



**SAN ANTONIO HOUSING FACILITY
CORPORATION MEETING
JUNE 1, 2022**



BOARD OF DIRECTORS

Dr. Ana "Cha" Guzmán Chair	Olga Kauffman Vice Chair	Gilbert Casillas Director	Dalia Contreras Director	Loren D. Dantzler Director	Gabriel Lopez Director	Ignacio Perez Director
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SAN ANTONIO HOUSING FACILITY CORPORATION
***BOARD MEETING**

Call In Phone Number: (346) 248-7799
Meeting ID: 93839434337# Passcode: 654170#
818 S. Flores St., San Antonio, TX 78204
1:00 p.m., Wednesday, June 1, 2022

At least four Commissioners will be physically present at this location, but up to three other Commissioners may attend by videoconferencing, as permitted by Tex. Gov't Code Section 551.127. The Presiding officer will also be present at this location.

MEETING CALLED TO ORDER

1. The Board of Directors may hold a closed meeting pursuant to Texas Government Code § 551.071-076 for consultation concerning attorney-client matters, real estate, litigation, personnel, and security matters. The Board reserves the right to enter into closed meeting at any time, during the course of the meeting.

PUBLIC COMMENT

2. **Public Comment at approximately 1:00 p.m.** (may be heard after this time) Citizens are provided up to three minutes each to speak to any agenda item. Citizens wishing to speak to items posted on the agenda should personally request to be placed on the Public Comment roster prior to 12:45 p.m. at 818 S. Flores St., San Antonio, TX 78204 or register online and access Phone Number: **(346) 248-7799** and enter Meeting ID: **93839434337#** and Passcode: **654170#**, prior to 12:45 p.m. A Spanish/English translator will be available to citizens needing translation.

Now is the time for public comments. The Board asks the public to address concerns related to SAHA matters and policy and not include statements that may be considered defamatory of any individual. The Board encourages members of the public to direct specific concerns or problems to SAHA staff for more prompt resolution. The Board will not discuss the comments of speakers or respond to speakers during the public comment portion of the agenda.

MINUTES

3. Minutes
 - Approval of the April 6, 2022, San Antonio Housing Facility Corporation Meeting minutes

CONSENT ITEMS

4. Consideration and approval regarding Resolution 22FAC-04-29, authorizing the award of a contract for debt and equity provider to PNC Bank, National Association ("PNC") to act as our exclusive agent to underwrite a forward commitment for a permanent loan on the Snowden project, provide construction and bridge financing, and to provide tax credit equity (Timothy E. Alcott, Chief Legal and Real Estate Officer)

5. Consideration and approval regarding resolution 22FAC-04-26, authorizing the Snowden Apartments transaction, including: (i) authorizing the San Antonio Housing Facility Corporation (FAC) to sponsor a tax credit application to the Texas Department of Housing and Community Affairs (TDHCA) for 9% housing tax credits to provide financing for Snowden Apartments (project); (ii) authorizing the FAC to accept conveyance of the land currently owned by San Antonio Housing Finance Corporation (HFC) at 7223 Snowden Road, San Antonio, Texas (project site); (iii) authorizing execution of a ground lease (lease) between FAC as "Owner" and "Landlord" and Snowden Apartments, LP, a Texas Limited partnership controlled by an affiliate of the FAC (partnership) as "tenant", covering the project site, and all other documentation necessary to ground lease the project site to the partnership for the purpose of supporting an award from the tdhca for 9% housing tax credits to provide financing for the project development; (iv) authorizing the creation of Snowden Apartments GP, LLC, a Texas Limited Liability Company (Company), and the partnership, for the purpose of owning, developing, constructing and operating the project; (v) authorizing the FAC to serve as the prime contractor for the project; (vi) authorizing the FAC to serve as developer for the project and to receive a development fee from the partnership; (vii) authorizing the FAC to cause the partnership to enter into a letter of intent with PNC Bank, National Association (PNC) for admission of PNC or its affiliates into the partnership and investment of equity into the project; (viii) authorizing the FAC to cause the partnership to enter into a letter of intent with PNC to provide a construction loan in the approximate amount of \$8,430,000.00 (construction loan) and a bridge loan in the approximate amount of \$9,651,704.00 (bridge loan) to the partnership with the FAC to serve as guarantor of such loans; (ix) authorizing the FAC to provide a permanent sponsorship loan to the partnership in the approximate amount of \$1,322,600.00 (sponsor loan); (x) authorizing the FAC to cause the partnership to enter into a permanent subordinate loan of moving to work funding from the Housing Authority of the City of San Antonio, Texas (Housing Authority) in an amount of up to \$8,500,000.00, plus earned interest (subordinate loan); and (xi) authorizing other matters in connection therewith (Timothy E. Alcott, Chief Legal and Real Estate Officer)

6. Adjournment

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

"Pursuant to § 30.06, Penal Code, (trespass by holder license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not attend this meeting with a concealed handgun."

