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AGENDA

SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION

**A MEETING OF THE OF THE SAN ANTONIO HOUSING TRUST
PUBLIC FACILITY CORPORATION BOARD OF DIRECTORS WILL BE HELD AT
MUNICIPAL PLAZA "B" ROOM, 114 W COMMERCE STREET, SAN ANTONIO,
TEXAS 78205 ON TUESDAY, JUNE 19, 2018 AT 1:00 P.M., TO CONSIDER THE
FOLLOWING MATTERS:**

Briefing and Possible Action on:

1. Approval of minutes
2. Citizens to be heard
3. Resolution Authorizing The St. John's Apartments Transaction, Including The Execution Of All Documentation Necessary To Carry Out The Transaction; Authorizing The Sublease Of Land For The Transaction; And Authorizing The Acquisition Of The Membership Interest In SAHT St. John's GP, LLC; And Authorizing The Financing For Such Transaction; And Authorizing San Antonio Housing Trust Public Facility Corporation To Serve As The General Contractor; And Other Matters In Connection Therewith

DISABILITY ACCESS STATEMENT

This meeting site is wheelchair accessible. The Accessible Entrance is located at the Municipal Plaza Building / Main Plaza Entrance. Accessible Visitor Parking Spaces are located at City Hall, 100 Military Plaza, north side. Auxiliary Aids and Services, including Deaf interpreters, must be requested forty-eight [48] hours prior to the meeting. For assistance, call (210) 207-7268 or 711 Texas Relay Service for the Deaf.

SAN ANTONIO HOUSING TRUST PUBLIC FACILITIES CORP BOARD MEMBERS:

Council Member Roberto C. Trevino (District 1), Council Member William "Cruz" Shaw (District 2), Council Member Rebecca J. Viagran (District 3), Council Member Rey Saldana (District 4), Council Member Shirley Gonzales (District 5)

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San Antonio Housing Trust Public Facility Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 1.

Agenda Date: 06-19-18

In Control: San Antonio Housing Trust Public Facility Corporation

DEPARTMENT: San Antonio Housing Trust Public Facility Corporation

DEPARTMENT HEAD: John Kenny

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Approval of minutes

SUMMARY:

This item includes the approval of minutes from the May 23, 2018 meeting

SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION
OFFICIAL MEETING MINUTES
May 23, 2018

The Public Facility Corporation met in session at 10:00A.M., City Council Chambers

- The meeting was called to order by Councilwoman Viagran and the roll was called by JD Hernandez.

PRESENT: Rebecca Viagran, Roberto Treviño, William “Cruz” Shaw, Shirley Gonzales
ABSENT: Rey Saldaña

- **Staff/Visitors Present:**
 John Kenny, San Antonio Housing Trust Public
 Facility Corporation
 JD Hernandez, San Antonio Housing Trust Public
 Facility Corporation
 Nicole Collazo, San Antonio Housing Trust Public Facility Corporation
 John Whitsett, SAHTF Trustee
 Debra Gherrera, NRP
 Jean Latsha, Pedcor
 Fisher Sutterfield, NRP
 Daniel Markson, NRP
 Marcus Pioples, District 1
 Mack McKenzie, TCI
 Rodney Dziuk, TCI
 Razi Hosseini, TCI
 Gene Rodriquez, District 5
 Ben Olivo, Freelance Writer

1. Approval of minutes – March 28, 2018 Public Facility

Corporation Minutes COMMISSION ACTION:

The motion was made by Councilwoman Gonzales and seconded by Councilman Shaw to approve the March 28, 2018 minutes as submitted.

AYES: 4

NAYS: 0

ABSTAIN: 0

THE MOTION CARRIED

2. Citizens to be heard –

Mr. John Whitsett gave a presentation on his concerns over the Under 1 Roof Program. His main concern was that the cost to complete each roof.

3. Briefing On: Review of Financials

Mr. James Plummer provided an overview of the current financial statements for the PFC. As of YTD the Net Income (Loss) is at \$(520,214.45). The current balance as of 4/30/18 is \$1,775,621.73. This figure will increase due to three projects projected to close within the year.

COMMISSION ACTION:

No action required.

