



**REAL ESTATE DEVELOPMENT  
COMMITTEE MEETING  
OCT. 22, 2020**



<b>BOARD OF COMMISSIONERS</b>					
Dr. Ana "Cha" Guzmán Chair	Jessica Weaver Vice Chair	Charles Clack Commissioner	Jo-Anne Kaplan Commissioner	Olga Kauffman Commissioner	Ruth Rodriguez Commissioner
<b>PRESIDENT &amp; CEO</b> David Nisivoccia					

**SAN ANTONIO HOUSING AUTHORITY  
REAL ESTATE DEVELOPMENT COMMITTEE or  
\*\*SPECIAL BOARD MEETING  
TELECONFERENCE**

**Call In Phone Number: (346) 248-7799  
Meeting ID: 93839434337# Passcode: 654170#  
2:00 p.m., Thursday, October 22, 2020**

RECEIVED  
 CITY OF SAN ANTONIO  
 CITY CLERK  
 2020 OCT 15 AM 8:19

The Board of Commissioners will convene for a Committee, or Special Board meeting, by teleconference, for discussion on the following matters:

**MEETING CALLED TO ORDER**

1. The Board of Commissioners or its Committee 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 or Committee 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#** Passcode: **654170#**, prior to **2:00 p.m.**

**INDIVIDUAL ITEMS FOR CONSIDERATION**

3. Consideration and appropriate action regarding Resolutions 6082, 20LVPCF-10-22, and 20FAC-10-22, inducing the Artisan at Springview 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, and William Walter, Coats Rose)
4. Consideration and appropriate action regarding Resolutions 6083 and 20FIN-10-22, authorizing the San Antonio Housing Finance Corporation to defease the bonds it issued to finance the Artisan on the Bluffs Apartments project in connection with the refinancing of the project (Timothy E. Alcott, Chief Legal and Real Estate Officer)

5. Consideration and appropriate action regarding Resolution 6084, authorizing the adoption of the three step Board of Commissioner approval process for tax credit and bond developments whereby SAHA or its affiliates is a partner in the transaction (Timothy E. Alcott, Chief Legal and Real Estate Officer)
6. Review and/or finalize Real Estate Development Policy (Timothy E. Alcott, Chief Legal and Real Estate Officer and Lorraine Robles, Director of Development Services and Neighborhood Revitalization)
7. \*Closed Session:  
**Real Estate/Consultation with Attorney**  
Deliberate the management, purchase, exchange, lease or value of certain real properties and obtain legal advice regarding related legal issues pursuant to Texas Government Code Sec. 551.072 (real property) and Texas Government Code Sec. 551.071 (consultation with attorney).
  - Discussion on real estate matters relating to Victoria Commons

**RESOURCES PROVIDED**

- Schedule of Units Under Development
- Real Estate Development Policy (most updated version)
- CoSA Housing Affordability Criteria

8. Adjournment

RECEIVED  
CITY OF SAN ANTONIO  
CITY CLERK  
2020 OCT 15 AM 8:19

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

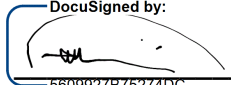
\*\*Note: If a quorum of the Board of Commissioners attends the Committee Meeting, this meeting becomes a Special Meeting of the Board, but no Board action will be taken other than recommendations to the full Board, unless the full Board is present.

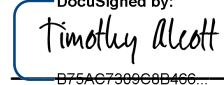
## SAN ANTONIO HOUSING AUTHORITY

October 22, 2020

**BOARD OF COMMISSIONERS**  
**Real Estate Development Committee**

**RESOLUTIONS 6082, 20LVPC-10-22, AND 20FAC-10-22 INDUCING THE ARTISAN AT SPRINGVIEW 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:  
  
5609927B75274DC...  
**David Nisivoccia**  
 President and CEO

DocuSigned by:  
  
075AC7309C0B406...  
**Timothy E. Alcott**  
 Chief Legal and Real Estate Officer

**REQUESTED ACTION:**

Consideration and appropriate action regarding Resolutions 6082, 20LVPC-10-22, and 20FAC-10-22, inducing the Artisan at Springview 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 Artisan at Springview Apartments 4% tax credit 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 the tax credits with 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 a volume cap and tax credits and begin to put the financings together to negotiate the specific terms of the deals, which we will bring back to you for approval.

The project is a 305-unit project proposed by Franklin Development to be located at 210 S Grimes and whose boundaries are Hedges Street to the south, S. Mel Waiters Way to the east,

**SAN ANTONIO HOUSING AUTHORITY**

**October 22, 2020**

and Montana to the north. It is proposed to contain 305 units at 60% of the median income or below. The total project cost is estimated to be approximately \$57 million.

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. SAHA, as owner of the land and improvements for the development of the Project, may require certain environmental and disposition approvals from HUD.

The attached Resolution authorizes Las Varas Public Facility Corporation and the San Antonio Housing Facility Corporation to approve inducement resolutions for the above project.

**STRATEGIC GOAL:**

Strategically expand the supply of affordable housing.

**ATTACHMENTS:**

- Resolution 6082
- Resolution 20LVPFC-10-22
- Resolution 20FAC-10-22
- Map of Project Location

**CERTIFICATE FOR RESOLUTION 6082  
ARTISAN AT SPRINGVIEW APARTMENTS**

The undersigned officer of the San Antonio Housing Authority, a Texas nonprofit corporation created pursuant to the laws of the State of Texas (“SAHA”) hereby certifies as follows:

1. In accordance with its bylaws, the Board of Directors of SAHA (the “Board”) held a meeting on November 5, 2020 (the “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 6082, INDUCING THE ARTISAN AT SPRINGVIEW 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 SAHA.

**SIGNED AND SEALED this 5th day of November 2020.**



\_\_\_\_\_  
**David Nisivoccia**  
**President and CEO**

**SAN ANTONIO HOUSING AUTHORITY  
RESOLUTION 6082**

**RESOLUTION 6082, INDUCING THE ARTISAN AT SPRINGVIEW 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**, ARDC Springview, Ltd., a Texas limited partnership (or such other similar name as the General Partner designates, as the “Partnership”), and SAHA Artisan at Springview GP, LLC, a Texas limited liability company and its general partner (the “General Partner”), will be formed to acquire and construct an approximately 305-unit multifamily housing facility (the “Housing Facility”) to be approximately located at the northeast corner of Montana and S. Walters, San Antonio, Texas (the “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 (the “Housing Authority”) has agreed to (i) serve as the sole member of the General Partner of the Partnership in connection with the financing of the Project, (ii) acquire the Land and lease it to the Partnership pursuant to a Ground Lease (the “Ground Lease”), and (iii) will serve as the general contractor for the Project (the “General Contractor”); and

**WHEREAS**, the Partnership has requested that the Las Varas Public Facility Corporation (the “Issuer”) issue its Multifamily Housing Revenue Bonds (Artisan at Springview Apartments) Series 2021 or 2022 (the “Bonds”) to finance the Project (the “Bond Financing”); and

**WHEREAS**, the Issuer will issue the Bonds in an amount not to exceed \$35,000,000.00 and loan such proceeds to the Partnership; and

**WHEREAS**, in connection with the Bond Financing, the Partnership, the General Partner, and/or SAHA 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 “Note Documents”); and

**WHEREAS**, the Partnership, will apply for low income housing tax credits (the “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 SAHA will be required to execute, complete and deliver various applications, agreements, documents, certificates and instruments to TDHCA (the “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 (the “Equity Financing”); and

**WHEREAS**, in connection with the Equity Financing, the Partnership, the General Partner, and/or SAHA 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 SAHA 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**, development of the Project may require certain environmental and disposition approvals from HUD (“HUD Approvals”); and

**WHEREAS**, the members of the Board of Commissioners of SAHA (collectively, the “Board”) and their respective offices are as follows:

<u>Name of Commissioner/Officer</u>	<u>Position</u>
Dr. Ana “Cha” Guzman	Chair
Jessica Weaver	Vice Chair
Jo-Anne Kaplan	Commissioner
Olga Kauffman	Commissioner
Ruth Rodriguez	Commissioner
Charles Clack	Commissioner
David Nisivoccia	President and CEO
Timothy E. Alcott	Chief Legal and Real Estate Officer
Ed Hinojosa	Chief Financial Officer
Muriel Rhoder	Chief Administrative Officer
Brandee Perez	Chief Operating Officer

**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 SAHA.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Commissioners of San Antonio Housing Authority:

Section 1. The Project, the various structures of financing contemplated for the Project, including but not limited to, the Bond Financing, the LIHTCs, the Equity Financing and the



Subordinate Loans are hereby authorized to be applied for and negotiated, and the HUD Approvals are authorized to be applied for and proceed.

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 SAHA is a party, including the HUD Approvals.

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 SAHA 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, SAHA, 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 SAHA, 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 SAHA and the Partnership and Developer have represented to SAHA, that in consideration of SAHA'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 SAHA 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 SAHA 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 SAHA reserves the right not to enter into the proposed transaction either with or without cause and with or without notice, and in such event SAHA 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 SAHA whatsoever as a result of any decision by SAHA 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 Coats Rose, P.C. as counsel to the General Partner and SAHA for this transaction.

