



**LAS VARAS PUBLIC FACILITY
CORPORATION MEETING
OCT. 8, 2020**



SAHA | SAN ANTONIO
HOUSING AUTHORITY
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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

LAS VARAS PUBLIC 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 August 13, 2020, Las Varas Public Facility Corporation Meeting minutes

OPERATIONS

4. Consideration and approval regarding Resolution 20LVPFC-09-10, authorizing Las Varas Public Facility Corporation Multifamily Housing Revenue Note (Kitty Hawk Flats Apartments) Series 2020; 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 20LVPFC-09-11, concerning the application of LIV Granada, LP relating to the proposed financing of up to \$30,000,000.00 of the costs of the acquisition, rehabilitation, and equipping of The Granada Apartments, located at 311 South St. Mary's Street, San Antonio, Texas; 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 20LVPFC-09-12, concerning the application of Somerset SA Apartments, LP relating to the proposed financing of up to \$40,000,000.00 of the costs of the acquisition, construction, and equipping of the Somerset Ranch Apartments, to be located at

the southwest corner of Somerset Road and Fischer Road, San Antonio, Texas; 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
LAS VARAS PUBLIC FACILITY CORPORATION
August 13, 2020

SCHEDULED: 1:00 p.m. teleconference meeting Call In Phone Number: (224) 938-1501, PIN: 739144840#

DIRECTORS PRESENT:

Jessica Weaver, Vice Chair
Charles Clack, Director
Jo-Anne Kaplan, Director
Olga Kauffman, Director
Ruth Rodriguez, Director

DIRECTORS ABSENT:

Dr. Ana “Cha” Guzman, Chair

COUNSEL: Doug Poneck, Escamilla &
Poneck, LLP

STAFF:

David Nisivoccia, President and CEO
Ed Hinojosa, Chief Financial 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
Michael Reyes, Director of Communications and
Public Affairs
Lorraine Robles, Director of Development
Services and Neighborhood Revitalization
Janie Rodriguez, Director of Human Resources
Tom Roth, Director of Asset Management

Item 1: Meeting called to order

Jessica Weaver, Vice Chair, called the meeting to order at 2:04 p.m.

Item 2: Public Comment

There were no citizens who spoke to the agenda.

Item 3: Minutes

- Approval of the July 2, 2020, Las Varas Public Facility Corporation Meeting minutes

Motion: Director Clack moved to approve the July 2, 2020, meeting minutes. Commissioner Kauffman seconded the motion. Approved.

Member	Aye	Nay	Absent At Time of Vote	Abstained
Jessica Weaver, Vice Chair	X			
Charles Clack, Director	X			
Jo-Anne Kaplan, Director	X			
Olga Kauffman, Director	X			
Ruth Rodriguez, Director	X			

OPERATIONS

- Item 4:** Consideration and approval regarding Resolution 20LVPFC-08-06, authorizing the amendment and restatement of Resolution 18LVPFC-07-19, concerning the application of the Las Varas Public Facility Corporation, San Antonio Housing Facility Corporation or an affiliated limited partnership relating to the proposed financing and/or issuing of up to \$60,000,000.00 of tax exempt bonds to pay for the costs of the acquisition, construction, and equipping of the St. John's Square, to be located on the southeast corner of East Nueva Street and St. Mary's Street; and other matters in connection therewith (Lorraine Robles, Director of Development Services and Neighborhood Revitalization)
- Item 5:** Consideration and approval regarding Resolution 20LVPFC-08-08, concerning the application of Watson Road Ltd. relating to the proposed financing of up to \$38,000,000.00 of the costs of the acquisition, construction, and equipping of the Watson Road Apartments, to be located near the northeast corner of Watson Road and Somerset Road, San Antonio, Texas; and other matters in connection therewith (Lorraine Robles, Director of Development Services and Neighborhood Revitalization)
- Item 6:** Consideration and approval regarding Resolution 20LVPFC-08-09, concerning the application of Copernicus Apartments, LP relating to the proposed financing of up to \$38,000,000.00 of the costs of the acquisition, construction, and equipping of the Copernicus Apartments, to be located at approximately 439 SE Loop 410, San Antonio, Texas; and other matters in connection therewith (Lorraine Robles, Director of Development Services and Neighborhood Revitalization)
- Item 7:** Consideration and approval regarding Resolution 20LVPFC-08-10, concerning the application of Buckhorn Lofts, LP relating to the proposed financing of up to \$38,000,000.00 of the costs of the acquisition, construction, and equipping of the Buckhorn Lofts, to be located at approximately 10805 N Loop 1604, San Antonio, Texas; and other matters in connection therewith (Lorraine Robles, Director of Development Services and Neighborhood Revitalization)

Motion: Director Kaplan moved to approve Resolutions 20LVPFC-08-06, 20LVPFC-08-08, 20LVPFC-08-09, and 20LVPFC-08-10. Director Clack seconded the motion. Approved.