AYES:

NAYS:

ABSTAIN:

4. Briefing and possible Action On: Resolution concerning the application of NRP for the Lofts at Lackland Apartments, to be located at the entrance to Lackland Air Force Base, and other matters in connection therewith

Mr. James Plummer provided an overview of the Lofts at Lackland Apartments, an NRP project with a partnership with Baptist Children's and Family Services. An important note is this is a non-binding inducement resolution and terms are being negotiated with the passing of this resolution. Mr. Daniel Markson elaborated on the project indicating that there was going to be more development throughout the whole area.

Mr. Plummer brought up an affordability reserve to possible pay down rents to get them down to 60% AMI for policy discussion.

COMMISSION ACTION:

The motion was made by Councilwoman Gonzales and seconded by Councilman Shaw to approve the resolution and move forward with the project.

AYES: 4

NAYS: 0

ABSTAIN: 0

THE MOTION CARRIED

5. Briefing and possible Action On: Resolution concerning the application of NRP for the San Pedro Creek Lofts, to be located at West Cevallos and West Penden Streets, and other matters in connection therewith

Mr. James Plummer provided an overview of the San Pedro Creek Lofts, an NRP project. This project is estimated to close in January of 2019

COMMISSION ACTION:

The motion was made by Councilman Treviño and seconded by Councilwoman Gonzales to approve the resolution and move forward with the project.

AYES: 4

NAYS: 0

ABSTAIN: 0

THE MOTION CARRIED

6. **Briefing and possible Action On: Resolution authorizing Copper Pointe Apartments transaction, including the execution of all documentation necessary to carry out the transaction; authorizing the purchase of the land for the transaction and the lease of such land for the transaction; and authorizing the acquisition of the membership interest in SAHTPFC Copper Pointe LP and authorizing the financing for such transaction; and authorizing San Antonio Housing Trust Public Facility Corporation to become a joint venturer in the general contractor; and other matters in connection therewith**

This project was initially brought in front of the council back in 2015 and started out as a Tax Credit project. It has since become a PFC financing structure. LDG has obtained a HUD loan and equity which must be closed by June 30th. The PFC will be in a joint venture with LDG.

COMMISSION ACTION:

The motion was made by Councilwoman Gonzales and seconded by Councilman Shaw to approve the resolution and move forward with the project.

AYES: 4

NAYS: 0

ABSTAIN: 0

THE MOTION CARRIED

7. **Briefing and possible Action On: Resolution authorizing the Master Agreement between the City and the Corporation for the Red Berry Project, approval of the Master Agreement among the Corporation, NRP, RK Group and Casey Development, approval of the Development and Funding Agreement between the Corporation and RK Group, authorization to purchase land from the City and convey it to the RK Group, approval of a CDBG agreement between the City and the Corporation, and authorization of a Construction Management Agreement between the Corporation and Casey Development.**

Mr. James Plummer brought this before the council due to the roles in the Master Agreement being changed. No other changes are being made at this time.

COMMISSION ACTION:

The motion was made by Councilman Shaw and seconded by Councilman Treviño to approve the resolution and move forward with the project.

AYES: 4

NAYS: 0

ABSTAIN: 0

THE MOTION CARRIED

8. Briefing and possible Action On: Resolution appointing Nicole Collazo as assistant secretary of the Corporation.

Mr. John Kenny will be on vacation at the time of the Brookwood Senior Apartment Complex closing. Nicole Collazo is being appointed as the role of Assistant Secretary to proceed with the closing as scheduled.

COMMISSION ACTION:

The motion was made by Councilwoman Gonzales and seconded by Councilman Shaw to approve the appointment.

AYES: 4

NAYS: 0

ABSTAIN: 0

THE MOTION CARRIED

9. Briefing and possible Action On: Briefing regarding grants to the City of San Antonio to support its programs benefitting single family housing.

Mrs. Barbara Ankamah provided an overview of the progress of the Under 1 Roof and Minor Repair Programs. She then passed the floor to Mr. Razi Hosseini to respond to Mr. John Whitsett's concerns of the Under 1 Roof program.

COMMISSION ACTION:

No action required.

AYES: 0

NAYS: 0

ABSTAIN: 0

Adjournment

Councilwoman Viagran adjourn meeting at 11:26 AM.

San Antonio Housing Trust Public Facility Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 2.