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

Section 9. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

Section 10. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

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

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

**Passed and approved the 5th day of November 2020.**

---

**Ana M. "Cha" Guzman**  
**Chair, Board of Commissioners**

**Attested and approved as to form:**

---

**David Nisivoccia**  
**President and CEO**

**CERTIFICATE FOR RESOLUTION 20LVPFC-10-22  
ARTISAN AT SPRINGVIEW APARTMENTS**

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

1. In accordance with the bylaws of the Issuer, the Board of Directors of the Issuer (the "Board") held a meeting on November 5, 2020 (the "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-10-22, CONCERNING THE APPLICATION OF ARDC  
SPRINGVIEW, LTD. RELATING TO THE PROPOSED FINANCING OF UP TO  
\$35,000,000.00 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION,  
AND EQUIPPING OF THE ARTISAN AT SPRINGVIEW APARTMENTS, TO BE  
LOCATED AT 210 S. GRIMES ST., 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 5th day of November, 2020.**

\_\_\_\_\_  
David Nisivoccia  
Secretary/Treasurer

**LAS VARAS PUBLIC FACILITY CORPORATION  
RESOLUTION 20LVPFC-10-22**

**RESOLUTION 20LVPFC-10-22, CONCERNING THE APPLICATION OF ARDC SPRINGVIEW, LTD. RELATING TO THE PROPOSED FINANCING OF UP TO \$35,000,000.00 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE ARTISAN AT SPRINGVIEW APARTMENTS, TO BE LOCATED AT 210 S. GRIMES ST., SAN ANTONIO, TEXAS; AND OTHER MATTERS IN CONNECTION THEREWITH**

**WHEREAS**, the Housing Authority of the City of San Antonio, Texas (the “Housing Authority”), has, pursuant to the Texas Public Facility Corporations Act, Chapter 303, Texas Local Government Code, as amended (the “Act”), approved and created the Las Varas Public Facility Corporation, a nonstock, nonprofit public facility corporation (the “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**, ARDC Springview, Ltd., a Texas limited partnership (or such other similarly named partnership as designated by the sole member of the User’s general partner, as the “User”), will file an Application (the “Application”), requesting that (i) the Issuer finance the acquisition, construction, and equipping of a proposed 305-unit multifamily housing facility to be located on the tract shown on the attached map and known as the Artisan at Springview Apartments (the “Project”); and (ii) the Issuer file a 2021 Allocation Application (defined hereafter) and/or subsequent year 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 (the “Board”) of the Issuer to issue housing revenue bonds pursuant to the Act (the “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 \$35,000,000.00 and to expend the proceeds thereof to pay Development Costs including costs of acquisition, rehabilitation, construction, equipping, and improvement of the Project, funding a debt service or other reserve fund for the Project, and paying expenses and costs in connection with the issuance of the Bonds, including costs of obtaining credit enhancement, if any; and

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

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

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

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

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

**WHEREAS**, in order to satisfy, in part, the provisions of the Allocation Act, the Issuer must submit an "Application for Allocation of Private Activity Bonds" or a "Application for Carryforward for Private Activity Bonds" (the "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 (the "Expenditures") and expects to reimburse the Expenditures with proceeds of the Bonds; and

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

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

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

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of 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 \$35,000,000.00;

(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, 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, construction, 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, 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 anyone 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 \$35,000,000. This Resolution shall constitute a declaration of official intent under the Treasury Regulation Section 1.150-2.

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

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

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

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

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

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

**Passed and approved the 5th day of November 2020.**

---

**Dr. Ana "Cha" Guzman**  
**Chair, Board of Directors**

**Attested and approved as to form:**

---

**David Nisivoccia**  
**Secretary/Treasurer**



**CERTIFICATE FOR RESOLUTION 20FAC-10-22  
ARTISAN AT SPRINGVIEW APARTMENTS**

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

1. In accordance with its bylaws, the Board of Directors of SAHFC (the “Board”) held a meeting on November 5, 2020 (the “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-10-22, INDUCING THE ARTISAN AT SPRINGVIEW 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 5th day of November 2020.**



\_\_\_\_\_  
David Nisivoccia  
Secretary/Treasurer

**SAN ANTONIO HOUSING FACILITY CORPORATION  
RESOLUTION 20FAC-10-22**

**RESOLUTION 20FAC-10-22 INDUCING THE ARTISAN AT SPRINGVIEW 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**, ARDC Springview, Ltd., a Texas limited partnership (or such other similar name as the General Partner designates, as the “Partnership”), and SAHA Artisan at Springview GP, LLC, a Texas limited liability company and its general partner (the “General Partner”), will be formed to acquire and construct an approximately 305-unit multifamily housing facility (the “Housing Facility”) to be approximately located at the northeast corner of Montana and S. Walters, San Antonio, Texas (the “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 (the “Housing Authority”) has agreed to (i) serve as the sole member of the General Partner of the Partnership in connection with the financing of the Project, (ii) acquire the Land and lease it to the Partnership pursuant to a Ground Lease (the “Ground Lease”), and (iii) will serve as the general contractor for the Project (the “General Contractor”); and

**WHEREAS**, the Partnership has requested that the Las Varas Public Facility Corporation (the “Issuer”) issue its Multifamily Housing Revenue Bonds (Artisan at Springview Apartments) Series 2020 or 2021 (the “Bonds”) to finance the Project (the “Bond Financing”); and

**WHEREAS**, the Issuer will issue the Bonds in an amount not to exceed \$35,000,000.00 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 “Note Documents”); and

**WHEREAS**, the Partnership, will apply for low income housing tax credits (the “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 (the “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 (the “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/Treasurer
Ed Hinojosa	Assistant Secretary/Treasurer
Muriel Rhoder	Assistant Secretary/Treasurer
Brandee Perez	Assistant Secretary/Treasurer

**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 Coats Rose, P.C. as counsel to the General Partner and SAHFC for this transaction.

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

Section 9. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

Section 10. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

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

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

**Passed and approved the 5th day of November 2020.**

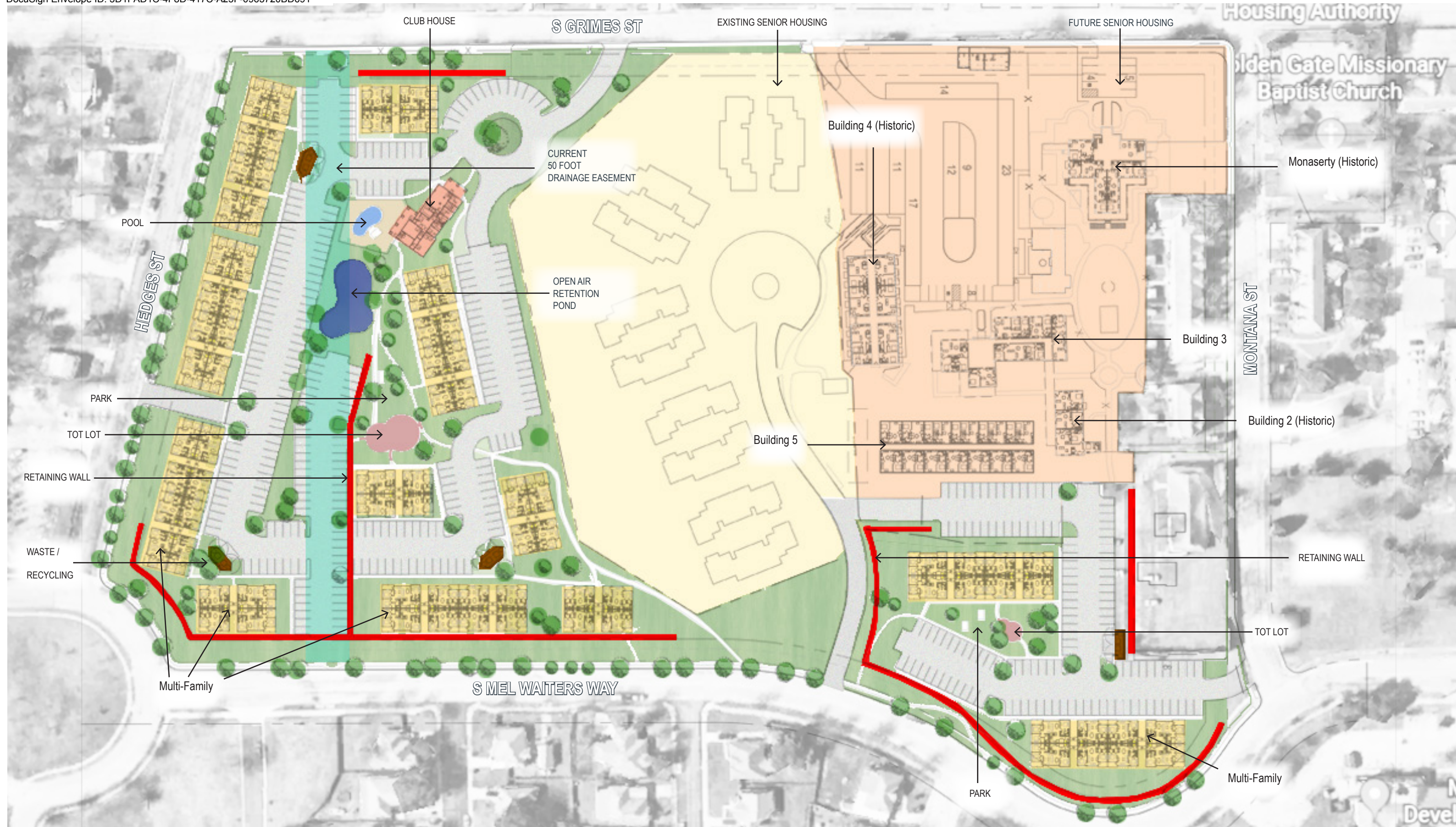
---

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

**Attested and approved as to form:**

---

**David Nisivoccia**  
**Secretary/Treasurer**

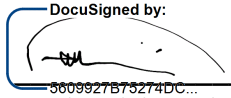


**SAN ANTONIO HOUSING AUTHORITY**

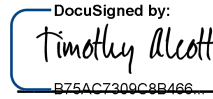
**October 22, 2020**

**BOARD OF COMMISSIONERS  
Real Estate Development Committee**

**RESOLUTIONS 6083 AND 20FIN-10-22, AUTHORIZING THE SAN ANTONIO HOUSING FINANCE CORPORATION TO DEFEASE THE BONDS IT ISSUED TO FINANCE THE ARTISAN ON THE BLUFFS APARTMENTS PROJECT IN CONNECTION WITH THE REFINANCING OF THE PROJECT**

DocuSigned by:  
  
3609927B73274DC...

**David Nisivoccia**  
President and CEO

DocuSigned by:  
  
B75AC7309C8B466...

**Timothy E. Alcott**  
Chief Legal and Real Estate Officer

**REQUESTED ACTION:**

Consideration and appropriate action regarding Resolutions 6083 and 20FIN-10-22, authorizing the San Antonio Housing Finance Corporation to defease the bonds it issued to finance the Artisan on the Bluffs Apartments project in connection with the refinancing of the project.

**FINANCIAL IMPACT:**

None.

**SUMMARY:**

In 2004, the San Antonio Housing Finance Corporation issued its Multifamily Housing Revenue Bonds (Artisan on the Bluff Apartments Project) Series 2004 in the original aggregate principal amount of \$13,600,000.00 (Bonds). This was merely a bond issuance and you are not a partner in the Project. The Bonds finance the Project, which is a tax credit multifamily housing development of 250 units, located at 6425 De Zavala Road. The developer is Franklin Development.

The bonds were variable rate bonds with a current variable interest rate of approximately 2.35%. However, this rate will increase as interest rates increase. Franklin has decided to take advantage of the current low interest rates and refinance the project at a fixed rate through HUD, which is currently expected to be approximately 2.35%. It is expected that this will enable them to rehabilitate the Project, buy out the limited partner in the Project, and pay off their HOME loan. The Bonds will be paid off as a result of the refinancing. All affordability restrictions will remain in place. The project is currently set aside for families earning less than 60% of median income, since it was financed before income averaging.