Member	Aye	Nay	Absent At Time of Vote	Abstained
Jessica Weaver, Vice Chair	X			
Charles Clack, Director	X			
Jo-Anne Kaplan, Director	X			
Olga Kauffman, Director	X			
Ruth Rodriguez, Director	X			


- Item 8: Adjournment**
With no objections, Vice Chair Weaver adjourned the meeting at 2:10 p.m.


ATTEST:

_____ Ana M. “Cha” Guzman Chair, Board of Directors	_____ Date
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_____ David Nisivoccia Secretary/Treasurer	_____ Date
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LAS VARAS PUBLIC FACILITY CORPORATION**October 8, 2020****BOARD OF DIRECTORS****RESOLUTION 20LVPFC-09-10, AUTHORIZING LAS VARAS PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE NOTE (KITTY HAWK FLATS APARTMENTS) SERIES 2020; AND OTHER MATTERS IN CONNECTION THEREWITH**

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David Nisivoccia
President and CEO

DocuSigned by:

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Timothy E. Alcott
Chief Legal and Real Estate Officer

REQUESTED ACTION:

Consideration and approval regarding Resolution 20LVPFC-09-10, authorizing Las Varas Public Facility Corporation multifamily housing revenue note (Kitty Hawk Flats apartments) series 2020; 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.

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.

LAS VARAS PUBLIC FACILITY CORPORATION

October 8, 2020

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 GOAL:

Strategically expand the supply of affordable housing.

ATTACHMENTS:

Resolution 20LVPFC-09-10

Map

**CERTIFICATE FOR RESOLUTION 20LVPFC-09-10
KITTY HAWK FLATS APARTMENTS**

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

1. In accordance with the bylaws of the Issuer, the Board of Directors of the Issuer (Board) held a meeting on 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 20LVPFC-09-10, AUTHORIZING LAS VARAS PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE NOTE (KITTY HAWK FLATS APARTMENTS) SERIES 2020; AND OTHER MATTERS IN CONNECTION THEREWITH

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

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

SIGNED this 8th day of October 2020.

David Nisivoccia
Secretary/Treasurer

**Las Varas Public Facility Corporation
Resolution 20LVPFC-09-10**

RESOLUTION 20LVPFC-09-10, AUTHORIZING LAS VARAS PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE NOTE (KITTY HAWK FLAT APARTMENTS) SERIES 2020; AND OTHER MATTERS IN CONNECTION THEREWITH

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

WHEREAS, the Issuer has been requested to issue its “Multifamily Housing Revenue Bonds (Kitty Hawk Flats Apartments) Series 2020” in the aggregate principal amount not to exceed \$28,000,000.00 (Bonds), the proceeds of which will be used to finance the cost of acquiring, constructing, and equipping a proposed 212-unit multifamily apartment facility to be known as Kitty Hawk Flats Apartments, to be located at north corner of Kitty Hawk Road and O’Connor Road, in San Antonio, Texas, San Antonio, Bexar County, Texas (Project) for Kitty Hawk Flats Ltd., a Texas limited partnership (Borrower);

WHEREAS, the Issuer desires to issue the Bonds pursuant to a Funding Loan Agreement (Indenture) among KeyBank, N.A. (Bond Purchaser), the Issuer and BOKF, N.A., as fiscal agent (Trustee), and to loan (or otherwise make available) the proceeds thereof to the Borrower pursuant to a Project Loan Agreement (Loan Agreement) between the Issuer and the Borrower, all subject to the terms of a Regulatory Agreement and Declaration of Restrictive Covenants (Regulatory Agreement) among the Issuer, the Trustee and the Borrower;

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

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

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

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

WHEREAS, the members of the Board of Directors of Las Varas Public Facility Corporation (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

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

Section 1. The terms of the Loan Agreement, the Indenture, the Note, the Regulatory Agreement and the Assignments, are hereby authorized and approved, when such documents are approved by the Executive Director.

