

AGENDA

SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION

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**A MEETING OF THE OF THE SAN ANTONIO HOUSING TRUST
PUBLIC FACILITY CORPORATION BOARD OF DIRECTORS WILL BE HELD AT
MUNICIPAL PLAZA, ROOM C, 114 W COMMERCE STREET, SAN ANTONIO,
TEXAS 78205 ON WEDNESDAY, MARCH 28, 2018 AT 11:00 A.M., TO CONSIDER
THE FOLLOWING MATTERS:**

Briefing and Possible Action on:

1. Approval of minutes
2. Citizens to be heard
3. Briefing and possible action regarding including units at 60% of median income in the Friedrich Apartments multifamily housing development
4. Briefing regarding grants to the City of San Antonio to support its programs benefitting single family housing.

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)

San Antonio Housing Trust Public Facility Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 1.

Agenda Date: 03-28-18

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 February 28, 2018 meeting

**SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION
OFFICIAL MEETING MINUTES
February 28, 2018**

- The Public Facility Corporation met in session at 10:05A.M., Municipal Plaza, Room C
- The meeting was called to order by Councilwoman Viagran and the roll was called by JD Hernandez.

PRESENT: Rebecca Viagran, Roberto Treviño, Rey Saldaña, Shirley Gonzales

ABSENT: William "Cruz" Shaw

• **Staff/Visitors Present:**

John Kenny, San Antonio Housing Trust Public Facility Corporation
JD Hernandez, San Antonio Housing Trust Public Facility Corporation
Dave Holland, Provident – VP
Taylor Boyd, Provident – Partner
Beth Legg, Mayor's Office – Intern
Richard Keith, COSA NHSD – Asst. Director
Barbara Ankamah Burford, COSA NHSD – NE Administrator
Scott Zimmerer, CAP – Asst. City Attorney
Victoria Gonzalez, Mayor's Office – Sr. Policy Advisor
Brenicia Berry, District 2 – COS
Jay Podjenski, District 1 – COS

1. Approval of minutes – October 11, 2017 Public Facility Corporation Minutes

COMMISSION ACTION:

The motion was made by Councilman Robert Treviño and seconded by Councilman Rey Saldaña to approve the October 11, 2017 minutes as submitted.

AYES: Councilwoman Rebecca Viagran, Councilwoman Shirley Gonzales, Councilman Roberto Treviño, Councilman Rey Saldaña

NAYS: None

ABSTAIN: None

THE MOTION CARRIED

2. Citizens to be heard – None

3. Briefing and possible Action On: Resolution authorizing the Brookwood Apartments Multifamily housing transaction, and other matters in connection therewith.

Mr. James Plummer briefed council members on the final approval of the Brookwood Apartments multifamily housing project by 210 Development Group. This project was restructured due to funding prior to the partnership with the San Antonio Housing Trust Public Facility Corporation to utilize tax credits for 75% of the units. The land will be bought from the City for \$1,350,000. The PFC will receive 40% of the developer fee and 50% Cash flow and any proceeds from the sale or refinance of the project. This project is a senior living facility with amenities of an assisted living facility.

COMMISSION ACTION:

The motion was made by Councilman Rey Saldaña and seconded by Councilwoman Shirley Gonzales to approve of the attached Resolution.

AYES: Councilwoman Rebecca Viagran, Councilwoman Shirley Gonzales, Councilman Roberto Treviño, Councilman Rey Saldaña

NAYS: None

ABSTAIN: None

THE MOTION CARRIED

4. Briefing and possible Action on: regarding a term sheet for the Friedrich Apartments multifamily housing development.

This project is similar to the Crockett Street, Broadway Jones and Red Berry transactions that was approved before. Mr. Plummer brought up two concerns to the Board for consideration before agreeing to the term sheet. The first is that the whole block that this project is located on is a historical site. Provident is in the process of requesting that approximately 4 acres be taken from the registry so that they may use this part of the existing building and build the project with incorporating the old sign into the new building. The other concern was the John Miller lawsuit against the city for this property. Mr. Plummer suggested that on the condition that these two concerns were addressed and was given the okay by the historic society and Mr. Millers attorney to move forward on this project. This project is anticipated to be closed by September 2018.

Councilman Roberto Treviño asked about creating units at 60% of AMI. According to Dave Holland, the numbers would not work with this. With further discussion, Provident will attempt to subsidize a small number of units using the proceeds that the PFC would receive.

The motion was made by Councilman Roberto Treviño and seconded by Councilwoman Shirley Gonzales to approve the proposed term sheet with the two conditions made by Mr. James Plummer.

AYES: Councilwoman Rebecca Viagran, Councilwoman Shirley Gonzales, Councilman Roberto Treviño, Councilman Rey Saldaña

NAYS: None

ABSTAIN: None

THE MOTION CARRIED

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

There was a short briefing given by Barbara Ankamah Burford on the Under One Roof and Minor Repair Programs. There was no action taken on this item.

Adjournment

The motion was made by Councilwoman Shirley Gonzalez and seconded by Councilman Roberto Treviño to adjourn. There being no further business, the meeting adjourned at 11:05 A.M.