"Pursuant to § 30.07, Penal Code, (trespass by holder license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not attend this meeting with a handgun that is carried openly."

MINUTES
SAN ANTONIO HOUSING FACILITY CORPORATION
Call In Phone Number: (346) 248-7799
Meeting ID: 93839434337# Passcode: 654170#
818 S. Flores St., San Antonio, TX 78204
1:00 p.m., Wednesday, April 6, 2022

SCHEDULED: 1:00 p.m. - San Antonio Housing Facility Corporation Meeting

DIRECTORS PRESENT:

Olga Kauffman, Vice Chair
Gilbert Casillas, Director
Dalia Contreras, Director - Virtual
Ignacio Perez, Director
Loren D. Dantzer, Director

DIRECTORS ABSENT:

Dr. Ana "Cha" Guzman, Chair
Gabriel Lopez, Director

COUNSEL: Doug Poneck, Escamilla &
Poneck, LLP

STAFF:

Ed Hinojosa, Jr., President and CEO
Muriel Rhoder, Chief Administrative Officer
Brandee Perez, Chief Operating Officer
Tim Alcott, Chief Legal and Real Estate
Officer
Diana Kollodziej Fiedler, Chief Financial
Officer
Richard Milk, Planning Officer
Michael Reyes, Public Affairs Officer
Jo Ana Alvarado, Director of Innovative
Technology
George Ayala, Director of Procurement
Melissa Garza, Interim Director of Beacon
Communities

Domingo Ibarra, Director of Security
Aiyana Longoria, Director of Human Resources
and Interim Director of Internal Audit
Hector Martinez, Director of Construction
Services and Sustainability
Lorraine Robles, Director of Development
Services and Neighborhood Revitalization
Stephanie Rodriguez, Director of Assisted
Housing Programs
Tom Roth, Director of Asset Management
Joel Tabar, Director of Community
Development Initiatives
Zachariah Woodard, Director of Public
Housing

Item 1: Meeting called to order

Board Vice Chair Kauffman called the meeting to order at 1:42 p.m.

Item 2: Public Comment

Citizens are provided three minutes each to speak to any agenda item. There were no citizens who spoke to the agenda.

Item 3: Minutes

- Approval of the February 16, 2022, San Antonio Housing Facility Corporation Meeting minutes

Motion: Director Casillas moved to approve the February 16, 2022, San Antonio Housing Facility Corporation Meeting minutes. Director Perez seconded the motion. Approved.

Member	Aye	Nay	Absent At Time of Vote	Abstained
Olga Kauffman, Vice Chair	X			
Gilbert Casillas, Director	X			
Dalia Contreras, Director	X			
Ignacio Perez, Director	X			
Loren D. Dantzler, Director	X			

CONSENT ITEM

- Item 4:** Consideration and approval regarding Resolution 22FAC-03-16, authorizing Sosa at Palo Alto Apartments transaction, including the execution of all documentation necessary to carry out the transaction; and authorizing all filings and agreements with Texas Department of Housing and Community Affairs in connection with applications for low income housing tax credits; and receipt for the transaction and the lease of such land for the transaction; and authorizing the acquisition of the membership interest in SAHA Sosa at Palo Alto GP, LLC; and authorizing the financing for such transaction; and authorizing San Antonio Housing Facility Corporation to serve as a joint venturer in the general contractor; and other matters in connection therewith (Timothy E. Alcott, Chief Legal and Real Estate Officer)
- Consent

Motion: Director Dantzler moved to approve Resolution 22FAC-03-16. Director Perez seconded the motion. Approved.

Member	Aye	Nay	Absent At Time of Vote	Abstained
Olga Kauffman, Vice Chair	X			
Gilbert Casillas, Director	X			
Dalia Contreras, Director	X			
Ignacio Perez, Director	X			
Loren D. Dantzler, Director	X			

- Item 5: Adjournment.**
With no objections, Vice Chair Kauffman adjourned the meeting at 1:45 p.m.