Agenda Date: 06-19-18

In Control: San Antonio Housing Trust Public Facility Corporation

DEPARTMENT: San Antonio Housing Trust Public Facility Corporation

DEPARTMENT HEAD: John Kenny

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Citizens to be heard [Interested speakers will have 3 minutes each to address the Board on agenda items or housing policy related matters; a total of 15 minutes will be provided]

SUMMARY:

This item will allow 3 minutes each for interested speakers to address the Board

San Antonio Housing Trust Public Facility Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 3.

Agenda Date: 06-19-18

In Control: San Antonio Housing Trust Public Facility Corporation

DEPARTMENT: San Antonio Housing Trust Public Facility Corporation

DEPARTMENT HEAD: John Kenny

COUNCIL DISTRICTS IMPACTED: District 3

SUBJECT:

Briefing and possible action regarding a final authorization for the St. John's Apartments Project transaction

SUMMARY:

The Finance Corporation and City Council have approved the bond financing for this Project. The PFC is now giving final approval of all of the financing and the Partnership Agreement for this Project.

ISSUE:

This Project is a 228 unit senior project in District 3 consisting of an adaptive reuse of the St. John's Seminary property located at 222 Mitchell Drive. The Project will consist of 77% low income housing tax credit units (176 units) and 23% market rate units (52 units). The total project budget is \$39,753,000. The tax credits will raise approximately \$10,300,000 and historic tax credits will raise approximately \$3,549,000. The revenue bonds are anticipated to be issued in the amount of \$23,000,000. The revenue bonds will not be a liability of the PFC or the City, are 100% cash collateralized during the construction period

and secured by Fannie Mae upon construction completion, and rated AAA. The final source of funds will be deferred developer fee.

The Finance Corporation will receive a 1% closing fee. The Public Facilities Corporation will receive 25% of the developer fee and 45% of the Cash Flow from the project and 45% of any proceeds from the sale or refinancing of the Project. The bonds will have an interest rate of up to 5.25% and must mature before December 31, 2037.

ALTERNATIVES:

If you do not wish to proceed, the project will not be built.

FISCAL IMPACT:

The Issuer will receive a 1% financing fee and the Public Facilities Corporation will receive 25% of the developer fee and 45% of the Cash Flow from the project and 45% of any proceeds from the sale or refinancing of the Project.

RECOMMENDATION:

Staff recommends approval of the attached Resolution.

CERTIFICATE FOR RESOLUTION

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

1. In accordance with its bylaws, the Board of Directors of SAHTPFC (the “Board”) held a meeting on June 19, 2018, (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 AUTHORIZING THE ST. JOHN’S APARTMENTS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; AUTHORIZING THE SUBLEASE OF LAND FOR THE TRANSACTION; AND AUTHORIZING THE ACQUISITION OF THE MEMBERSHIP INTEREST IN SAHT ST. JOHN’S GP, LLC; AND AUTHORIZING THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION TO SERVE AS THE GENERAL CONTRACTOR; AND OTHER MATTERS IN CONNECTION THEREWITH

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

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

SIGNED June 19, 2018.

SAN ANTONIO HOUSING TRUST PUBLIC
FACILITY CORPORATION

Executive Director

RESOLUTION AUTHORIZING THE ST. JOHN'S APARTMENTS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; AUTHORIZING THE SUBLEASE OF LAND FOR THE TRANSACTION; AND AUTHORIZING THE ACQUISITION OF THE MEMBERSHIP INTEREST IN SAHT ST. JOHN'S GP, LLC; AND AUTHORIZING THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION TO SERVE AS THE GENERAL CONTRACTOR; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, 222 Mitchell Redevelopment LP, a Texas limited partnership (the "Partnership"), and SAHT St. John's GP, LLC, a Texas limited liability company and its general partner (the "General Partner"), have been formed to acquire and construct a 228-unit housing facility (the "Housing Facility") to be located at 222 East Mitchell Street, San Antonio, Texas (the "Land," together with the Housing Facility, the "Project");

WHEREAS, at the request of the Partnership, San Antonio Housing Trust Public Facility Corporation ("SAHTPFC") 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) lease the Land from the Archdiocese and sublease it to the Partnership pursuant to ground leases (the "Ground Leases"), and (iii) serve as the general contractor for the Project;

WHEREAS, the Partnership has requested that the San Antonio Housing Trust Finance Corporation (the "Issuer") issue its Multifamily Tax Exempt Mortgage Backed Bonds (M-TEBS) (St. John's Apartments Project) Series 2018 (the "Bonds") to finance the Project (the "Bond Financing");