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

Section 3. The Bonds, in the aggregate principal amount of not to exceed \$28,000,000.00, with a variable interest rate during construction and a permanent an interest rate (not including applicable premium) not to exceed 5.0% as set forth in the Indenture, and with a maturity date not to exceed December 31, 2041, in substantially the form and substance set forth in the Loan Agreement, are hereby approved, and the President, the Vice President, the Secretary, the Treasurer, and each Assistant Secretary, or any of them, are hereby authorized and directed, for and on behalf of the Issuer, to execute the Bonds or have their facsimile signatures placed upon them, and such officers are hereby authorized and directed to deliver the Bonds, and the seal of the Issuer is hereby authorized and directed to be affixed or placed by facsimile on the Bonds. Authentication of the Bonds upon the terms and conditions and in the manner described in the Indenture as the same may be modified is authorized by this Resolution. The final principal amounts, interest rates, maturity dates (not to exceed the amounts, the rates,

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

Section 4. The Trustee shall be BOKF, N.A.

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

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

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

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

Section 9. The Bonds and the interest thereon shall be limited obligations of the Issuer payable solely from the revenues, funds, and assets pledged under the Loan Agreement to secure payment of the Bonds, and under no circumstances shall the Bonds be payable from any other revenues, funds, assets, or income of the Issuer. No bonds may be issued unless the San Antonio Housing Facility Corporation controls the general partner of the Borrower.

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

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

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

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

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



Kitty Hawk

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



DESIGN

3



QUESTIONS?

LAS VARAS PUBLIC FACILITY CORPORATION

October 8, 2020

BOARD OF DIRECTORS

RESOLUTION 20LVPFC-09-11, CONCERNING THE APPLICATION OF LIV GRANADA, LP RELATING TO THE PROPOSED FINANCING OF UP TO \$30,000,000.00 OF THE COSTS OF THE ACQUISITION, REHABILITATION, AND EQUIPPING OF THE GRANADA APARTMENTS, LOCATED AT 311 SOUTH ST. MARY'S STREET, SAN ANTONIO, TEXAS; 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 20LVPFC-09-11, concerning the application of LIV Granada, LP relating to the proposed financing of up to \$30,000,000.00 of the costs of the acquisition, rehabilitation, and equipping of The Granada Apartments, located at 311 South St. Mary's Street, San Antonio, Texas; 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

LAS VARAS PUBLIC 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 20LVPFC-09-11

Map

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

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

1. In accordance with the bylaws of the Issuer, the Board of Directors of the Issuer (Board) held a meeting on 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 20LVPFC-09-11, CONCERNING THE APPLICATION OF LIV GRANADA, LP RELATING TO THE PROPOSED FINANCING OF UP TO \$30,000,000.00 OF THE COSTS OF THE ACQUISITION, REHABILITATION, AND EQUIPPING OF THE GRANADA APARTMENTS, LOCATED AT 311 SOUTH ST. MARY'S STREET, SAN ANTONIO, TEXAS; AND OTHER MATTERS IN CONNECTION THEREWITH

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

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

SIGNED this 8th day of October 2020.

David Nisivoccia
Secretary/Treasurer

**Las Varas Public Facility Corporation
Resolution 20LVPFC-09-11**

RESOLUTION 20LVPFC-09-11, CONCERNING THE APPLICATION OF LIV GRANADA, LP RELATING TO THE PROPOSED FINANCING OF UP TO \$30,000,000.00 OF THE COSTS OF THE ACQUISITION, REHABILITATION, AND EQUIPPING OF THE GRANADA APARTMENTS, LOCATED AT 311 SOUTH ST. MARY'S STREET, SAN ANTONIO, TEXAS; AND OTHER MATTERS IN CONNECTION THEREWITH

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

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

WHEREAS, LIV Granada, LP, a Texas limited partnership (User), has filed an Application (Application), requesting that (i) the Issuer finance the acquisition, rehabilitation, and equipping of a proposed 249-unit multifamily housing facility located at 311 South St. Mary's Street and known as the Granada Apartments (Project); and (ii) the Issuer file a 2021 and/or 2022 Allocation Application (defined hereafter) and/or any carryforward applications associated with such Allocation Applications to the Texas Bond Review Board as described herein; and