ATTEST:

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

Date

Ed Hinojosa, Jr.
Secretary/Treasurer

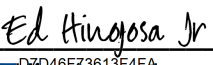
Date

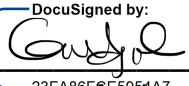
SAN ANTONIO HOUSING FACILITY CORPORATION


June 1, 2022

BOARD OF DIRECTERS
San Antonio Housing Facility Corporation Meeting

RESOLUTION 22FAC-04-29, AUTHORIZING THE AWARD OF A CONTRACT FOR DEBT AND EQUITY PROVIDER TO PNC BANK, NATIONAL ASSOCIATION ("PNC"), TO ACT AS OUR EXCLUSIVE AGENT TO UNDERWRITE A FORWARD COMMITMENT FOR A PERMANENT LOAN ON THE SNOWDEN PROJECT, TO PROVIDE CONSTRUCTION AND BRIDGE FINANCING, AND TO PROVIDE TAX CREDIT EQUITY

DocuSigned by:

 Ed Hinojosa, Jr.
 President and CEO

DocuSigned by:

 George Ayala
 Director of Procurement

DocuSigned by:

 Lorraine Robles
 Director of Development
 Services and Neighborhood
 Revitalization

REQUESTED ACTION:

Consideration and approval regarding Resolution 22FAC-04-29, authorizing the award of a contract for debt and equity provider to PNC Bank, National Association ("PNC") to act as our exclusive agent to underwrite a forward commitment for a permanent loan on the Snowden project, provide construction and bridge financing, and to provide tax credit equity.

FINANCIAL IMPACT:

PNC is an approved Freddie Mac Targeted Affordable Housing Seller/Servicer, and will act as our exclusive agent to underwrite a Forward Commitment for a permanent loan on the Project. The final loan terms and conditions will be subject to all Freddie Mac Forward Commitment program requirements and limitations. PNC has offered 92.5 cents for the tax credits when the transaction closes and competitive construction and bridge financing. They will charge 1% of the loan amount and .5% of the amount of the bridge loan as a financing fee. There is also a \$28,000 fixed fee for underwriting legal fees.

A non-refundable deposit of \$25,000.00 (the "Application Deposit") will be paid to PNC. SAHA and its affiliates will be responsible for all costs incurred in connection with the underwriting and closing of the loan regardless of whether the closing of the transaction contemplated by this Application occurs, including, but not limited to, all third-party reports, processing, and underwriting costs, legal fees and expenses of Freddie Mac's Counsel. A \$6,500.00 underwriting and processing fee will be charged at Loan Closing. PNC will be entitled to an Origination Fee. An origination fee equal to 1.25% of the Final Loan Amount will be earned at Rate Lock and Payable to Lender at Loan Closing. Final terms and pricing are not locked until PNC has received firm quote pricing and approval from Freddie Mac.

SUMMARY:

Snowden Senior Apartments is planned as a 135-unit new construction apartment complex for seniors 62 years of age and older. It is being self-developed by SAHA. It is proposed on approximately 6.97 acres of vacant land located at 7223 Snowden Road, San Antonio, Texas, and is owned by the San Antonio Housing Finance Corporation (HFC) but will be transferred to the

SAN ANTONIO HOUSING FACILITY CORPORATION**June 1, 2022**

SAH Facility Corporation (FAC) at closing. The project is designed as a 4-story wood-frame building with a brick and siding exterior. The new development will provide a mix of one and two-bedroom units with appropriate design considerations for senior living households and is anticipated to be 100% affordable with 40% of the units subsidized by an MTW Strategy. The amenities will include an activity room, beauty salon, fitness room, game room, swimming pool, exterior unit balconies, and walking trails.

On February 2, 2022, the FAC received approval (Resolutions 6205 and 22FAC-01-25) to award a contract to Franklin Management Construction to serve as general contractor and partner for the project and will act as a Construction Manager at Risk assuming the risk of construction of the complex at the contracted price and will provide consultation to the FAC during construction and after the design of the complex.

PROCUREMENT PROCESS:

On March 7, 2022, FAC issued a "Request For Information" (RFI) #2203-5260 for Low Income Tax Credit Investor and/or Construction Lender, which closed on March 17, 2022. The RFI was published on the SAHA website, Electronic State Business Daily (ESBD), the Hart Beat, posted on NAHRO, Public Purchase, and direct solicited 9 vendors. A total of four responses were received in response to this solicitation: 42 Equity Partners, Hudson Housing Capital, JP Morgan Chase, and PNC Real Estate. All proposals were evaluated on the following criteria by looking at the amount paid for the tax credits and the best rates for the construction, bridge, and any other loans to finance the project.

STRATEGIC OUTCOME:

SAHA residents have a sufficient supply of affordable housing options.