WHEREAS, the Issuer will issue the Bonds in an amount not to exceed \$23,000,000 and loan such proceeds to the Partnership;

WHEREAS, in connection with the Bond Financing, the Partnership, the General Partner, and/or SAHTPFC will be required to enter into certain agreements, including but not limited to a an Indenture of Trust, Loan Agreement, a Note, a Regulatory Agreement and Declaration of Restrictive Covenants, a Deed of Trust, Assignment of Rents, Security Agreement, and Fixture Filing together with Ground Lessor Subordination and Joinder, a Ground Lease and Sublease, an Official Statement, and a Bond Purchase Agreement (collectively, the "Bond Documents");

WHEREAS, in connection with the financing, the Partnership will also enter into a loan transaction with International Bank of Commerce for a loan (the "IBC Loan") in an amount not to exceed \$23,000,000;

WHEREAS, in connection with the execution of the IBC Loan, the Partnership, the General Partner, and/or SAHTPFC will be required to enter into certain agreements, including, but not limited to, a Real Estate Lien Note, a Leasehold Deed of Trust, Assignment, Security Agreement, Intercreditor and Disbursement Agreement and Fixture Filing with Joinder, Security Agreement (Assignment of Partnership Interest and Contributions), various collateral assignments, estoppels and certificates (collectively, the "IBC Documents");

WHEREAS, Bellwether Enterprise Mortgage Investments, LLC has issued a commitment to the Partnership pursuant to which they, as Fannie Mae DUS Lender have agreed that they will make a permanent loan (the “Fannie Mae Loan”) in the principal amount of up to \$23,000,000 based upon a Fannie Mae Commitment under which Fannie Mae will purchase the permanent loan and issue a Fannie Mae Certificate which will be purchased by the Fiscal Agent and will thereafter serve as security for the Bonds;

WHEREAS, in connection with the Fannie Mae Loan, the Partnership, the General Partner and/or SAHTPFC will be required to enter into certain agreements, including, but not limited to, a Loan Agreement, Multifamily Note, Multifamily Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing and various collateral assignments, estoppels and Certificates (collectively the “Fannie Documents”);

WHEREAS, the Partnership will contribute approximately \$10,301,250 of equity to the construction of the Project, which will be raised from the sale of tax credits to 42EP IBC Fund II, LP or an affiliate of such entity (the “Equity Financing”);

WHEREAS, in connection with the Equity Financing, the Partnership, the General Partner, and/or SAHTPFC will be required to enter into certain agreements, including but not limited to an Amended and Restated Limited Partnership Agreement, an Incentive Management Fee Agreement, Development Agreement, Guaranty Agreement, and closing certificates (collectively, the “Equity Documents”);

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;

WHEREAS, this Board of Directors has reviewed the foregoing and determined that the action herein authorized is in furtherance of the public purposes of SAHTPFC;

BE IT THEREFORE RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION, THAT:

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

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

Section 3. The lease of the Land, the sublease of the Land, the acquisition of membership interest in the General Partner by SAHTPFC, and the role of SAHTPFC as the general contractor for the Project are approved and the President, any Vice President, the Secretary, the Treasurer, the Executive Director, and any Assistant Secretary, or any of them, are hereby authorized to execute the documents required to be executed by SAHTPFC in order to effect such transactions.

Section 4. The President, any Vice President, the Secretary, the Treasurer, any Assistant Secretary, and the Executive Director, or any of them, and, if required by the form of the document, the Secretary and any Assistant Secretary, or any of them, of SAHTPFC are authorized and directed to modify, execute and deliver any of the documents to be signed by or consented to by the Partnership, the General Partner and/or SAHTPFC, 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, the Executive Director, 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 SAHTPFC, and approval of the terms of any of the documents by such officers and this Board shall be conclusively evidenced by the execution and delivery of such documents.

Section 5. The officers of this Board, or any of them, are authorized to take any and all action necessary to carry out and consummate the transactions described in or contemplated by the documents approved hereby or otherwise to give effect to the actions authorized hereby and the intent hereof.

Section 6. The officers of this Board hereby approve the selection of Bracewell LLP as counsel to the General Partner and SAHTPFC for this transaction.

Section 7. 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 8. 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 9. 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 10. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 11. This Resolution shall be in force and effect from and after its passage.