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

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

WHEREAS, this Resolution shall constitute the Issuer's commitment, subject to the terms hereof, to issue Bonds, or other obligations, pursuant to the Act in an amount prescribed by the User now contemplated not to exceed \$30,000,000.00 and to expend the proceeds thereof to pay Development Costs including costs of acquisition, rehabilitation, equipping, and improvement of the Project, funding a debt service or other reserve fund for the Project, and paying expenses and costs in connection with the issuance of the Bonds, including costs of obtaining credit enhancement, if any; and

WHEREAS, the Bonds are "private activity bonds" as that term is defined in Subchapter A, Section 1372.001 of Chapter 1372, Texas Government Code, as amended, including the rules promulgated pursuant thereto in 34 Texas Administrative Code, Sections 190.1 through 190.8

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

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

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

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

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

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

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

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

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

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

WHEREAS, the members of the Board of Directors of Las Varas Public Facility Corporation (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
Brandee Perez

Assistant Secretary
Assistant Secretary

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

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

(a) subject to the negotiation of mutually acceptable agreements, issue the Bonds, in an amount not to exceed \$30,000,000.00;

(b) cooperate with the User with respect to the issuance of the Bonds, and, if arrangements therefore satisfactory to the User and the Issuer can be made, take such action and authorize the execution of such documents and take such further action as may be necessary or advisable for the authorization, execution, and delivery of any contracts or agreements deemed necessary and desirable by the User or the Issuer in connection with the issuance of the Bonds (collectively, the Contracts), providing among other things for payment of the principal of, interest on, redemption premiums on, and paying agents' and trustee's fees and charges, if any, on the Bonds; payment of fees, charges, and expenses of the Issuer and the Housing Authority (including legal and financial advisory expenses); acquisition, rehabilitation, equipping, and improvement of the Project; and use, operation, and maintenance of the Project (and the execution of any necessary guaranty agreements), all as shall be authorized, required, or permitted by law and as shall be satisfactory to the Issuer, the Housing Authority, and the User;

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

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

The Bonds shall specifically provide that neither the State of Texas (State), the Housing Authority, nor any political issuer, subdivision, or agency of the State shall be obligated to pay the same or the interest thereon and that neither the faith and credit nor the taxing power of the State, the Housing Authority, or any political issuer, subdivision, or agency thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

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

(a) prior to or contemporaneously with the sale of the Bonds in one or more series or issues from time to time as the Issuer and the User shall hereafter agree to in writing, the User will enter into the Contracts with the Issuer under the terms of which the User will obligate itself, on a nonrecourse basis, to pay to the Issuer (or to a trustee, as the case may be) sums sufficient in the aggregate to pay the principal of, interest on, redemption premiums on, paying agents' and

trustee's fees and charges, if any, on the Bonds, as and when the same become due and payable, with such Contracts to contain the provisions described in Section 1 hereof and such other provisions as may be required or permitted by law and to be mutually acceptable to the Issuer and the User;

(b) the User will (1) pay all Project costs which are not or cannot be paid or reimbursed from the proceeds of the Bonds and (2) at all times from and after the issuance of the Bonds, indemnify and hold harmless the Issuer and the Housing Authority against all losses, costs, damages, expenses, and liabilities of whatsoever nature (including but not limited to reasonable attorneys' fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to the issuance, offering, sale, or delivery of the Bonds, or the design, rehabilitation, equipping, installation, operation, use, occupancy, maintenance, or ownership of the Project (other than claims arising from the gross negligence or willful misconduct of the Issuer or the Housing Authority) and prior to or contemporaneously with the sale of the Bonds will agree to provide indemnification on terms satisfactory to the Issuer; and

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

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

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

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

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

Section 7. The Issuer hereby adopts this Resolution in order to satisfy the requirements of the Allocation Act pertaining to the issuance of the Bonds and authorizes any officer or designee of the Issuer to prepare and file a 2021 and/or 2022 Allocation Application and/or any carryforward applications associated with such Allocation Application, together with all required attachments (including obtaining the Issuer's Certificate of Good Standing from the Comptroller of Public Accounts for the State of Texas) in the form required by the Texas Bond Review Board.

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

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

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

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

Section 12. Based upon representations from the User, the Issuer reasonably expects to reimburse the Expenditures with proceeds of the Bonds in a principal amount that will not exceed \$30,000,000.00. This Resolution shall constitute a declaration of official intent under the Treasury Regulation Section 1.150-2.