You are being requested to approve the documents necessary to pay off the Bonds and subordinate the Bond Regulatory Agreement to the new HUD financing. This is required for all HUD financings. You will not have an ongoing role in the project once the Bonds are paid off. The new debt will strictly be an obligation of the tax credit partnership and not an obligation of any SAHA affiliate.

**STRATEGIC GOAL:**

Transform core operations to be a high performing and financially strong organization.

**SAN ANTONIO HOUSING AUTHORITY**

**October 22, 2020**

**ATTACHMENTS:**

Resolution 6083

Resolution 20FIN-10-22

HUD Amendment to Restrictive Covenants

Escrow Deposit Agreement

Site map



**SAN ANTONIO HOUSING AUTHORITY  
RESOLUTION 6083**

**RESOLUTION 6083, AUTHORIZING THE SAN ANTONIO HOUSING FINANCE CORPORATION TO DEFEASE THE BONDS IT ISSUED TO FINANCE THE ARTISAN ON THE BLUFFS APARTMENTS PROJECT IN CONNECTION WITH THE REFINANCING OF THE PROJECT**

**WHEREAS**, one of the San Antonio Housing Authority's strategic goals is to expand the supply of affordable housing; and

**WHEREAS**, in furtherance of that goal, the Board of Commissioners of SAHA authorized the Artisan on the Bluffs Apartments Project (Project), including the execution of all documentation necessary to carry out the Project; and

**WHEREAS**, in connection with the financing for the Project, the San Antonio Housing Finance Corporation (Issuer) issued its Multifamily Housing Revenue Bonds (Artisan on the Bluffs Apartments Project) Series 2004 (Bonds), under that certain Trust Indenture, dated as of December 1, 2004 (Indenture), between the Issuer and Wells Fargo Bank, National Association (Trustee), and loaned the proceeds of the Bonds (Loan) to ARDC Babcock, Ltd. (Borrower) to assist in financing the costs of acquisition, construction and equipping of the Project; and

**WHEREAS**, in connection with its issuance of the Bonds, the Issuer required the execution and delivery of that certain Regulatory Agreement and Declaration of Restrictive Covenants in favor of the Issuer, recorded in the Real Property Records of Bexar County, Texas under County Clerk File Volume 11141, Page 1637 (Regulatory Agreement), which contains certain restrictions against the Project; and

**WHEREAS**, the Borrower desires to prepay the Loan and to defease and provide for the redemption of the Bonds (Redemption); and

**WHEREAS**, the Redemption will be accomplished by a deposit with the Trustee, as escrow agent, of the proceeds of a loan (New Loan) from Jones Lang LaSalle Multifamily, LLC, the proceeds of which will be used to purchase certain Government Securities (as defined in the Indenture), which, together with the investment income thereon and certain uninvested cash, will be sufficient to pay the principal and interest requirements on the Bonds when due and to redeem the Bonds, as provided in that certain Escrow Deposit Agreement proposed to be executed by and among the Borrower, the Trustee and the Issuer (Escrow Agreement); and

**WHEREAS**, the New Loan will be insured by the United States Department of Housing and Urban Development (HUD); and

**WHEREAS**, HUD requires as a condition of insuring the New Loan that the lien and covenants of the Regulatory Agreement be subordinated to the lien, covenants and enforcement of the New Loan's loan documents, pursuant to that certain HUD Amendment to Restrictive Covenants proposed to be executed by and between the Borrower and the Issuer (Subordination Agreement and, together with the Escrow Agreement, the Operative Documents); and

**WHEREAS**, it is proposed that the Issuer approve the Redemption and execute the Operative Documents; and

**WHEREAS**, the Issuer will pass resolutions authorizing the actions needed to further carry out the Redemption, including the execution of the Operative Documents.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Commissioners of SAHA hereby:

- 1) Approves Resolution 6083, authorizing the San Antonio Housing Finance Corporation to defease the bonds it issued to finance the Artisan on the Bluffs Apartments Project in connection with the refinancing of the project.
- 2) Approves Resolution 20FIN-10-22 of the Issuer approving the Redemption and authorizing the actions necessary therefore and the negotiation of the terms of the Operative Documents.
- 3) Authorizes the President and CEO, or designee, to execute all necessary documents associated therewith, including the Operative Documents.

**Passed and approved the 5th day of November 2020.**

---

**Ana M. "Cha" Guzman**  
**Chair, Board of Commissioners**

**Attested and approved as to form:**

---

**David Nisivoccia**  
**President and CEO**

**CERTIFICATE FOR RESOLUTION 20FIN-10-22  
ARTISAN ON THE BLUFFS APARTMENTS**

The undersigned officer of the San Antonio Housing Finance Corporation (SAHFC) hereby certifies as follows:

1. In accordance with its bylaws, the Board of Commissioners of SAHFC (Board) held a meeting on November 5, 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 20FIN-10-22, AUTHORIZING THE DEFEASANCE OF THE  
MULTIFAMILY HOUSING REVENUE BONDS (ARTISAN ON THE BLUFFS  
APARTMENTS PROJECT) SERIES 2004 AND ACTIONS 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 this 5th day of November 2020.**

\_\_\_\_\_  
David Nisivoccia  
Secretary/Treasurer

**San Antonio Housing Finance Corporation  
Resolution 20FIN-10-22**

**RESOLUTION 20FIN-10-22 AUTHORIZING THE DEFEASANCE OF THE MULTIFAMILY HOUSING REVENUE BONDS (ARTISAN ON THE BLUFFS APARTMENTS PROJECT) SERIES 2004 AND ACTIONS IN CONNECTION THEREWITH**

**WHEREAS**, ARDC Babcock, Ltd., a Texas limited partnership (Borrower) acquired land and constructed a 250-unit multifamily housing facility located at 6425 DeZavala Road, San Antonio, Texas (Project); and

**WHEREAS**, in connection with the financing for the Project, SAHFC issued its Multifamily Housing Revenue Bonds (Artisan on the Bluffs Apartments Project) Series 2004 (Bonds), under that certain Trust Indenture, dated as of December 1, 2004 (Indenture), between SAHFC and Wells Fargo Bank, National Association (Trustee), and loaned the proceeds of the Bonds to the Borrower (Loan) to assist in financing the costs of acquisition, construction and equipping of the Project; and

**WHEREAS**, in connection with its issuance of the Bonds, SAHFC required the execution and delivery of that certain Regulatory Agreement and Declaration of Restrictive Covenants in favor of SAHFC, recorded in the Real Property Records of Bexar County, Texas under County Clerk File Volume 11141, Page 1637 (Regulatory Agreement), which contains certain restrictions against the Project; and

**WHEREAS**, the Borrower desires to prepay the Loan and to defease and provide for the redemption of the Bonds (Redemption); and

**WHEREAS**, the Redemption will be accomplished by a deposit with the Trustee, as escrow agent, of the proceeds of a loan (New Loan) from Jones Lang LaSalle Multifamily, LLC, the proceeds of which will be used to purchase certain Government Securities (as defined in the Indenture), which, together with the investment income thereon and certain uninvested cash, will be sufficient to pay the principal and interest requirements on the Bonds when due and to redeem the Bonds, as provided in that certain Escrow Deposit Agreement, proposed to be executed by and among the Borrower, the Trustee and SAHFC (Escrow Agreement); and

**WHEREAS**, the New Loan will be insured by the United States Department of Housing and Urban Development (HUD); and

**WHEREAS**, HUD requires as a condition of insuring the New Loan that the lien and covenants of the Regulatory Agreement be subordinated to the lien, covenants and enforcement of the New Loan's loan documents, pursuant to that certain HUD Amendment to Restrictive Covenants proposed to be executed by and between the Borrower and SAHFC (Subordination Agreement and, together with the Escrow Agreement, the Operative Documents); and

**WHEREAS**, it is proposed that SAHFC approve the Redemption and execute the Operative Documents; 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 Finance Corporation hereby:

Section 1. The Redemption and any documents evidencing same or required for the same, including, but not limited to, the Operative Documents, are hereby authorized and approved.

Section 2. The President, any Vice President, the Secretary, the Treasurer, any Assistant Secretary, or any of them, are hereby authorized to execute any and all documentation required for the Redemption, including, but not limited to, the Operative Documents.

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 SAHFC, and any and all certificates and other instruments necessary to carry out the intent thereof and hereof. The President, any Vice President, the Secretary, the Treasurer, any Assistant Secretary, or any of them, are authorized to negotiate and approve such changes in, or additions to, the terms of any of the documents, including amendments, renewals, and extensions, as such officers shall deem necessary or appropriate upon the advice of counsel to SAHFC, and approval of the terms of any of the documents by such officers and this Board shall be conclusively evidenced by the execution and delivery of such documents.

Section 4. 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 5. 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 6. 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 7. 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 8. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 9. This Resolution shall be in force and effect from and after its passage.

**Passed and approved the 5th day of November 2020.**

---

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

**Attested and approved as to form:**

---

**David Nisivoccia**  
**Secretary/Treasurer**

## **HUD Amendment To Restrictive Covenants**

This HUD AMENDMENT TO RESTRICTIVE COVENANTS (this "Amendment") is made as of \_\_\_\_\_, 2020, by ARDC Babcock, Ltd., a Texas limited partnership ("Borrower") and SAN ANTONIO HOUSING FINANCE CORPORATION, a nonprofit housing finance corporation of the State of Texas ("Agency").

WHEREAS, Borrower has obtained financing from Jones Lang LaSalle Multifamily, LLC ("Lender") for the benefit of the project known as Artisan on the Bluff, FHA Project No. 115-11323 ("Project"), which loan is to be secured by a Multifamily Deed of Trust, Assignment of Leases and Rents and Security Agreement (Texas) ("Security Instrument") dated as of even date herewith, and to be recorded in the Real Property Records of Bexar County, Texas ("Records") more or less immediately prior hereto and is insured by the United States Department of Housing and Urban Development ("HUD");

WHEREAS, Borrower previously benefited from the issuance of tax-exempt bonds by Agency, in connection with which Agency required the execution of recording of that certain Regulatory Agreement and Declaration of Restrictive Covenants in favor of Agency recorded in the Records under County Clerk File Volume 11141, Page 1637, which contains certain restrictions (the "Restrictive Covenants") against the Project; and

WHEREAS, HUD requires as a condition of its insuring Lender's financing to the Project, that the lien and covenants of the Restrictive Covenants be subordinated to the lien, covenants, and enforcement of the Security Instrument; and

WHEREAS, Agency has agreed to subordinate the Restrictive Covenants to the lien of the Mortgage Loan in accordance with the terms of this Amendment.

