

## **MEMORANDUM**

**To:** Mayor and City Council Members  
Steve Parker, City Manager

**From:** Mark Kennedy, City Attorney

**Subject:** Resolutions related to the Seguin Public Finance Corporation

**Date:** January 6, 2026

### **Historical Background**

The Seguin Public Finance Corporation was established on or about December 15, 2009. It is not known what the activities of the Seguin PFC were during its early years. However, the Seguin PFC recently approved the provision of financing for the Lily Springs housing development. That development is due to turn dirt in 1<sup>st</sup> Quarter of 2026.

### **Action Requested / Staff Recommendation**

It was recently discovered that the Seguin PFC Certificate of Formation included a “poison pill” provision that proposed to dissolve the PFC if it had not taken actions in support of workforce housing within five years of its creation. Since the record is unclear regarding early actions of the PFC, and since the PFC is still recognized as a legal and currently existing entity by the State of Texas, Staff recommends eliminating this provision from the Certificate of Formation and, for good measure, approving all prior actions of the PFC.

After discussion, legal counsels recommend that the City Counsel first authorizes the Amended and Restated Certificate, and then that the Seguin PFC takes action to authorize the Amended and Restated Certificate and ratify all prior actions of the PFC. For that reason, there are two items related to this matter, one for City Council and one for the Seguin PFC Board, which is constituted by members of the City Council.