ATTACHMENT:

Resolution 22FAC-04-29

**San Antonio Housing Facility Corporation
Resolution 22FAC-04-29**

RESOLUTION 22FAC-04-29, AUTHORIZING THE AWARD OF A CONTRACT FOR DEBT AND EQUITY PROVIDER TO PNC BANK, NATIONAL ASSOCIATION ("PNC"), TO ACT AS OUR EXCLUSIVE AGENT TO UNDERWRITE A FORWARD COMMITMENT FOR A PERMANENT LOAN ON THE SNOWDEN PROJECT, TO PROVIDE CONSTRUCTION AND BRIDGE FINANCING, AND TO PROVIDE TAX CREDIT EQUITY

WHEREAS, Snowden Senior Apartments is planned as a 135-unit new construction apartment complex proposed on approximately 6.97 acres of vacant land located at 7223 Snowden Road, San Antonio, Texas, and is owned by the San Antonio Housing Finance Corporation (HFC), but will be transferred to the SAH Facility Corporation (FAC) at closing; and

WHEREAS, on February 2, 2022, the FAC received approval (Resolutions 6205 and 22FAC-01-25) to award a contract to Franklin Management Construction to serve as general contractor and partner for the project and will act as a Construction Manager at Risk assuming the risk of construction of the complex at the contracted price and will provide consultation to the FAC during construction and after the design of the complex; and

WHEREAS, on March 7, 2022, FAC issued a "Request For Information" (RFI) #2203-5260 for Low Income Tax Credit Investor and/or Construction Lender, which closed on March 17, 2022; and

WHEREAS, a total of four responses were received in response to this solicitation; and

WHEREAS, staff is requesting approval to award a contract to PNC. They are an approved Freddie Mac Targeted Affordable Housing Seller/Servicer and will act as our exclusive agent to underwrite a Forward Commitment for a permanent loan on the Project. The final loan terms and conditions will be subject to all Freddie Mac Forward Commitment program requirements and limitations; and

WHEREAS, PNC has offered 92.5 cents for the tax credits when the transaction closes and competitive construction and bridge financing. They will charge 1% of the loan amount and .5% of the amount of the bridge loan as a financing fee. There is also a \$28,000 fixed fee for underwriting legal fees.

A non-refundable deposit of \$25,000 (the "Application Deposit") will be paid to PNC. SAHA and its affiliates will be responsible for all costs incurred in connection with the underwriting and closing of the loan regardless of whether the closing of the transaction contemplated by this Application occurs, including, but not limited to, all third-party reports, processing, and underwriting costs, legal fees and expenses of Freddie Mac's Counsel. A \$6,500 underwriting and processing fee will be charged at Loan Closing. PNC will be entitled to an Origination Fee. An origination fee equal to 1.25% of the Final Loan Amount will be earned at Rate Lock and Payable to Lender at Loan Closing. Final terms and pricing are not locked until PNC has received firm quote pricing and approval from Freddie Mac; and

WHEREAS, staff requests the Board of Directors authorize the President and CEO, or designee,

to execute all documents associated with this contract.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of San Antonio Housing Facility Corporation, hereby approves:

Section 1. The officers of SAHA and the Issuer, 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 2. 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 3. 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 4. 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 5. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 6. This Resolution shall be in force and effect from and after its passage.

Passed and approved this 1st day of June 2022.

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

Attested and approved as to form:

Ed Hinojosa, Jr.
Secretary/ Treasurer

SAN ANTONIO HOUSING FACILITY CORPORATION

June 1, 2022

BOARD OF DIRECTORS
San Antonio Housing Facility Corporation Meeting

RESOLUTION 22FAC-04-26, AUTHORIZING THE SNOWDEN APARTMENTS TRANSACTION, INCLUDING: (i) AUTHORIZING THE SAN ANTONIO HOUSING FACILITY CORPORATION (FAC) TO SPONSOR A TAX CREDIT APPLICATION TO THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (TDHCA) FOR 9% HOUSING TAX CREDITS TO PROVIDE FINANCING FOR SNOWDEN APARTMENTS (PROJECT); (ii) AUTHORIZING THE FAC TO ACCEPT CONVEYANCE OF THE LAND CURRENTLY OWNED BY SAN ANTONIO HOUSING FINANCE CORPORATION (HFC) AT 7223 SNOWDEN ROAD, SAN ANTONIO, TEXAS (PROJECT SITE); (iii) AUTHORIZING EXECUTION OF A GROUND LEASE (LEASE) BETWEEN FAC AS “OWNER” AND “LANDLORD” AND SNOWDEN APARTMENTS, LP, A TEXAS LIMITED PARTNERSHIP CONTROLLED BY AN AFFILIATE OF THE FAC (PARTNERSHIP) AS “TENANT”, COVERING THE PROJECT SITE, AND ALL OTHER DOCUMENTATION NECESSARY TO GROUND LEASE THE PROJECT SITE TO THE PARTNERSHIP FOR THE PURPOSE OF SUPPORTING AN AWARD FROM THE TDHCA FOR 9% HOUSING TAX CREDITS TO PROVIDE FINANCING FOR THE PROJECT DEVELOPMENT; (iv) AUTHORIZING THE CREATION OF SNOWDEN APARTMENTS GP, LLC, A TEXAS LIMITED LIABILITY COMPANY (COMPANY), AND THE PARTNERSHIP, FOR THE PURPOSE OF OWNING, DEVELOPING, CONSTRUCTING AND OPERATING THE PROJECT; (v) AUTHORIZING THE FAC TO SERVE AS THE PRIME CONTRACTOR FOR THE PROJECT; (vi) AUTHORIZING THE FAC TO SERVE AS DEVELOPER FOR THE PROJECT AND TO RECEIVE A DEVELOPMENT FEE FROM THE PARTNERSHIP; (vii) AUTHORIZING THE FAC TO CAUSE THE PARTNERSHIP TO ENTER INTO A LETTER OF INTENT WITH PNC BANK, NATIONAL ASSOCIATION (PNC) FOR ADMISSION OF PNC OR ITS AFFILIATES INTO THE PARTNERSHIP AND INVESTMENT OF EQUITY INTO THE PROJECT; (viii) AUTHORIZING THE FAC TO CAUSE THE PARTNERSHIP TO ENTER INTO A LETTER OF INTENT WITH PNC TO PROVIDE A CONSTRUCTION LOAN IN THE APPROXIMATE AMOUNT OF \$8,430,000.00 (CONSTRUCTION LOAN) AND A BRIDGE LOAN IN THE APPROXIMATE AMOUNT OF \$9,651,704.00 (BRIDGE LOAN) TO THE PARTNERSHIP WITH THE FAC TO SERVE AS GUARANTOR OF SUCH LOANS; (ix) AUTHORIZING THE FAC TO PROVIDE A PERMANENT SPONSORSHIP LOAN TO THE PARTNERSHIP IN THE APPROXIMATE AMOUNT OF \$1,322,600.00 (SPONSOR LOAN); (x) AUTHORIZING THE FAC TO CAUSE THE PARTNERSHIP TO ENTER INTO A PERMANENT SUBORDINATE LOAN OF MOVING TO WORK FUNDING FROM THE HOUSING AUTHORITY OF THE CITY OF SAN ANTONIO, TEXAS (HOUSING AUTHORITY) IN AN AMOUNT OF UP TO \$8,500,000.00, PLUS EARNED INTEREST (SUBORDINATE LOAN); AND (xi) AUTHORIZING OTHER MATTERS IN CONNECTION THEREWITH

Ed Hinojosa, Jr.
President and CEO

Timothy E. Alcott
Chief Legal and Real Estate Officer

REQUESTED ACTION:

Consideration and approval regarding resolution 22FAC-04-26, authorizing the Snowden Apartments transaction, including: (i) authorizing the San Antonio Housing Facility Corporation (FAC) to sponsor a tax credit application to the Texas Department of Housing and Community Affairs (TDHCA) for 9% housing tax credits to provide financing for Snowden Apartments (project);

SAN ANTONIO HOUSING FACILITY CORPORATION**June 1, 2022**

(ii) authorizing the FAC to accept conveyance of the land currently owned by San Antonio Housing Finance Corporation (HFC) at 7223 Snowden Road, San Antonio, Texas (project site); (iii) authorizing execution of a ground lease (lease) between FAC as “Owner” and “Landlord” and Snowden Apartments, LP, a Texas Limited partnership controlled by an affiliate of the FAC (partnership) as “tenant”, covering the project site, and all other documentation necessary to ground lease the project site to the partnership for the purpose of supporting an award from the tdhca for 9% housing tax credits to provide financing for the project development; (iv) authorizing the creation of Snowden Apartments GP, LLC, a Texas Limited Liability Company (Company), and the partnership, for the purpose of owning, developing, constructing and operating the project; (v) authorizing the FAC to serve as the prime contractor for the project; (vi) authorizing the FAC to serve as developer for the project and to receive a development fee from the partnership; (vii) authorizing the FAC to cause the partnership to enter into a letter of intent with PNC Bank, National Association (PNC) for admission of PNC or its affiliates into the partnership and investment of equity into the project; (viii) authorizing the FAC to cause the partnership to enter into a letter of intent with PNC to provide a construction loan in the approximate amount of \$8,430,000.00 (construction loan) and a bridge loan in the approximate amount of \$9,651,704.00 (bridge loan) to the partnership with the FAC to serve as guarantor of such loans; (ix) authorizing the FAC to provide a permanent sponsorship loan to the partnership in the approximate amount of \$1,322,600.00 (sponsor loan); (x) authorizing the FAC to cause the partnership to enter into a permanent subordinate loan of moving to work funding from the Housing Authority of the City of San Antonio, Texas (Housing Authority) in an amount of up to \$8,500,000.00, plus earned interest (subordinate loan); and (xi) authorizing other matters in connection therewith.