NOW, THEREFORE, in consideration of the foregoing and for other consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

(a) In the event of any conflict between any provision contained elsewhere in the Restrictive Covenants and any provision contained in this Amendment, the provision contained in this Amendment shall govern and be controlling in all

respects as set forth more fully herein.

(b) The following terms shall have the following definitions:

"Code" means the Internal Revenue Code of 1986, as amended.

"HUD" means the United States Department of Housing and Urban Development.

"HUD Regulatory Agreement" means the Regulatory Agreement between Borrower and HUD with respect to the Project, as the same may be supplemented, amended or modified from time to time.

"Lender" means Jones Lang LaSalle Multifamily, LLC, its successors and assigns.

"Mortgage Loan" means the mortgage loan made by Lender to the Borrower pursuant to the Mortgage Loan Documents with respect to the Project.

"Mortgage Loan Documents" means the Security Instrument, the HUD Regulatory Agreement and all other documents required by HUD or Lender in connection with the Mortgage Loan.

"National Housing Act" means the National Housing Act of 1934, as amended.

"Program Obligations" has the meaning set forth in the Security Instrument.

"Residual Receipts" has the meaning specified in the HUD Regulatory Agreement.

"Security Instrument" means the mortgage or deed of trust from Borrower in favor of Lender, as the same may be supplemented, amended or modified.

"Surplus Cash" has the meaning specified in the HUD Regulatory Agreement.

(c) The provisions of the Restrictive Covenants are expressly subordinate to (i) the Mortgage Loan Documents, including without limitation, the Security Instrument, and (ii) Program Obligations (the Mortgage Loan Documents and



Program Obligations are collectively referred to herein as the "HUD Requirements"). Borrower covenants that it will not take or permit any action that would result in a violation of the Code, HUD Requirements or Restrictive Covenants. In the event of any conflict between the provisions of the Restrictive Covenants and the provisions of the HUD Requirements, HUD shall be and remains entitled to enforce the HUD Requirements. Notwithstanding the foregoing, nothing herein limits Agency's ability to enforce the terms of the Restrictive Covenants, provided such terms do not conflict with statutory provisions of the National Housing Act or the regulations related thereto. The Borrower represents and warrants that to the best of Borrower's knowledge the Restrictive Covenants impose no terms or requirements that conflict with the National Housing Act and related regulations.

(d) In the event of foreclosure (or deed in lieu of foreclosure), the Restrictive Covenants (including without limitation, any and all land use covenants and/or restrictions contained herein) shall automatically terminate, except as otherwise approved by HUD.

(e) Borrower and Agency acknowledge that Borrower's failure to comply with the covenants provided in the Restrictive Covenants does not and shall not serve as a basis for default under the HUD Requirements, unless a default also arises under the HUD Requirements.

(f) Except for Agency's reporting requirement, in enforcing the Restrictive Covenants Agency will not file any claim against the Project, the Mortgage Loan proceeds, any reserve or deposit required by HUD in connection with the Security Instrument or HUD Regulatory Agreement, or the rents or other income from the property other than a claim against:

- i. Available surplus cash, if the Borrower is a for-profit entity;
- ii. Available distributions of surplus cash and residual receipts authorized for release by HUD, if the Borrower is a limited distribution entity; or
- iii. Available residual receipts authorized by HUD, if the Borrower is a non-profit entity.

(a) For so long as the Mortgage Loan is outstanding, Borrower and Agency shall not further amend the Restrictive Covenants, with the exception of clerical errors or administrative correction of non-substantive matters, without HUD's prior written consent.

(b) Subject to the HUD Regulatory Agreement, Agency may require the Borrower to indemnify and hold Agency harmless from all loss, cost, damage and expense arising from any claim or proceeding instituted against Agency relating to the subordination and covenants set forth in the Restrictive Covenants, provided, however, that Borrower's

obligation to indemnify and hold Agency harmless shall be limited to available surplus cash and/or residual receipts of the Borrower.

[SEE COUNTERPART SIGNATURE PAGES ATTACHED HERETO]



**Counterpart Signature Page to AMENDMENT To Restrictive Covenants**

**AGENCY**

**SAN ANTONIO HOUSING FINANCE CORPORATION, a nonprofit housing  
finance corporation of the State of Texas**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Approved as to form:**

\_\_\_\_\_  
By: \_\_\_\_\_

**STATE OF TEXAS** )  
 ) ss:  
**COUNTY OF BEXAR** )

**On this \_\_\_\_\_ day of \_\_\_\_\_, 2020, before me, a Notary Public in and for said County and State, duly commissioned and sworn, personally appeared \_\_\_\_\_, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that s/he executed the same in her/his capacity as \_\_\_\_\_ of the San Antonio Housing Finance Corporation, a nonprofit housing finance corporation of the State of Texas, and that by her/his signature on the instrument the nonprofit housing corporation, executed the instrument.**

**IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this Certificate first above written.**

My commission expires \_\_\_\_\_.

---

**Notary Public in and for said County and State**

**EXHIBIT A  
LEGAL DESCRIPTION**

Tract I: (Fee Tract)

Lot 6, Block 1, New City Block 14861, DEZ-BAB SUBDIVISION, situated in the City of San Antonio, Bexar County, Texas, according to the plat thereof recorded in Volume 9561, Page 92, Deed and Plat Records of Bexar County, Texas.

Tract II: (Easement Tract)

Easement Estate created by that certain Declaration of Reciprocal Easements and Restrictive Covenants as set out in Volume 9950, Page 282.

5/24/2020 35787180

## ESCROW DEPOSIT AGREEMENT

THIS ESCROW DEPOSIT AGREEMENT is entered into as of October [\_\_\_], 2020 (the “Agreement”), by and among ARDC BABCOCK, LTD., a Texas limited partnership (the “Borrower”), WELLS FARGO BANK, NATIONAL ASSOCIATION, as Escrow Agent (the “Escrow Agent”) and the SAN ANTONIO HOUSING FINANCE CORPORATION, a Texas non-profit housing finance corporation (the “Issuer”).

## WITNESSETH:

WHEREAS, the Issuer previously issued its Multifamily Housing Revenue Bonds (Artisan on the Bluff Apartments Project) Series 2004 in the original aggregate principal amount of \$13,600,000 (the “Bonds”), under that certain Trust Indenture, dated as of December 1, 2004 (the “Indenture”), between the Issuer and Wells Fargo Bank, National Association, as trustee (the “Trustee”).

WHEREAS, the Bonds were issued for the purpose of making a loan (the “Loan”) to the Borrower pursuant to the Loan Agreement dated as of December 1, 2004 (the “Loan Agreement”), between the Issuer and the Borrower, in order to assist in financing the costs of the acquisition, construction and equipping of a 250-unit multifamily housing development located in San Antonio, Texas and known as the Artisan on the Bluff Apartments (the “Project”).

WHEREAS, the Borrower desires to prepay such Loan and to defease and provide for the redemption of the Bonds in accordance with Section 2.11 of the Loan Agreement and Sections 6.1 and 14.1 of the Indenture.

WHEREAS, the defeasance of the Bonds will be accomplished by a deposit with the Escrow Agent of the proceeds of a loan (the “Loan”) from [\_\_\_\_\_], the proceeds of which will be used to purchase certain Government Securities (as defined in the Indenture), which, together with investment income thereon and certain uninvested cash, will be sufficient to pay the principal and interest requirements on the Bonds when due and to redeem the Bonds, all as provided herein.

WHEREAS, the Issuer, the Borrower and the Escrow Agent, acting in its capacity as escrow agent, desire to enter into this Agreement to provide for the taking of certain actions to accomplish the defeasance and redemption of the Bonds and certain other matters as set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

Section 1. There is hereby created and established with the Escrow Agent a special and irrevocable escrow account designated the “Escrow Account for Defeased Bonds – Artisan on the Bluff Apartments” (the “Escrow Account”) to be held by the Escrow Agent, acting as escrow agent. The Escrow Account shall be held for the benefit of the holders of the Bonds and shall be held by the Escrow Agent separate and apart from other funds of the Issuer or the Escrow Agent.

Section 2. The Escrow Agent hereby accepts the Escrow Account created hereunder and acknowledges receipt of the sum of \$[\_\_\_\_], which sum the Escrow Agent is hereby directed to deposit into the Escrow Account. Funds on deposit in the Escrow Account shall be used for the purchase of certain Eligible Securities as described in Exhibit A hereto (the “Eligible Securities”) and \$[\_\_\_\_] of which shall be deposited as a beginning cash balance. The maturing principal of and interest on the Eligible Securities and the cash will produce amounts verified in writing by [Causey Demgen & Moore P.C.] as described in the report attached hereto as Exhibit A (the “Verification Report”), to be sufficient to pay when due the principal of and interest on the Bonds to [\_\_\_\_] and to redeem all Bonds, by calling such bonds for redemption on [\_\_\_\_] (the “Redemption Date”) at a redemption price equal to the principal amount of the Bonds outstanding on the Redemption Date, together with interest accrued thereon to the Redemption Date (collectively, the “Redemption Price”). The Eligible Securities shall be deposited in the Escrow Account in accordance with the terms hereof and of the Indenture.

The principal and interest on the Eligible Securities shall not be reinvested, and the Escrow Agent shall not sell or otherwise dispose of the Eligible Securities, except as specifically provided herein.

From and after the creation of the Escrow Account, the principal of and interest on the outstanding Bonds shall be payable solely and only from the Escrow Account and shall not, under any circumstances, be payable from any other funds of the Issuer, the Borrower or any other legal entity.

Section 3. The Escrow Agent, acting in its capacity as escrow agent, agrees that the pro rata portion of the principal amount of and interest on the Eligible Securities necessary to provide proceeds into the Escrow Account sufficient to pay the principal and interest on the Bonds on and prior to the Redemption Date and to pay the Redemption Price will be held for the holders of the Bonds and irrevocably agrees to apply said principal amount and interest, as the same become due, to the payment of the principal, premium, if any, and interest requirements on the Bonds through their final maturities or prior redemption date.

Section 4. The Borrower agrees to pay to the Escrow Agent upon the execution and delivery of this Agreement such amounts as may be necessary to pay the fees and expenses of the Escrow Agent acting as escrow agent in connection with the execution and delivery of this Agreement on the date hereof. The Escrow Agent hereby acknowledges that all such fees and expenses have been paid.

Section 5. Except as provided in Section 6 hereof, the Escrow Agent shall not have power or duty to invest any funds held under this Agreement or to sell, transfer or otherwise dispose of or make substitutions of the Eligible Securities.