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

Section 14. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

Section 15. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 16. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of

such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

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

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

Passed and approved on the 8th day of October 2020.

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

Attested and approved as to form:

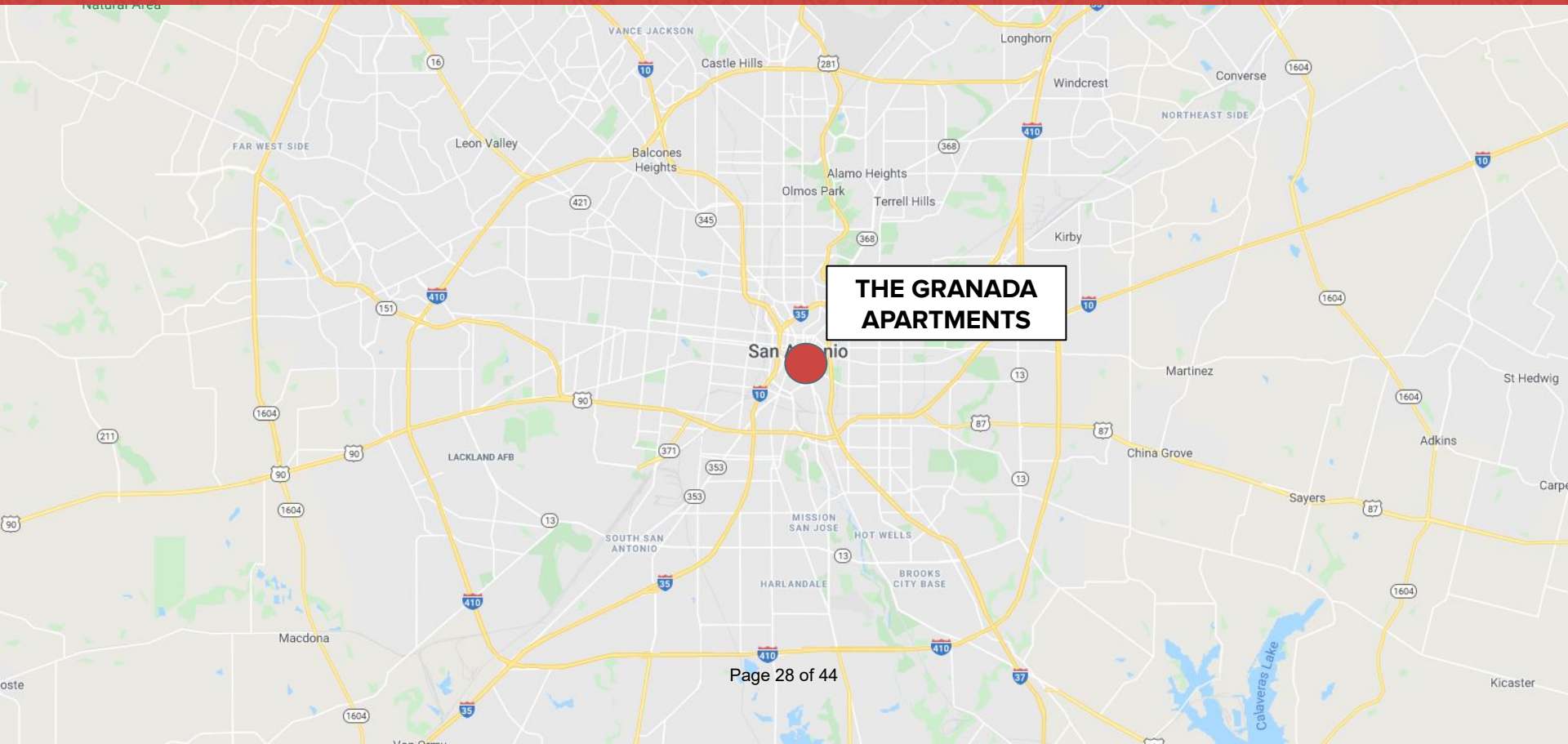
David Nisivoccia
Secretary/Treasurer



The Granada Apartments

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

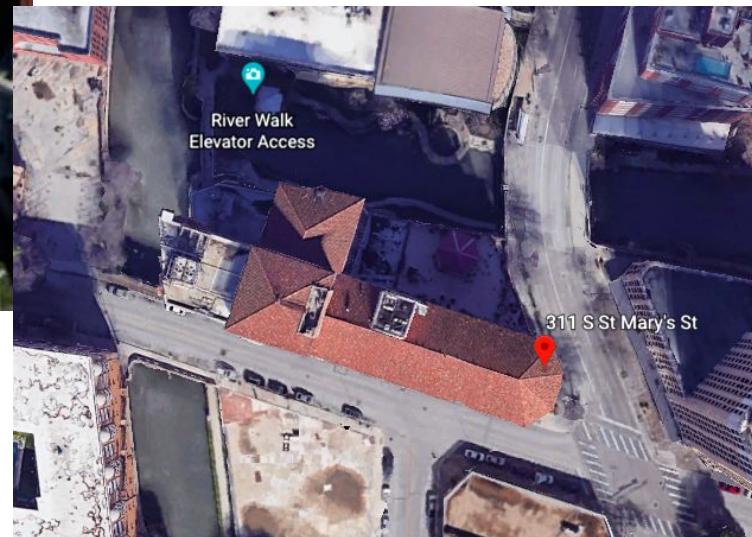
MAP



**THE GRANADA
APARTMENTS**

LOCATION

3



QUESTIONS?

LAS VARAS PUBLIC FACILITY CORPORATION

October 8, 2020

BOARD OF DIRECTORS

RESOLUTION 20LVPFC-09-12, CONCERNING THE APPLICATION OF SOMERSET SA APARTMENTS, LP RELATING TO THE PROPOSED FINANCING OF UP TO \$40,000,000.00 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE SOMERSET RANCH APARTMENTS, TO BE LOCATED AT THE SOUTHWEST CORNER OF SOMERSET ROAD AND FISCHER ROAD, SAN ANTONIO, TEXAS; 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 20LVPFC-09-12, concerning the application of Somerset SA Apartments, LP relating to the proposed financing of up to \$40,000,000.00 of the costs of the acquisition, construction, and equipping of the Somerset Ranch Apartments, to be located at the southwest corner of Somerset Road and Fischer Road, San Antonio, Texas; 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.

LAS VARAS PUBLIC 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 20LVPFC-09-12

Map

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

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

1. In accordance with the bylaws of the Issuer, the Board of Directors of the Issuer (Board) held a meeting on 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 20LVPFC-09-12, CONCERNING THE APPLICATION OF
SOMERSET SA APARTMENTS, LP RELATING TO THE PROPOSED FINANCING
OF UP TO \$40,000,000.00 OF THE COSTS OF THE ACQUISITION,