FINANCIAL IMPACT:

The total project cost is expected to be approximately \$33,304,648.00 or \$246,701.00 per unit. The developer is the FAC. The FAC will give all required guarantees. After the end of the tax credit compliance period, the General Partner (a SAHA affiliate) will have an option to buy either the property for the greater of (i) fair market value of the project or (ii) the sum of all outstanding debt secured by mortgages on the project and any other obligations of the Partnership, including loans from any partner, plus \$1.00 and all debts, exit taxes, fees and obligations owed, if any, to the limited partners; or the limited partners’ interests for a price equal to the sum of (a) the fair market value of the partnership interests; (b) exit taxes payable in connection with the sale of the interests, and (c) all debts, fee and obligations owed, if any, to the limited partners. The General Partner has a right of first refusal based upon any bona fide third-party purchase offer after the expiration of the Option Period. The FAC also has a Non-Profit Right of First Refusal to purchase the property at a minimum purchase price as defined in Section 42(i)(7)(B) of the Internal Revenue Code, plus all fees, debts, exit taxes and obligations, if any, owed to PNC Bank, National Association (PNC). Finally, there is a Limited Partner Put whereby the limited partners may, at their discretion, at any time put their partnership interests to the General Partner or its designee for a price equal to the sum of (1) \$1,000.00; (2) the Limited partners’ costs and expenses incurred in the transfer of their partnership interests; and (3) all amounts due and owing to the limited partners including, but not limited to, any adjustment amounts, investor services fees, debts or other obligations.

The FAC will receive 100% of the distributions to the General Partner.

The total developer fee is approximately \$2,749,000.00 and will be payable 100% to the FAC.

SUMMARY:

SAN ANTONIO HOUSING FACILITY CORPORATION**June 1, 2022**

The project will consist of 135 Housing Tax Credit units for seniors ages 62 and older, 14 of which will be for tenants whose incomes average 30% AMI or less, 54 of which will be for tenants whose incomes average 50% AMI or less, and 67 of which will be for tenants whose incomes average 60% AMI or less. Fifty-four units will be subsidized by an MTW local non-traditional affordable housing program that will look and act like Public Housing. The project will be located at 7223 Snowden Road, San Antonio, Texas, on land already owned by HFC, which will be conveyed to the FAC and then ground leased to the Partnership. Construction is projected to begin in Summer 2022, with completion in Fall of 2023. The Board is being asked to authorize all of the actions now understood to be necessary to finance and construct the project.

The land is currently owned by HFC, which will convey it to the FAC, and the FAC will lease it to Snowden Apartments, LP, who will pay the FAC an upfront lease payment of approximately \$1,224,630.00. The FAC will then lend these funds plus earned interest to the Partnership on a subordinate secured basis as a Sponsor Loan. Commercial construction financing will be provided by PNC Bank, National Association, in an amount estimated to be \$8,430,000.00, with a \$9,651,704.00 Bridge Loan. SAHA will provide a subordinated permanent loan of Moving to Work funding to the Partnership in the amount of up to \$8,500,000.00 plus earned interest. Equity contributions from an affiliate of PNC as an investor limited partner will be used to finance the construction and long-term operations. PNC has issued a commitment to purchase the project's tax credits at an equity price of 92.50 cents per credit dollar, for a total projected equity contribution of approximately \$13,873,613.00.

We are targeting a closing date of Summer, 2022.

STRATEGIC OUTCOMES:

SAHA residents have a sufficient supply of affordable housing options

ATTACHMENT:

Resolution 22FAC-04-26

**San Antonio Housing Facility Corporation
Resolution 22FAC-04-26**

RESOLUTION 22FAC-04-26, AUTHORIZING THE SNOWDEN APARTMENTS TRANSACTION, INCLUDING: (i) AUTHORIZING THE SAN ANTONIO HOUSING FACILITY CORPORATION (FAC) TO SPONSOR A TAX CREDIT APPLICATION TO THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (TDHCA) FOR 9% HOUSING TAX CREDITS TO PROVIDE FINANCING FOR SNOWDEN APARTMENTS (PROJECT); (ii) AUTHORIZING THE FAC TO ACCEPT CONVEYANCE OF THE LAND CURRENTLY OWNED BY SAN ANTONIO HOUSING FINANCE CORPORATION (HFC) AT 7223 SNOWDEN ROAD, SAN ANTONIO, TEXAS (PROJECT SITE); (iii) AUTHORIZING EXECUTION OF A GROUND LEASE (LEASE) BETWEEN FAC AS "OWNER" AND "LANDLORD" AND SNOWDEN APARTMENTS, LP, A TEXAS LIMITED PARTNERSHIP CONTROLLED BY AN AFFILIATE OF THE FAC (PARTNERSHIP) AS "TENANT", COVERING THE PROJECT SITE, AND ALL OTHER DOCUMENTATION NECESSARY TO GROUND LEASE THE PROJECT SITE TO THE PARTNERSHIP FOR THE PURPOSE OF SUPPORTING AN AWARD FROM THE TDHCA FOR 9% HOUSING TAX CREDITS TO PROVIDE FINANCING FOR THE PROJECT DEVELOPMENT; (iv) AUTHORIZING THE CREATION OF SNOWDEN APARTMENTS GP, LLC, A TEXAS LIMITED LIABILITY COMPANY (COMPANY), AND THE PARTNERSHIP, FOR THE PURPOSE OF OWNING, DEVELOPING, CONSTRUCTING AND OPERATING THE PROJECT; (v) AUTHORIZING THE FAC TO SERVE AS THE PRIME CONTRACTOR FOR THE PROJECT; (vi) AUTHORIZING THE FAC TO SERVE AS DEVELOPER FOR THE PROJECT AND TO RECEIVE A DEVELOPMENT FEE FROM THE PARTNERSHIP; (vii) AUTHORIZING THE FAC TO CAUSE THE PARTNERSHIP TO ENTER INTO A LETTER OF INTENT WITH PNC BANK, NATIONAL ASSOCIATION (PNC) FOR ADMISSION OF PNC OR ITS AFFILIATES INTO THE PARTNERSHIP AND INVESTMENT OF EQUITY INTO THE PROJECT; (viii) AUTHORIZING THE FAC TO CAUSE THE PARTNERSHIP TO ENTER INTO A LETTER OF INTENT WITH PNC TO PROVIDE A CONSTRUCTION LOAN IN THE APPROXIMATE AMOUNT OF \$8,430,000.00 (CONSTRUCTION LOAN) AND A BRIDGE LOAN IN THE APPROXIMATE AMOUNT OF \$9,651,704.00 (BRIDGE LOAN) TO THE PARTNERSHIP WITH THE FAC TO SERVE AS GUARANTOR OF SUCH LOANS; (ix) AUTHORIZING THE FAC TO PROVIDE A PERMANENT SPONSORSHIP LOAN TO THE PARTNERSHIP IN THE APPROXIMATE AMOUNT OF \$1,322,600.00 (SPONSOR LOAN); (x) AUTHORIZING THE FAC TO CAUSE THE PARTNERSHIP TO ENTER INTO A PERMANENT SUBORDINATE LOAN OF MOVING TO WORK FUNDING FROM THE HOUSING AUTHORITY OF THE CITY OF SAN ANTONIO, TEXAS (HOUSING AUTHORITY) IN AN AMOUNT OF UP TO \$8,500,000.00, PLUS EARNED INTEREST (SUBORDINATE LOAN); AND (xi) AUTHORIZING OTHER MATTERS IN CONNECTION THEREWITH.

WHEREAS, Snowden Apartments, LP, a Texas limited partnership (Partnership), whose sole General Partner is Snowden Apartments GP, LLC, a Texas limited liability company (Company), was formed to provide for the acquisition and construction of an approximately 135-unit

multi-family housing project for Seniors ages 62 years and older (Project) on land owned by the San Antonio Housing Finance Corporation (HFC) and described on Exhibit A (Project Site); and

WHEREAS, HFC has sponsored the application for 9% Housing Tax Credits to the Project, and San Antonio Housing Facility Corporation (FAC) wishes to co-sponsor the Project by serving as (i) the sole owner of Company; (ii) the Developer of the Project; and (iii) the Guarantor of the Housing Tax Credits and the financing; and

WHEREAS, the Project has received an award of 9% Housing Tax Credits (Credits) and HFC now wishes to convey certain real property located at 7223 Snowden Road in San Antonio, Texas, (Project Site) to the FAC to facilitate closing on this transaction; and

WHEREAS, for the purpose of carrying out the Project, the Housing Authority intends to cause FAC to have the Partnership acquire a leasehold estate in the Project Site pursuant to a seventy-five year ground lease (Ground Lease) by and between the FAC and the Partnership, so that the Project will qualify for a governmental ad valorem tax exemption through its public purpose; and

WHEREAS, it is desired that the FAC will execute a development agreement with the Partnership (Development Agreement) so that the FAC will serve as the developer for the Project, thereby earning a Development Fee to be paid by the Partnership; and

WHEREAS, it is desired that the FAC will execute a construction contract with the Partnership (Construction Contract) so that the FAC will serve as the general contractor for the construction of the Project, thereby qualifying for a sales tax exemption for the construction of the Project; and