Section 6. This Agreement may be amended or supplemented, the Eligible Securities or any portion thereof or proceeds thereof sold, redeemed, invested or reinvested, or proceeds thereof disbursed, in any manner (any such amendment, supplement or direction to sell, redeem, invest or disburse to be referred to as a “Subsequent Action”), upon submission to the Escrow Agent of each of the following:



(i) A certified copy of the proceedings of the Issuer authorizing the Subsequent Action and a copy of the document effecting the Subsequent Action signed by duly designated officers of the Issuer.

(ii) An opinion of nationally recognized bond counsel or tax counsel nationally recognized as having an expertise in the area of tax-exempt municipal bonds to the effect that the Subsequent Action will not cause the interest on the Refunding Bonds or Bonds to become includable in gross income for Federal income tax purposes.

(iii) An independent report of certified public accountants to the effect that the amounts (which will consist of cash or deposits on demand held in trust or receipts from direct full faith and credit obligations of the United States of America, not callable or redeemable at the option of the issuer thereof), available or to be available for payment of the Bonds will remain sufficient to pay when due all principal of and interest on the Bonds after the taking of the Subsequent Action.

(b) Except as provided in Paragraph (a) hereof, all of the rights, powers, duties and obligations of the Escrow Agent hereunder shall be irrevocable and shall not be subject to amendment by the Escrow Agent and shall be binding on any successor to the Escrow Agent during the term of this Agreement.

Section 7. The Escrow Agent shall collect the cash proceeds resulting from the payment of the principal of and interest on the Eligible Securities. The Escrow Agent, without further authorization or direction, shall apply such cash proceeds in the Escrow Account (a) to pay promptly when due the principal of and interest on the Bonds as the same become due on and prior to the Redemption Date and (b) to redeem on the Redemption Date all of the Bonds then currently outstanding at the Redemption Price. Such payments shall be made from the Escrow Account as set forth in this Section 7 and shall be made to the persons entitled thereto as provided in the Indenture.

Section 8. The Borrower hereby provides the Escrow Agent with an irrevocable direction to mail a notice of redemption of the Bonds not less than fifteen (15) days, nor more than thirty (30) days, prior to the Redemption Date in accordance with the provisions of the Indenture. A form of such notice of redemption is attached hereto as Exhibit B. All moneys on deposit in the Escrow Account shall be transferred by the Escrow Agent to the Trustee of the Bonds to effectuate such redemption. In addition, the Escrow Agent shall post the redemption notice on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system.

Section 9. The Escrow Account created hereby shall be irrevocable and the holders of the Bonds shall have an express lien on and security interest in all amounts deposited in the Escrow Account, including all amounts representing principal and all amounts representing interest on the Eligible Securities in the Escrow Account until used and applied in accordance herewith.

Section 10. The Borrower hereby irrevocably directs the Escrow Agent to mail a notice in substantially the form attached hereto as Exhibit C to the holders of the Bonds that provisions for the retirement of all of the Bonds have been made as provided in this Agreement. The Escrow Agent shall mail such notice as soon as possible following the execution of this Agreement and after all the conditions precedent to the defeasance of the Bonds have been satisfied. In addition, the Escrow Agent shall post such notice on the *EMMA* system.

Section 11. (a) The Escrow Agent shall be compensated for its reasonable fees, expenses and disbursements, including legal fees, incurred with respect to services rendered hereunder, based upon itemized invoices submitted to the Borrower for payment. This right to receive compensation notwithstanding, the Escrow Agent acknowledges that it has no lien on the moneys in the Escrow Account for any such payment.

(b) The Escrow Agent undertakes to perform such duties and obligations and only such duties and obligations as are specifically set forth in this Agreement, and no implied duties, covenants or obligations shall be read into this Agreement against the Escrow Agent. Such duties and obligations shall be deemed ministerial in nature. Under no circumstances will the Escrow Agent be deemed to be a fiduciary to the Borrower under this Agreement.

(c) The Escrow Agent may act in reliance upon any signature believed by it to be genuine, and may assume that any person purporting to give any notice or receipt of advice or make any statements in connection with the provisions hereof has been duly authorized to do so.

(d) The Escrow Agent may consult with counsel of its selection, including its in-house counsel, with respect to any questions relating to its duties and responsibilities and may rely and shall be protected in acting or refraining from acting upon in good faith the advice or opinion of such counsel, or any opinion of counsel to the Borrower provided to the Escrow Agent. The Escrow Agent may act relative hereto upon the advice of nationally recognized bond counsel in reference to any matter in connection herewith.

(e) The Escrow Agent shall not be liable for a mistake of fact or error in judgment unless it is proved that the Escrow Agent was negligent in ascertaining the pertinent facts and shall not be liable for any acts or omissions of any kind, unless such acts or omissions are proved to have been caused by its own negligence or willful misconduct.

(f) The Escrow Agent shall not be liable for any loss resulting from any investment, sale, transfer or other disposition made pursuant to this Agreement in compliance with the provisions hereof.

(g) The Escrow Agent may rely and shall be protected in acting upon or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, verification, order, bond, debenture, or other

paper or document believed by the Escrow Agent to be genuine and to have been signed or presented by the proper party or parties.

(h) The Escrow Agent makes no representations as to the value, conditions, or sufficiency of the Escrow Account, or any part thereof, or as to the title of the Borrower thereto, or as to the security afforded thereby or hereby.

Section 12. It is the intention of the parties hereto that the Escrow Agent shall never be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

Unless it is specifically otherwise provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the Borrower with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Account, to dispose of and deliver the same in accordance with this Agreement.

Section 13. The Borrower hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and hold harmless the Escrow Agent and the Issuer and their respective successors, assigns, agents and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees, expenses and disbursements, without limitation) (the "Losses") of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Agent or the Issuer (whether or not also indemnified against the same by the Borrower or any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Agreement, the establishment of the Escrow Account established hereunder, the acceptance of the moneys and securities deposited therein, the purchase of any investments, the retention of the investments or the proceeds thereof and any payment, transfer or other application of moneys or securities by the Escrow Agent in accordance with the provisions of this Agreement; provided, however, that the Borrower shall not be required to indemnify the Escrow Agent against the Escrow Agent's own gross negligence or willful misconduct. In no event shall the Borrower be liable to any person by reason of the transactions contemplated hereby other than to the Escrow Agent and the Issuer as set forth in this Section 13. **The indemnities contained in this Section 13 shall survive the termination of this Agreement and the resignation or removal of the Escrow Agent. The indemnification as provided in this Section 13 shall remain in full force and effect if Losses directly or indirectly result from, arise out of, or relate to, or are asserted to have resulted from, arisen out of, or related to, the sole contributory negligence of the Escrow Agent.**

The Escrow Agent shall not be held to any personal liability whatsoever, in tort, contract or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Account, the acceptance of the moneys deposited therein, the purchase of any investments, the retention of any investments or the proceeds thereof or any payment, transfer or other application of the moneys or securities held by the Escrow Agent in accordance with the provisions of this Agreement or by reason of any non-negligent acts, omission or error of the Escrow Agent made in good faith in the conduct of its duties. Whenever the Escrow Agent shall

deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the Borrower.

The Escrow Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed. None of the provisions of this Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder.

The Escrow Agent agrees to accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, that for purposes of this Agreement, an e-mail does not constitute a notice, request or other communication hereunder but rather the portable document format or similar attachment attached to such e-mail shall constitute a notice, request or other communication hereunder and further provided, however, that, the Escrow Agent shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Borrower elects to give the Escrow Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Escrow Agent in its discretion elects to act upon such instructions, the Escrow Agent's understanding of such instructions shall be deemed controlling. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Borrower agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

The Escrow Agent shall not have any liability hereunder except to the extent of its own negligence or willful misconduct. In no event shall the Escrow Agent be liable for any special indirect or consequential damages.

The Escrow Agent shall not be responsible for any of the recitals or representations contained herein.

Section 14. This Agreement shall terminate when the principal of and interest and redemption premium, if any, on all Bonds have been paid as set forth herein. The Escrow Agent shall thereupon be released and discharged with respect thereto and hereto. Subject to any applicable escheat laws, the Escrow Agent shall in the event moneys held by the Escrow Agent in the Escrow Account for the payment and discharge of the Bonds remain unclaimed for three years after the Redemption Date deliver such unclaimed moneys to or as directed by pertinent escheat authority, as identified by the Escrow Agent in its sole discretion, pursuant to and in accordance with applicable unclaimed property laws, rules or regulations. Any such delivery

shall be in accordance with the customary practices and procedures of the Escrow Agent and the escheat authority.

Section 15. Except as otherwise provided in Section 6 hereof, this Agreement shall not be repealed, revoked, rescinded, altered, amended or supplemented in whole or in part without (i) the written consent of the holders of 100% in principal amount of the unpaid Bonds at the time such action is made, and (ii) the written consent of the Escrow Agent; provided, however, that the Borrower and the Escrow Agent may, without the consent of, or notice to the holders of the unpaid Bonds enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders hereunder and shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

(b) to cure any ambiguity or formal defect or omission in this Agreement; or

(c) to grant to or confer upon the Escrow Agent for the benefit of the holders of the Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Escrow Agent.

The Escrow Agent shall be entitled to rely exclusively upon an opinion of nationally recognized bond counsel with respect to compliance with this Section 14, including the extent, if any, to which any change, modification, addition or elimination affects the rights of such holders of the Bonds or that any instrument executed hereunder complies with the conditions or provisions of this Section 15.

Section 16. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Texas.

Section 17. The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 18. The Escrow Agent may resign or be removed, at any time, for any reason, by written notice of its resignation or removal to the proper parties at their respective addresses as set forth herein, at least 30 days before the date specified for such resignation or removal to take effect.

Section 19. In the event that there is any deficiency in the Escrow Account, the Borrower will remedy such deficiency by paying to the Escrow Agent the amount of such deficiency.

Section 20. No recourse shall be had for the payment of the principal of or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in this Agreement contained against any past, present or future officer or member of the Issuer, or of any successor entity, as such, either directly or through the Issuer or any successor entity, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers or members as such is hereby

expressly waived and released as a condition of and consideration for the execution of this Agreement.

Section 21. The Issuer shall not be liable (a) for any loss resulting from any investment made pursuant to this Agreement, (b) for the accuracy of the calculations as to the sufficiency of the cash and Eligible Securities held in the Escrow Fund to pay the Redemption Price of the Bonds as provided herein or in the Verification Report or (c) any acts of the Escrow Agent.

