the supply of affordable housing.

ATTACHMENTS:

Resolution 20FAC-09-11

Map

**CERTIFICATE FOR RESOLUTION 20FAC-09-11
THE GRANADA**

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 October 8, 2020 (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 20FAC-09-11, INDUCING THE GRANADA 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

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 8th day of October 2020.



David Nisivoccia
Secretary/Treasurer

**San Antonio Housing Facility Corporation
Resolution 20FAC-09-11**

RESOLUTION 20FAC-09-11, INDUCING THE GRANADA 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, LIV Granada, LP, a Texas limited partnership (Partnership), and SAHA Granada GP, LLC, a Texas limited liability company and its general partner (General Partner), will be formed to acquire and rehabilitate an approximately 249-unit multifamily housing facility (Housing Facility) located at 311 South St. Mary's Street, 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 (Issuer) issue its Multifamily Housing Revenue Bonds (The Granada Apartments) Series 2021 (Bonds) to finance the Project (Bond Financing); and

WHEREAS, the Issuer will issue the Bonds in an amount not to exceed \$30,000,000.00 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, the Bond 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 rehabilitation 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, the 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, the Subordinate Loan Documents); and

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

<u>Name of Director/Officer</u>	<u>Position</u>
Dr. Ana “Cha” Guzman	Chair and Director
Jessica Weaver	Vice Chair and Director
Jo-Anne Kaplan	Director
Olga Kauffman	Director
Ruth Rodriguez	Director
Charles Clack	Director
David Nisivoccia	Secretary/Treasurer
Timothy E. Alcott	Assistant Secretary
Ed Hinojosa	Assistant Secretary
Muriel Rhoder	Assistant Secretary
Brandee Perez	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 rehabilitate 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 the San Antonio Housing Facility Corporation hereby:

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.

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 rehabilitation 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, rehabilitation, 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 on the 8th day of October 2020.

Ana M. "Cha" Guzman
Chair, Board of Directors

Attested and approved as to form:

David Nisivoccia
Secretary/Treasurer



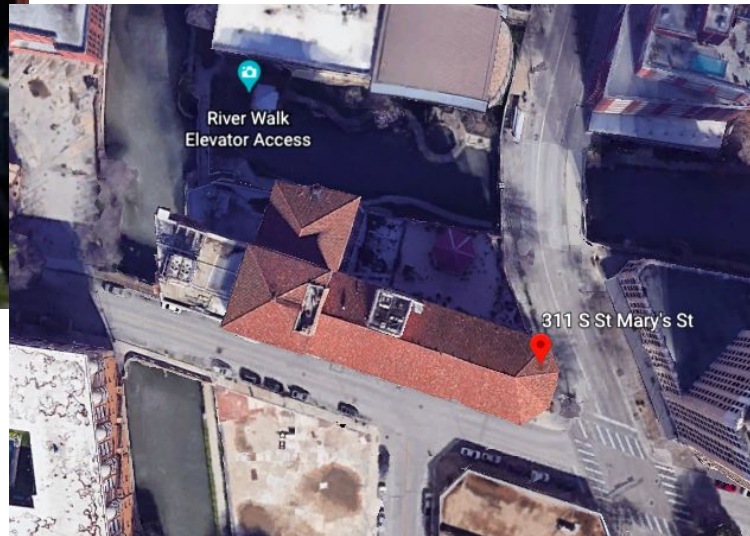
The Granada Apartments

Timothy Alcott, Chief Legal and Real Estate Officer
Lorraine Robles, Director of Development Services
and Neighborhood Revitalization



LOCATION

3



QUESTIONS?

SAN ANTONIO HOUSING FACILITY CORPORATION

October 8, 2020

BOARD OF DIRECTORS

RESOLUTION 20FAC-09-12 INDUCING THE SOMERSET RANCH 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

DocuSigned by:

David Nisivoccia

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David Nisivoccia
President and CEO

DocuSigned by:

Timothy Alcott

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Timothy E. Alcott
Chief Legal and Real Estate Officer

REQUESTED ACTION:

Consideration and approval regarding Resolution 20FAC-09-12, inducing the Somerset Ranch 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

FINANCIAL IMPACT:

None at this time. However, by authorizing us to submit applications early, this project has a greater chance of being done, which could mean millions of dollars in additional revenue.