WHEREAS, it is desired that the FAC shall cause the Partnership to execute a Letter of Intent with PNC Bank, National Association (PNC) for the purpose of admitting PNC and/or its affiliates into the Partnership as limited partners and accepting an equity investment in the Partnership in exchange for allocation of the Credits to the limited partners, with the FAC to serve as guarantor of the Company's obligations to the Partnership; and

WHEREAS, it is desired that the FAC shall cause the Partnership to execute a Letter of Intent with PNC for the purpose of obtaining a construction loan in the approximate amount of \$8,430,000.00 (Construction Loan) and a bridge loan in the approximate amount of \$9,651,704.00 (Bridge Loan) to the Partnership with the FAC to serve as guarantor of such loans; and

WHEREAS, it is desired that the FAC shall make a Sponsor loan to the Partnership in the approximate amount of \$1,322,600.00 (Sponsor Loan); and

WHEREAS, it is desired that the Housing Authority shall make a subordinate permanent loan of

Moving to Work funding to the Partnership in an amount of up to \$8,500,000.00 plus earned interest (Subordinate Loan); and

WHEREAS, in connection with the financing and development of the Project, various project participants (Project Participants) shall require the Housing Authority or the FAC to execute and deliver certain documents, instruments, and agreements, including, without limitation, the Ground Lease, an amended and restated agreement of limited partnership, the Development Agreement, the Construction Contract, and one or more loan agreements, promissory notes, indentures, regulatory agreements and/or restrictive covenants affecting the Property, environmental indemnity agreements, replacement and/or other reserve agreements, subordination and/or intercreditor agreements, assignments, and any other documents evidencing or reasonably required by any of the Project participants in connection with the Ground Lease, the admission of PNC and/or its affiliates into the Partnership, the guarantees provided by the FAC, and the development and operation of the Project (collectively, the Project Documents); and

WHEREAS, the members of the Board of Directors of the FAC and their respective offices are as follows:

<u>Name of Director/Officer</u>	<u>Position</u>
Dr. Ana M. "Cha" Guzmán	Chair and Director
Olga Kauffman	Vice Chair and Director
Ignacio Perez	Director
Dalia Flores Contreras	Director
Gilbert Casillas	Director
Gabriel "Gabe" Lopez	Director
Loren Dantzler	Director
Ed Hinojosa, Jr.	Secretary/Treasurer
Diana Fiedler	Asst. Secretary/Treasurer
Timothy E. Alcott	Asst. Secretary/Treasurer
Muriel Rhoder	Asst. Secretary/Treasurer
Brandee Perez	Asst. Secretary/Treasurer
Michael Reyes	Asst. Secretary/Treasurer
Richard Milk	Asst. Secretary/Treasurer

WHEREAS, the Board of Directors of the FAC has reviewed the foregoing and determined that the action herein authorized is in furtherance of the public purposes of the FAC, the General Partner and the Partnership.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the FAC hereby adopts the following resolution:

Section 1. The Project, the 9% Housing Tax Credit Application to the TDHCA, the proposed conveyance of the Project Site by HFC to the FAC and the execution of the Project Documents (collectively, the "Approved Activities") are hereby approved, and the President, Vice President, Secretary, or Treasurer of the FAC is hereby authorized to execute any and all documentation required for the Approved Activities and any and all other documentation required to be executed by FAC in order to effect such transactions.

Section 2. The President, Vice President, Secretary, or Treasurer, or any of them, and, if required by the form of the document, the Secretary and any Assistant Secretary, or any of them, of the FAC are authorized and directed to modify, execute and deliver any of the documents to be signed by or consented to by the FAC and any and all certificates and other instruments necessary to carry out the intent thereof and hereof. The President, Vice President, Secretary, or Treasurer of the FAC is authorized to negotiate and approve such changes in, or additions to, the terms any of the documents (prior to the execution and delivery thereof), and such amendments, renewals, and extensions, as such officers shall deem necessary or appropriate upon the advice of counsel to the FAC 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 3. The officers of the FAC, 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, and to the extent that any such action has already been taken by such officers, such action is hereby ratified and approved.

Section 4. If any section, paragraph, clause, or provision of this Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

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

Section 8. This Resolution shall be in force and effect from and after its passage on the date shown below.

Passed and approved the 1st day of June 2022.

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

Attested and approved as to form:

Ed Hinojosa, Jr.
Secretary/Treasurer

EXHIBIT A

PROPERTY DESCRIPTION

**Chapel Ridge
San Antonio, Texas**

**Lot Thirty-Four (34), Block B, New City Block 11609, CHAPEL RIDGE SUBDIVISION, UNIT 3,
City of San Antonio, Bexar County, Texas, according to plat thereof recorded in Volume 9513,
Page 15, Deed and Plat Records of Bexar County, Texas.**