Section 22. If any one or more of the covenants or agreements provided in this Agreement on the part of the parties hereto to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

Section 23. This Agreement may be executed in several counterparts, all or any part of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument. The exchange of copies of this Agreement and of the signature pages thereof by facsimile or PDF transmission shall constitute effective execution and delivery of this Agreement as to the parties hereto and may be used in lieu of the original instrument for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

Section 24. Certain duties, rights and obligations provided for in the Indenture (including but not limited to replacement of lost, mutilated, stolen or destroyed bonds, the payment of interest and principal on the due dates thereof, the transfer and exchange and registration of bonds from time to time, the administration of any moneys remaining on deposit in any funds under the Indenture, the indemnification rights of the Trustee, and all immunities and protections of the Trustee) must, by their nature, be performed after the defeasance of the Bonds or must continue to benefit the Trustee until the payment in full of the Bonds and, accordingly, the Trustee agrees to be bound by and to comply with those provisions of the Indenture. The Escrow Agent has been appointed under this Agreement by the Borrower, and the Borrower agrees that by such appointment, the immunities, protections, rights and indemnification provided to the Trustee under the Indenture and related documents, including but not limited to any loan agreements and guaranties, shall not cease, diminish or be modified in any way.

Section 25. The Trustee, by execution of this Agreement in its capacity as Trustee, hereby agrees to and accepts the terms and provisions of this Agreement, and agrees to act as Escrow Agent under this Agreement and in accordance with the Indenture, to act in all capacities appropriate and necessary for the defeasance of the of Bonds. In its capacity as the Escrow Agent, the Trustee shall be entitled to all of the rights, protections, immunities and indemnities created in favor of the Trustee by the Indenture.

IN WITNESS WHEREOF, the parties hereto have each caused this Escrow Deposit Agreement to be executed by their duly authorized officers as of the date first above written.

ARDC BABCOCK, LTD., a Texas limited partnership

By: 250 Babcock, LLC, a Texas limited liability company, General Partner

By: Houston Esperanza, a Texas nonprofit corporation, Sole Member

By: \_\_\_\_\_  
Paul Ramirez  
President

(Signature Page to Escrow Deposit Agreement – Artisan on the Bluff Apartments)

SAN ANTONIO HOUSING FINANCE  
CORPORATION, a nonprofit housing finance  
corporation of the State of Texas

By:

Name:

Title:

(Signature Page to Escrow Deposit Agreement – Artisan on the Bluff Apartments)



WELLS FARGO BANK, NATIONAL  
ASSOCIATION, as Escrow Agent

By:

Name:

Title:

The undersigned, as Trustee with respect to the Bonds, hereby acknowledges receipt of the directions of the Borrower with respect to the defeasance and redemption of the Bonds set forth in the foregoing Agreement and hereby agrees to comply with such directions in accordance with the provisions thereof.

WELLS FARGO BANK, NATIONAL  
ASSOCIATION, as Trustee

By:

Name:

Title:

(Signature Page to Escrow Deposit Agreement – Artisan on the Bluff Apartments)

EXHIBIT A

Eligible Securities Purchased

EXHIBIT B

Form of Notice of Redemption of the Bonds

EXHIBIT C

Form of Notice of Defeasance

SAN ANTONIO HOUSING FINANCE CORPORATION

MULTIFAMILY HOUSING REVENUE BONDS  
(ARTISAN ON THE BLUFF APARTMENTS PROJECT)  
SERIES 2004

NOTICE IS HEREBY GIVEN to the holders of the above-described Bonds (the “Bonds”) that cash and direct obligations of the United States of America, the principal of and the interest on which, is sufficient to pay when due the principal and redemption price of, and interest on, the Bonds on and prior to [\_\_\_\_\_] (the first optional redemption date) have been deposited in escrow with Wells Fargo Bank, National Association, as escrow agent under an Escrow Agreement dated October [\_\_\_], 2020. The Escrow Agent has also received irrevocable instructions to cause the bond trustee to redeem the Bonds, in whole, on [\_\_\_\_\_].

Dated: \_\_\_\_\_

WELLS FARGO BANK, NATIONAL  
ASSOCIATION, as Escrow Agent

By:

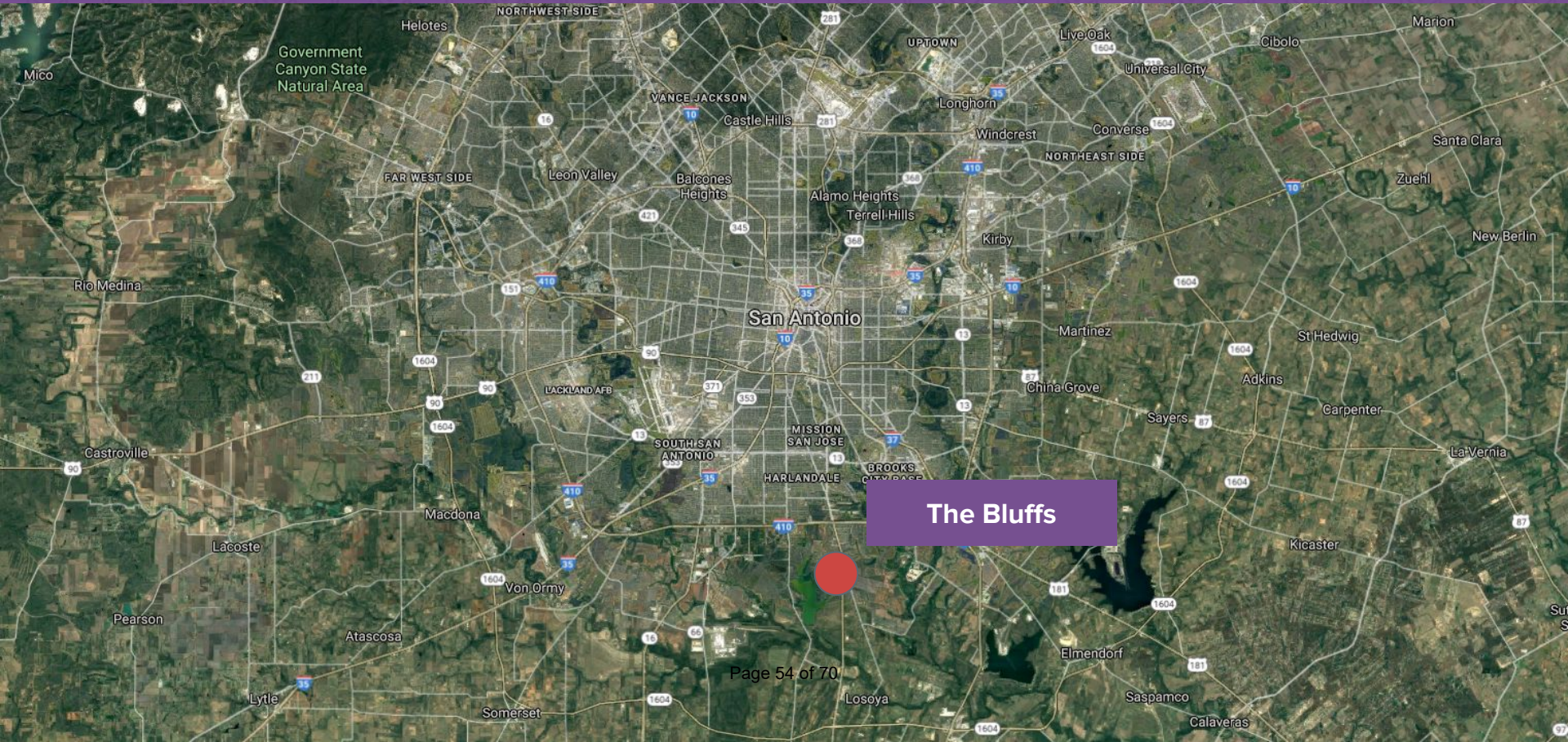
Title: \_\_\_\_\_



# The Bluffs

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

# MAP



The Bluffs

# SITE




# QUESTIONS?

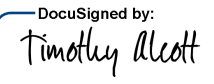


**BOARD OF COMMISSIONERS  
Real Estate Development Committee**

**RESOLUTION 6084, AUTHORIZING THE ADOPTION OF THE THREE STEP BOARD OF COMMISSIONER APPROVAL PROCESS FOR TAX CREDIT AND BOND DEVELOPMENTS WHEREBY SAHA OR ITS AFFILIATES IS A PARTNER IN THE TRANSACTION**

DocuSigned by:  
  
5609927B75274DC

**David Nisivoccia**  
**President and CEO**

DocuSigned by:  
  
075AC7308C0B400

**Timothy E. Alcott**  
**Chief Legal and Real Estate Officer**

**REQUESTED ACTION:**

Consideration and appropriate action regarding Resolution 6084, authorizing the adoption of the three step Board of Commissioner approval process for tax credit and bond developments whereby SAHA or its affiliates is a partner in the transaction.

**FINANCIAL IMPACT:**

The financial impact will vary depending on the terms of each transaction that is brought to the Board for approval.

**SUMMARY:**

At the September 17, 2020, Real Estate Development Committee, the Board of Commissioners discussed the approval process for new developments and how to make it more efficient. SAHA staff and legal counsel conducted a review of the current Board approval processes for the purpose of providing the Board with options regarding potential amendments to said processes. The following three step board approval process is proposed:

Step 1. Inducement – This is a nonbinding resolution to allow the project to seek a volume cap to issue the bonds and to obtain the tax credits. This is often time sensitive. The Board will be provided with a general description of the project, its location and market analysis, and proposed affordability levels sufficient to enable the Board to determine if the project is one they may wish to participate in. This is intended to be a brief presentation and conceptual discussion. The inducement resolution will be approved at the committee level, since it is non-binding.

Step 2. Detailed Financial Briefing and Project Approval – After the financing structure is fully developed, a detailed proforma and project presentation will be made sufficient for the Board to approve the project. This should not be time sensitive and should allow you to manage the number of agenda items better. It should also be early enough in the process for the Board’s input to be taken into account in the financing structure. This will include a binding approval of the terms of the project and its financing and having any required public hearings for the bonds.

**SAN ANTONIO HOUSING AUTHORITY**

**October 22, 2020**

Step 3. Document Approval - Once the documents are finalized they will be authorized via a consent agenda without presentation. The Board always has the right to pull a matter for presentation. Staff will represent to the Board that the project has not materially changed, since the project approval. This approval will be combined with the project approval where possible.

**STRATEGIC GOAL:**

Transform core operations to be a high performing and financially strong organization.