CONSTRUCTION, AND EQUIPPING OF THE SOMERSET RANCH APARTMENTS,
TO BE LOCATED AT THE SOUTHWEST CORNER OF SOMERSET ROAD AND
FISCHER ROAD, SAN ANTONIO, TEXAS; AND OTHER MATTERS IN
CONNECTION THEREWITH**

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

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

SIGNED this 8th day of October 2020.

David Nisivoccia
Secretary/Treasurer

**Las Varas Public Facility Corporation
Resolution 20LVPFC-09-12**

RESOLUTION 20LVPFC-09-12, CONCERNING THE APPLICATION OF SOMERSET SA APARTMENTS, LP RELATING TO THE PROPOSED FINANCING OF UP TO \$40,000,000.00 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE SOMERSET RANCH APARTMENTS, TO BE LOCATED AT THE SOUTHWEST CORNER OF SOMERSET ROAD AND FISCHER ROAD, SAN ANTONIO, TEXAS; AND OTHER MATTERS IN CONNECTION THEREWITH

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

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

WHEREAS, Somerset SA Apartments, LP, a Texas limited partnership (User), has filed an Application (Application), requesting that (i) the Issuer finance the acquisition, construction, and equipping of a proposed 348-unit multifamily housing facility to be located at the southwest corner of Somerset Road and Fischer Road and known as the Somerset Ranch Apartments (Project); and (ii) the Issuer file a 2021 and/or 2022 Allocation Application (defined hereafter) and/or any carryforward applications associated with such Allocation Applications to the Texas Bond Review Board as described herein; and

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

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

WHEREAS, this Resolution shall constitute the Issuer's commitment, subject to the terms hereof, to issue Bonds, or other obligations, pursuant to the Act in an amount prescribed by the User now contemplated not to exceed \$40,000,000.00 and to expend the proceeds thereof to pay Development Costs including costs of acquisition, construction, equipping, and improvement of the Project, funding a debt service or other reserve fund for the Project, and paying expenses and costs in connection with the issuance of the Bonds, including costs of obtaining credit enhancement, if any; and