SUMMARY:

Today we are seeking authority to file applications relating to our proposed Somerset Ranch 4% tax credit projects. As you will recall, 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. We will be applying for volume cap which may not be awarded until the end of the year, if any volume cap is available. We need to submit our applications as soon as we can. We will also have to apply for the tax credits to the Texas Department of Housing and Community Development. Accordingly, we are asking you to authorize these actions so that we may get in line, but ***we are not asking you to specifically approve or be bound to these projects. These are non-binding Resolutions.*** This will enable us to move forward, make applications for volume cap and tax credits and begin to put the financings together and negotiate the specific terms of the deals, which we will bring back to you for approval.

The Somerset Ranch Project is a 348-unit project proposed by Poppoon Development to be located at the southwest corner of Somerset Road and Fischer Road. It is proposed that all 348 units will be reserved for tenants earning 60% or less of median income. All units will have restricted rent and must accept Section 8 vouchers. The total project cost is estimated to be approximately \$57,000,000.00.

SAN ANTONIO HOUSING FACILITY CORPORATION

October 8, 2020

Las Varas Public Facility Corporation will be the proposed issuer of the bonds. The San Antonio Housing Facility Corporation will own the land and create a single member limited liability company to serve as the general partner of the tax credit partnership which will own the project.

The attached Resolution authorizes Las Varas Public Facility Corporation and the San Antonio Housing Facility Corporation to approve inducement Resolutions for each of the above projects.

STRATEGIC GOAL:

Strategically expand the supply of affordable housing.

ATTACHMENTS:

Resolution 20FAC-09-12

Map

**CERTIFICATE FOR RESOLUTION 20FAC-09-12
SOMERSET RANCH**

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 October 8, 2020 (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 20FAC-09-12 INDUCING THE SOMERSET RANCH 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 8th day of October 2020.



David Nisivoccia
Secretary/Treasurer

**San Antonio Housing Facility Corporation
Resolution 20FAC-09-12**

RESOLUTION 20FAC-09-12, INDUCING THE SOMERSET RANCH 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, Somerset SA Apartments, LP, a Texas limited partnership (Partnership), and SAHA Somerset Ranch GP, LLC, a Texas limited liability company and its general partner (General Partner), will be formed to acquire and construct an approximately 348-unit multifamily housing facility (Housing Facility) to be located at the southwest corner of Somerset Road and Fischer Road, 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 (Issuer) issue its Multifamily Housing Revenue Bonds (Somerset Ranch Apartments) Series 2021 (Bonds) to finance the Project (Bond Financing); and

WHEREAS, the Issuer will issue the Bonds in an amount not to exceed \$40,000,000.00 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, the Bond 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, the 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, the Subordinate Loan Documents); and

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

<u>Name of Director/Officer</u>	<u>Position</u>
Dr. Ana Guzman	Chair and Director
Jessica Weaver	Vice Chair and Director
Jo-Anne Kaplan	Director
Olga Kauffman	Director
Ruth Rodriguez	Director
Charles Clack	Director
David Nisivoccia	Secretary/Treasurer
Timothy E. Alcott	Assistant Secretary
Ed Hinojosa	Assistant Secretary
Muriel Rhoder	Assistant Secretary
Brandee Perez	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 the San Antonio Housing Facility Corporation hereby:

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.

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 on the 8th day of October 2020.

Ana M. "Cha" Guzman
Chair, Board of Directors

Attested and approved as to form:

David Nisivoccia
Secretary/Treasurer



Somerset Ranch

Timothy Alcott, Chief Legal and Real Estate Officer
Lorraine Robles, Director of Development Services
and Neighborhood Revitalization



MAP



SITE PLAN

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QUESTIONS?