**ATTACHMENT:**

Resolution 6084

**San Antonio Housing Authority  
Resolution 6084**

**RESOLUTION 6084, AUTHORIZING THE ADOPTION OF THE THREE STEP BOARD OF COMMISSIONER APPROVAL PROCESS FOR TAX CREDIT AND BOND DEVELOPMENTS WHEREBY SAHA OR ITS AFFILIATES IS A PARTNER IN THE TRANSACTION**

**WHEREAS**, the San Antonio Housing Authority, by and through its Board of Commissioners, desires to adopt certain amendments to the existing board approval process for tax credit and bond developments; and

**WHEREAS**, it is hereby deemed to be advisable and in the best interests of this agency to amend SAHA's Board approval process for tax credit and bond projects; and

**WHEREAS**, SAHA's revised three step Board approval process for tax credit and bond developments complies with Federal, State and local laws and regulations; provides consistency, transparency, fairness, accountability and oversight.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Commissioners of SAHA hereby:

- 1) Approves Resolution 6084, authorizing the adoption of the three step Board of Commissioner approval process for tax credit and bond developments whereby SAHA or its affiliates is a partner in the transaction.
- 2) Authorizes the President and CEO or designee to execute all necessary documents and extensions.

**Passed and approved the 5th day of November 2020.**

---

**Ana M. "Cha" Guzman**  
**Chair, Board of Commissioners**

**Attested and approved as to form:**

---

**David Nisivoccia**  
**President and CEO**

## **Policy Title: Affordable Housing Preservation and Expansion**

Effective Date: November 5, 2020

### ***I. Statement of Purpose***

#### **Intent**

The intent of this Affordable Housing Preservation and Expansion Policy is to further SAHA's mission to provide quality affordable housing that is well integrated into the fabric of neighborhoods and serves as a foundation to improve lives and advance resident independence. This policy guides agency decisions regarding the preservation of existing affordable housing stock and the expansion of affordable housing supply in the San Antonio area. Such decisions include but are not limited to location, quantity, distribution, quality, timing, financing, and design. This policy impacts all SAHA programs and portfolios.

#### **Assumptions and Rationale**

In addition to serving as a foundation for improved resident life outcomes, affordable housing preservation and expansion is also a catalyst for economic development and community vibrancy.

SAHA recognizes the significant unmet need for quality housing affordable to lower income individuals and families in San Antonio. ~~We believe housing can be a catalyst for improved resident quality of life, economic development, and community vibrancy.~~ SAHA is primarily focused on addressing this unmet need that is not being adequately addressed by the private market and where therefore a government subsidy is needed.

#### **Relationship of this Policy to Agency Strategic Plan and Theory of Change**

This Affordable Housing Preservation and Expansion Policy provides ~~general~~specific guidance regarding ~~how the~~ agency priorities related to housing preservation and expansion. The agency's ~~will achieve~~ strategic plan sets out specific desired outcomes related to housing preservation and expansion at five-year and one-year time scales. The agency's theory of change is a reference document that captures the agency's perspectives on the causal relationship between the work done by the agency and the impact of that work on specific populations: residents, staff, and the community at large.

All three documents inform each other and are periodically synchronized. The Strategic Plan outcome metrics and targets are selected to track progress toward priority outcomes, which in turn should reflect the content of this policy.

The question of sufficient supply of affordable housing is foundational to nearly every other outcome identified in the theory of change, but the following outcome statements relate directly to this policy:

- ~~Supply: A key outcome listed in the agency's theory of change is "2.1 A supply of affordable, quality units exists in sufficient quantities."~~
- ~~Sufficient supply is a direct precondition to ensuring that "2.2 San Antonio area residents live in quality affordable homes."~~
- ~~The question of sufficient supply is foundational to nearly every other outcome identified in the theory of change. ¶~~

## ~~Neighborh~~Neighborhood

Both of the statements above are also part of the agency's current strategic plan, SAHA 2025, and include definitions for five-year targets.

The theory of change also includes various outcome statements related to neighborhood quality, including: "3.3 San Antonio area residents live in neighborhoods that are safe communities where people know and respect each other", "3.4 San Antonio area residents live in neighborhoods that meet their social needs", and "3.2 San Antonio area residents are actively engaged and feel included." These statements are reflected in this policy's Guiding Principles, and in specific SAHA 2025 strategies related to target neighborhoods.

## Guiding Principles

- Work actively to preserve and expand quality affordable housing to fill this need ● Pursue rehabilitation, acquisition, new construction, or asset repositioning projects that address unmet community need
- Design communities and buildings to improve clients' quality of life, help residents feel safe and healthy, and support their needs for stability, community, accomplishment, individual growth, and leadership
- Help catalyze economic development through the creation of financially, socially, and environmentally inclusive communities that are healthy and sustainable ● Transparently plan and collaborate with residents and other key public, private, and non-profit stakeholders at the local, state and federal level

## ~~Outcome Metrics and Targets~~¶

~~The agency has identified metrics and set targets in order to track progress toward priority outcomes, as identified in the agency's strategic plan. The intent of this policy is to achieve the outcomes and targets as detailed in the relevant strategic plan section(s).~~

## **Place-based and Mobility Strategies** ~~Key Affordable Housing Preservation and Expansion Strategies~~

SAHA employs two groups of strategies simultaneously to ensure low-income residents have access to affordable housing units: place-based strategies, and mobility strategies.

Generally, place-based strategies seek to improve the quality of life of low-income households in neighborhoods where they currently live, by pursuing coordinated revitalization activities. The prime example of this approach is the Choice Neighborhood Initiative. Elements include:

- Cross-sector collaboration (education, law-enforcement, workforce development, economic development, etc.)
- Targeted socioeconomic support for existing residents to support their ability to stay in neighborhood
- Emphasis on ~~community~~ or neighborhood-scale revitalization, with plans developed in coordination with stakeholders
- **Development of communities with a wide range of incomes in order to promote diversity and attract improved neighborhood services and amenities .**
- Preservation of existing affordable housing stock in revitalization areas, to guard against future displacement
- To protect against displacement, SAHA has the goal of not unilaterally raising rents by more than 5% per year for properties in the Beacon Portfolio.

Mobility strategies facilitate the movement of low-income households to neighborhoods with recognized pathways to opportunity and/or demonstrated positive impact on life outcomes. The Housing Choice Voucher program (Section 8) was created by HUD as a mobility program. Elements of mobility strategies include:

- Adjusting the value of voucher subsidy to better match neighborhood market conditions (SAFMR)
- Construction of affordable housing units in areas with low existing supply and/or low **existing** affordability
- Preservation of existing affordable housing stock in areas with otherwise low affordability
- Acquisition of housing projects or land to increase affordability options in more expensive areas
- **Provision of assistance to for residents to move into neighborhoods with recognized pathways to opportunity and/or demonstrated positive impact on life outcomes that provide greater opportunities for education, employment and other benefits.**

## **II. Affordable Housing Preservation and Expansion Criteria**

All SAHA affordable housing preservation and expansion activities must be consistent with the guiding principles, targeted outcomes, and strategies articulated in the 'Statement of Purpose' section of this policy document. In addition, such activities must comply with key criteria described below by topic:

### **CommunityProject Need**

~~SAHA recognizes the significant unmet need for quality housing affordable to lower income individuals and families in San Antonio. SAHA is primarily focused on addressing this unmet need that is not being adequately addressed by the private market and where therefore a government subsidy is needed.~~

- SAHA will lead (by building or acquiring) or support projects (for capital generation) which fulfill a community need for affordable housing
- Community need must be determined and documented based on objective market analysis which includes SAHA's waiting lists information

### **Project Location Selection**

Recognizing that the location of an affordable housing preservation or expansion project can be a major driver of the long term success of the project and the socio economic opportunities and challenges available to residents, SAHA will:

- **For** Place-based projects
  - Pursue acquisition and/or partnership opportunities synergistic with coordinated community initiatives
  - Coordinate development projects with transportation and other infrastructure improvement projects, education, workforce development and employment initiatives, and other community-specific neighborhood-scale efforts
- **For** Mobility-based projects
  - Prioritize locations with relatively low numbers and rates of existing affordable housing units
  - Prioritize locations with recognized pathways to opportunity and/or demonstrated positive impact on life outcomes
  - Focus on a project's accessibility to education, job training, employment opportunities, and location amenities (e.g., recreation, health, retail, spiritual)

- Link development projects to existing transportation and employment opportunities
- Other considerations
  - Pursue development projects that will score well under the Qualified Allocation Plan to receive tax credit financing.
  - Determine if the real estate project supports SAHA's goals of providing more affordable housing.
  - Determine whether ~~Will~~ the development either directly or indirectly expands or preserves the supply of affordable housing.
  - Incorporate appropriate ~~Consideration of the~~ City of San Antonio Housing goals.

### **III. Project Principles**

The following principles apply to all development projects that SAHA undertakes.

#### **Housing Development and Redevelopment**

SAHA is committed to redeveloping existing housing projects as well as developing new projects consistent with the following goals:

- We will develop mixed income communities that encourage socioeconomic integration.
- Communities will be developed with consideration of the City of San Antonio's housing and preservation goals.
- SAHA will develop communities that are financially viable and self-sustaining. ● Using income averaging as a tool, SAHA will aspire to provide deeply affordable units serving 50% and below AMI.
- SAHA will aspire to replace all removed public housing units with a unit or housing choice voucher affordable at an equivalent level. Replacement units may be located at other sites.
- We will aspire to focus on creating family and elderly/disabled units and supportive housing for special needs populations

Development of housing projects at higher area median incomes.

- SAHA recognizes that affordable housing below 50% AMI is financially difficult to develop. To be able to construct and maintain units for those in the most need, SAHA may strategically develop higher income housing to generate revenue.

#### **Revenue from Development Activities**

Revenue generated from redevelopment activities will first be used to pay for the overhead costs of the Development Services department. The remainder will be



considered Excess Revenue and will be used to focus on the following areas and in the following percentages:

1. Creating new units that serve no more than **50% and below** AMI. (30% of the Excess Revenue)
  - a. Having funds for budgetary gaps with the costs of developing and operating deeply affordable units.
  - b. Acquiring land to develop further deeply affordable housing.
2. Preserving and upgrading existing public housing units. (30% of the Excess Revenue)
  - a. Funds for Capital Fund Projects
  - b. Technological upgrades such as Wifi services **and security equipment**
3. Supportive Services for our residents (30% of the Excess Revenue)
  - a. Job Placement and educational advancement
  - b. Financial Literacy
  - c. Food and Nutrition
  - d. Risk mitigation for resident evictions will be funded with 25% of the funds in this category.
4. Reserves (10% of the Excess Revenue)
  - a. Funds will be allocated to reserves to ensure we are adequately capitalized.