WHEREAS, the Bonds are "private activity bonds" as that term is defined in Subchapter A, Section 1372.001 of Chapter 1372, Texas Government Code, as amended, including the rules

promulgated pursuant thereto in 34 Texas Administrative Code, Sections 190.1 through 190.8 (together, the Allocation Act), and various provisions of the Internal Revenue Code of 1986, as amended (Code); and

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

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

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

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

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

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

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

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

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

WHEREAS, the members of the Board of Directors of Las Varas Public Facility Corporation (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
Muriel Rhoder
Brandee Perez

Assistant Secretary
Assistant Secretary
Assistant Secretary

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

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

(a) subject to the negotiation of mutually acceptable agreements, issue the Bonds, in an amount not to exceed \$40,000,000.00;

(b) cooperate with the User with respect to the issuance of the Bonds, and, if arrangements therefore satisfactory to the User and the Issuer can be made, take such action and authorize the execution of such documents and take such further action as may be necessary or advisable for the authorization, execution, and delivery of any contracts or agreements deemed necessary and desirable by the User or the Issuer in connection with the issuance of the Bonds (collectively, the "Contracts"), providing among other things for payment of the principal of, interest on, redemption premiums on, and paying agents' and trustee's fees and charges, if any, on the Bonds; payment of fees, charges, and expenses of the Issuer and the Housing Authority (including legal and financial advisory expenses); acquisition, construction, equipping, and improvement of the Project; and use, operation, and maintenance of the Project (and the execution of any necessary guaranty agreements), all as shall be authorized, required, or permitted by law and as shall be satisfactory to the Issuer, the Housing Authority, and the User;

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

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

The Bonds shall specifically provide that neither the State of Texas (the "State"), the Housing Authority, nor any political issuer, subdivision, or agency of the State shall be obligated to pay the same or the interest thereon and that neither the faith and credit nor the taxing power of the State, the Housing Authority, or any political issuer, subdivision, or agency thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

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

(a) prior to or contemporaneously with the sale of the Bonds in one or more series or issues from time to time as the Issuer and the User shall hereafter agree to in writing, the User will enter into the Contracts with the Issuer under the terms of which the User will obligate itself, on a nonrecourse basis, to pay to the Issuer (or to a trustee, as the case may be) sums sufficient

in the aggregate to pay the principal of, interest on, redemption premiums on, paying agents' and trustee's fees and charges, if any, on the Bonds, as and when the same become due and payable, with such Contracts to contain the provisions described in Section 1 hereof and such other provisions as may be required or permitted by law and to be mutually acceptable to the Issuer and the User;

(b) the User will (1) pay all Project costs which are not or cannot be paid or reimbursed from the proceeds of the Bonds and (2) at all times from and after the issuance of the Bonds, indemnify and hold harmless the Issuer and the Housing Authority against all losses, costs, damages, expenses, and liabilities of whatsoever nature (including but not limited to reasonable attorneys' fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to the issuance, offering, sale, or delivery of the Bonds, or the design, construction, equipping, installation, operation, use, occupancy, maintenance, or ownership of the Project (other than claims arising from the gross negligence or willful misconduct of the Issuer or the Housing Authority) and prior to or contemporaneously with the sale of the Bonds will agree to provide indemnification on terms satisfactory to the Issuer; and

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

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

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

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

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

Section 7. The Issuer hereby adopts this Resolution in order to satisfy the requirements of the Allocation Act pertaining to the issuance of the Bonds and authorizes any officer or designee of the Issuer to prepare and file a 2021 and/or 2022 Allocation Application and/or any carryforward applications associated with such Allocation Application, together with all required attachments (including obtaining the Issuer's Certificate of Good Standing from the Comptroller of Public Accounts for the State of Texas) in the form required by the Texas Bond Review Board.

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

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

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

Section 12. Based upon representations from the User, the Issuer reasonably expects to reimburse the Expenditures with proceeds of the Bonds in a principal amount that will not exceed \$40,000,000.00. This Resolution shall constitute a declaration of official intent under the Treasury Regulation Section 1.150-2.

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Section 14. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

Section 15. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 16. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of

such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

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

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

Passed and approved the 8th day of October 2020.

Dr. Ana "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

4



QUESTIONS?