AYES: Councilwoman Rebecca Viagran, Councilwoman Shirley Gonzales, Councilman Roberto Treviño, Councilman Rey Saldaña

NAYS: None

ABSTAIN: None

THE MOTION CARRIED

San Antonio Housing Trust Public Facility Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 2.

Agenda Date: 03-28-18

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: 03-28-18

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 2

SUBJECT:

Briefing, discussion and possible action regarding including units at 60% of median income in the Friedrich Apartments

SUMMARY:

This Project is located at 1617 East Commerce in Council District 2. This is a new PFC transaction similar to Crockett Street, Broadway Jones and Red Berry transactions and is financed without tax credits. Rents on the affordable units will initially be set at 30% of the 80% of median income number and cannot be raised above 35% of the 80% of median income number for any year the Project receives a tax exemption.

Last month, you authorized a nonbinding term sheet for this project and instructed staff to review the possibility of utilizing income from the project to buy down rents so that some units could be affordable for those making 60% or less of the area median income (AMI).

We note initially that the project already has a financing gap of \$1,745,000 for which the developer is seeking a TIRZ loan. Accordingly, the project cannot reduce rents and still obtain financing. Therefore, any rent reduction would have to be paid for with the PFC's share of funds. You will receive a \$275,000 closing fee, a \$25,000 annual administrative fee and 25% of the cash flow after preferred returns. Since these

projects are financed with third-party equity, those investors require that all cash flow be used to pay them back, including a preferred return before the PFC and Developer receive any share of the cash flow. In this project, it takes until year 13 to repay the \$_____ of equity the project will need.

Attached is a chart showing the rents at 60% AMI and the amount of the PFC's cash flow from the project. It demonstrates that we can subsidize 14 units at 60% AMI if we use all of your income, including the \$25,000 annual administrative fee. The income and corresponding number of units you could subsidize in year 13 goes up to 76, with 181 units being able to be subsidized in year 14.

By way of comparison, if you assume you used all of the cash flow from this project for the White Roof Program and that you spent \$15,000 per roof, you could preserve 36 houses for the same period of time. If you assumed you used the funds for the Minor Repair Program, assuming \$25,000 per repair, you could repair 22 homes.

We also note that this approach uses all of the administrative fees that the PFC would normally receive. While the PFC can afford this for a single project, it cannot do it for every project.

Since the funds come from the PFC's earnings, no decision is required at this time.

ISSUE:

Whether the Board would like to use its income to subsidize rents to be affordable at 60% AMI?

ALTERNATIVES:

FISCAL IMPACT:

No fiscal impact, as this is an internal policy decision

RECOMMENDATION:

Please provide guidance as to how you wish to expend the PFC's earnings from this project.

You could choose to begin subsidizing rents for individuals whose income is 60% or less of AMI once your annual cash flow from the project exceeds the annual administrative fee.

PROPOSED BUDGET - ADDING 60% AMI RENTS

60% AMI Mix	Type	Quantity	Size	Total NRSF	Monthly Rent	RPSF	Annual Rent
1%	Efficiency (a1)	2	625	1,250	\$667	\$0.87	\$16,008
1%	One Bedroom (a1)	3	823	2,469	\$714	\$0.87	\$25,704
1%	One Bedroom (a2)	4	861	3,404	\$714	\$0.84	\$34,272
1%	Two Bedroom (b1)	5	998	4,990	\$958	\$0.86	\$51,480
4%		14	874	12,113	\$759	\$0.87	\$127,464
80% AMI Mix	Type	Quantity	Size	Total NRSF	Monthly Rent	RPSF	Annual Rent
5%	Efficiency (a1)	16	625	10,000	\$890	\$1.76	\$170,880
14%	One Bedroom (a1)	47	823	38,681	\$1,016	\$1.58	\$573,024
11%	One Bedroom (a2)	38	861	32,398	\$1,016	\$1.53	\$463,296
17%	Two Bedroom (b1)	59	998	58,882	\$1,144	\$1.45	\$909,952
46%		160	873	138,901	\$1,051	\$1.20	\$2,017,152
Market Mix	Type	Quantity	Size	Total NRSF	Monthly Rent	RPSF	Annual Rent
5%	Efficiency (a1)	18	625	11,250	\$1,165	\$1.76	\$251,640
14%	One Bedroom (a1)	50	823	41,150	\$1,365	\$1.58	\$919,000
12%	One Bedroom (a2)	42	861	36,742	\$1,365	\$1.53	\$687,960
18%	Two Bedroom (b1)	63	998	62,874	\$1,515	\$1.45	\$1,145,340
50%		173	873	151,016	\$1,399	\$1.60	\$2,903,940
BLENDED TOTAL:		347	873	303,030	\$1,212	\$1.39	\$5,048,556
Plus other income							\$208,200
Less 7% vacancy							(\$371,325)
Less Operating Expenses							(\$1,273,395)
NET OPERATING INCOME:							\$3,612,037
Annual Variance in Net Operating Income: (bv adding 60% rents)							(\$47,880.00)

[illegible]