### **Building Design, Standards, and Compliance**

SAHA is a property manager, owner, and/or developer with a long term community focused mission. Understanding that government building codes, and developer or sub-contractor building and construction standards may be lacking or inadequate given this long term property management and maintenance perspective:

- SAHA shall review the construction and materials standards to achieve long term and cost efficient management, and maintenance of our communities
- All development and redevelopment projects must build to SAHA's construction and materials standards and aspire to reach "Build San Antonio Green" standards
- Development design must incorporate sustainable concepts and practices
- All SAHA owned developments will adopt a smoke-free policy

### **Invest to preserve and extend the useful life of properties**

Given the wide gap between community need and actual affordable housing supply, SAHA will focus on investing prudently to both preserve and extend the useful life of its properties. As a result,

- Property improvements should ensure housing quality, livability standards, and enhance marketability

- SAHA will be proactive in comprehensive rehabilitation planning and implementation (e.g., total building vs. system by system approach)

### **Long Term Financial and Planning Considerations**

SAHA will be proactive in developing and implementing a realistic long term financial plan for each project so that San Antonio's affordable housing stock is maximized.

- All new development, redevelopment, refinancing, acquisition, and liquidation projects and pro-forma must include an analysis and/or plan for maintenance, replacement, compliance, and funding
  - All projects must include a realistic long term financial projection including the construction period, lease out period, and post-compliance period. Rent and lease out/vacancy assumptions must incorporate an analysis of competing current and planned projects in the neighborhood
  - SAHA will develop its own underwriting criteria and standard management and operating agreements
  - All projects must meet SAHA's general underwriting criteria and standard agreements
- SAHA will value the economic contribution of its tax exempt status and negotiate project economics commensurate with this value contribution
- SAHA will not allow other housing authorities to do business in Bexar County to ensure the proceeds of these transactions benefit the local community. We also recognize the importance of creating and maintaining deal terms that are most beneficial to SAHA and not be undercut by other agencies. However, if SAHA is unable to be the development partner, the Board may consider the request.
- Assets which are not performing well or land without significant development potential will be considered for liquidation
- Revenues generated from these activities will be reinvested into preserving or expanding affordable housing

### **Integrated approach to socioeconomic development**

In order to support resident and community socioeconomic development, we will:

- Focus on developing properties ~~located in or near recognized pathways to opportunity and/or demonstrated positive impact on life outcomes where key amenities are accessible e.g., schools, banking, grocery shopping, employers, and public transportation~~
- Maximize Section 3 resident employment opportunities, both short term and long term
- Increase business activities with small, minority owned, local, and women owned businesses
- Utilize SAHA's 'Moving to Work' designation to expand housing options and

create economic opportunities so residents can achieve economic self sufficiency

- Partner with residents as well as public, non-profit, and for-profit organizations to provide educational resources, job training, and supportive services to help families become economically stable
- Work together with economic development organizations to realize emerging economic development opportunities by creating mixed use and mixed income communities

### **Planning with Residents and Community Stakeholders**

Residents and community members may be offered the opportunity to contribute meaningfully in advance of the design of any planned projects and their input shall be incorporated.

Community engagement works best where it is an ongoing cumulative process enabling relationships and trust to build and strengthen over time. Engagement events should be planned and designed with this in mind and aim to contribute to the overall aims of the engagement process. This would include meetings with the residents, neighborhood associations, local groups, and elected representatives. Community or voluntary groups may want to participate at a range of levels – from providing advice as to the needs of the community, designing a development that reflects the community, and from undertaking some aspects of the engagement to delivering projects to meet some of the outcomes.

### ***IV. Implementation and Monitoring***

This policy shall be followed for each eligible affordable housing preservation and expansion initiative or transaction SAHA undertakes.

Policy compliance is the primary responsibility of the DSNR team, but is also the responsibility of the following SAHA teams: Asset Management, Section 8, Public Housing Property Management, Finance and Accounting, Beacon Communities and Community Development Initiatives. A policy exception must be requested by staff and granted by the BOC in all relevant cases.

### ***V. Definitions:***

- BOC – SAHA Board of Commissioners
- DSNR – SAHA Development Services and Neighborhood Revitalization team
- HQS – HUD Housing Choice Voucher (HCV) program regulations set forth basic housing quality standards (HQS) which all units must meet before assistance can be paid on behalf of a family and at least annually throughout the term of the assisted tenancy. HQS define "standard housing" and establish the minimum criteria for the

health and safety of program participants.

- Place Based Initiatives - Place-based policies leverage investments by focusing resources in targeted places and drawing on the compounding effect of well-coordinated action. Effective place-based policies can influence how rural and metropolitan areas develop, how well they function as places to live, work, operate a business, preserve heritage, and more
- REAC - Real Estate Assessment Center
- Section 3 – A means by which HUD fosters local economic development, neighborhood economic improvement, and individual self-sufficiency. Section 3 is the legal basis for providing jobs for residents and awarding contracts to businesses in areas receiving certain types of HUD financial assistance. Under Section 3 of the HUD Act of 1968, wherever HUD financial assistance is expended for housing or community development, to the greatest extent feasible, economic opportunities will be given to Section 3 residents and businesses in that area.
- TDHCA - Texas department of housing and community affairs

Project Name	District	Developer	Financing	Est Closing			Income Mix						
				Date	TotalDevCost	# Units	30%	40%	50%	60%	70%	80%	Market
<b>Closing or Closed</b>													
1604 Flats	D2	NRP	4% Tax Credits & Bonds	Closed	\$56,663,651	324	33		0	224		67	0
Tampico	D5	Mission DG	4% Tax Credits & Bonds	Closed	\$33,392,549	200	9	10	18	70	20	9	64
Trader Flats	D4	NRP	4% Tax Credits & Bonds	Closed	\$56,012,579	324	33		0	224		67	0
Artisan at Ruiz	D1	Franklin	9% Tax Credits	Closed	\$21,165,791	102	11		41	50		0	0
Majestic Ranch	D7	Hogan	4% Tax Credits & Bonds	Closed	\$46,084,260	288	0		0	288		0	0
Culebra Crossing	D6	Lynd	HUD 221(d)(4)	Closed	\$50,123,889	327	0		0	0		164	163
Mira Vista	D7	Hogan	4% Tax Credits & Bonds	Closed	\$45,296,164	312	0		0	312		0	0
<b>Total</b>					<b>\$308,738,883</b>	<b>1877</b>	<b>86</b>	<b>10</b>	<b>59</b>	<b>1168</b>	<b>20</b>	<b>307</b>	<b>227</b>
<b>Board Has Approved</b>													
<b>Board Provided Final Approval</b>													
Legacy at Alazan	D5	NRP	9% Tax Credits	9/2020	\$18,751,515	88	8		32	40		0	8
100 Labor	D1	Franklin	HUD 221(d)(4)	10/2020	\$52,302,614	213	27		17	0		0	169
St. John's Square	D1	Weal	4% Tax Credits & Bonds	Pending New Bond Reservation	\$71,547,459	252	0		54	0		0	198
Josephine	D1	Lynd	Conventional Loan	Pending	\$58,289,423	259	0		0	26		104	129
<b>Total</b>					<b>\$200,891,011</b>	<b>812</b>	<b>35</b>		<b>103</b>	<b>66</b>		<b>104</b>	<b>504</b>
<b>Board Approved Bond Inducement</b>													
Kitty Hawk Flats	Converse	NRP	4% Tax Credits & Bonds	10/2020	\$40,503,098	212	22		0	135	55		0
Horizon Pointe	D2	Integrated Realty Group	4% Tax Credits & Bonds	12/2020	\$54,941,717	312	20	35	106	0	151	0	0
Old Pearsall Flats	D4	Streamline	4% Tax Credits & Bonds	Pending-has 3 yr carryforward	\$52,501,266	348	34	26	20	200	68	0	0
Buckhorn	D7	NRP	4% Tax Credits & Bonds	Pending Bond Allocation	\$56,695,627	324		32		260	32	0	0
Copernicus	D2	NRP	4% Tax Credits & Bonds	Pending Bond Allocation	\$55,202,200	324		32	65	129	98	0	0
Watson Road	D4	NRP	4% Tax Credits & Bonds	Pending Bond Allocation	\$56,223,169	345		35		274	36	0	0
Somerset Ranch	D4	Poppoon	4% Tax Credit & Bonds	Pending Board Consideration	\$56,048,000	336	0	0	0	336	0	0	0
The Granada	D1	Mission DG	4% Tax Credit & Bonds	Pending Board Consideration	\$51,000,000	249	137	45	14	TBD		TBD	TBD
<b>Total</b>					<b>\$423,115,077</b>	<b>2450</b>	<b>213</b>	<b>205</b>	<b>205</b>	<b>1334</b>	<b>440</b>	<b>0</b>	<b>0</b>
<b>Board Approved the Developer</b>													
Alazan Courts Phase I	D5	NRP	4% Tax Credits & Bonds	Pending	\$53,037,920	324	33		0	225		66	0
Alazan Courts Phase II	D5	NRP	4% Tax Credits & Bonds	Pending	\$94,615,074	324	33		0	225		66	0
Victoria Courts Midrise	D1	Catellus	TBD	Pending		TBD	TBD		TBD	TBD		TBD	TBD
Victoria Courts Townhomes	D1	Catellus	TBD	Pending		TBD	TBD		TBD	TBD		TBD	TBD
Artisan at Springview	D2	Franklin	4% Tax Credits & Bonds	Pending	\$43,256,221	234	24		0	210		0	0
<b>Total</b>					<b>\$190,909,215</b>	<b>882</b>	<b>90</b>	<b>0</b>	<b>0</b>	<b>660</b>	<b>0</b>	<b>132</b>	<b>0</b>
<b>Pending Board Consideration</b>													
Flores	D1	Victor Miramontes	TBD	Pending Board Consideration		403	46		61	0	75	61	160
Wurzbach Parkway	D9	Lynd	HUD 221(d)(4)	Pending Board Consideration	\$53,543,660	350	0		0	35		140	175
Potranco	D4	Lynd	HUD 221(d)(4)	Pending Board Consideration	\$43,041,525	312	0		0	32		124	156
Landmark	D8	Lynd	HUD 221(d)(4)	Pending Board Consideration	\$67,944,034	360	0		0	36		144	180
Culebra Development	D6	Cesar Chavez Foundation	4% Tax Credit & Bonds	Pending Board Consideration	\$35,694,745	228				228			
<b>Total</b>					<b>\$200,223,964</b>	<b>1653</b>	<b>46</b>		<b>61</b>	<b>331</b>	<b>75</b>	<b>469</b>	<b>671</b>
<b>Grand Total</b>					<b>\$1,323,878,150</b>	<b>7,674</b>	<b>470</b>	<b>215</b>	<b>428</b>	<b>3,559</b>	<b>535</b>	<b>1,012</b>	<b>1,402</b>

# COSA HOUSING AFFORDABILITY CRITERIA

