

AGENDA

SAN ANTONIO HOUSING TRUST FINANCE CORPORATION

A MEETING OF THE OF THE SAN ANTONIO HOUSING TRUST FINANCE 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 a resolution authorizing the San Antonio Housing Trust Finance Corporation Multifamily Tax-Exempt Mortgage-Backed Bonds (MTEBS) (St. John's Apartments) Series 2018, including the execution of all documentation necessary to carry out the transaction; and other matters in connection therewith
4. Discussion and possible action regarding a \$500,000 grant request for the RIO Lofts Apartments.

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 FINANCE CORP BOARD MEMBERS:

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

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San Antonio Housing Trust Finance Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 1.

Agenda Date: 03-28-18

In Control: San Antonio Housing Trust Finance Corporation

DEPARTMENT: San Antonio Housing Trust Finance Corporation

DEPARTMENT HEAD: John Kenny

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Approval of minutes

SUMMARY:

This item includes the approval of minutes from the December 13, 2017 meeting

**San Antonio Housing Trust Finance Corporation
Board Meeting**

**MINUTES
Wednesday, December 13, 2017
10:00 A.M.
Municipal Bldg “C” Room
San Antonio, TX 78205**

Meeting called to order at 10:09 A.M.

Board Members Present: Councilman Roberto Treviño, Councilwoman Shirley Gonzales, Councilwoman Rebecca Viagran, Councilman William “Cruz” Shaw, Councilman Rey Saldaña

Others Present: John Kenny- Executive Director, San Antonio Housing Trust Foundation; JD Hernandez – Asset Manager, San Antonio Housing Trust Foundation; Jim Plummer –Counsel, Fulbright & Jaworski; Ed Auzman – Deputy City Attorney, CAO; Scott Zimmer – Asst City Attorney, CAO; Barbara Ankamah Burford – Manager, Cosa NHSD; Bianca Maldonado – D7 Senior Policy Advisor, COSA; Frank Ramirez – D7 Policy Aide, COSA; Victoria Gonzalez – Mayor Senior Policy Advisor, Mayor’s Office; Cosima – TINC; Jennifer Falcun – Chief of Staff, D5; Chrissy McCain – Director of Land User and NE Planning, D1; Richard Keith – Assistant Director NHSD, COSA; Marisa Bond – COSA, Mayor; Tim Salas – Staff, District 4; Du D – D3; Manish Verma – CEO, Versa Development

1. Consideration and appropriate action regarding administrative matters:

(a) APPROVAL OF THE OCTOBER 11, 2017 MINUTES

Councilman Shaw motioned and Councilwoman Gonzales seconded the motion to approve the October 11, 2017 minutes. Being no objections, motion passed 5 – 0 with Chair voting.

2. Citizens to be heard¹

None

3. Consideration and appropriate action regarding multifamily housing programs.

(a) ALSBURY PARK APARTMENTS

(i) RESOLUTION CONCERNING THE APPLICATION OF THE VDC SA ALSBURY, LP AND ALSBURY PARK APARTMENTS, LTD. RELATING TO THE PROPOSED FINANCING OF \$30,000,000 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE ALSBURY PARK APARTMENTS AND OTHER MATTERS IN CONNECTION THEREWITH

Mr. Plummer brought this project to the board explaining that this is just a preliminary inducement to be able to apply for Volume Cap Bonds. This is non-binding and a typical Tax Credit Project.

Mr. Manish Verma briefed the council on his company and the project.

¹ Citizens signed up at the beginning of the meeting will be allowed to speak for up for three minutes. Citizens may elect to speak at the time an agenda item is considered.

Councilman Shaw motioned and Councilwoman Gonzales seconded the motion to approve the preliminary inducement and the resolution concerning the application of the VDC SA ALSBURY, LP AND ALSBURY PARK APARTMENTS, LTD. relating to the proposed financing of \$30,000,000.

4. Consideration and appropriate action regarding a grant to the City of San Antonio to support the Mayor's Housing Policy Task Force.

Mr. Peter Zanoni is requesting from the Council a \$200,000 grant in support of the Mayor's Housing Policy Task Force. It was emphasized that this is only a budget, and that any left-over funds will be returned to the Finance Corporation.

Councilwoman Viagran asked about making this grant into a loan. Mr. Zanoni stated that this program was not going to produce any funds and was not budgeted as a loan. There is a possibility of recapture during next fiscal year budget.

Councilwoman Gonzales requested an explanation on what types of programs that the Council is permitted to use funds for.

Mr. Jim Plummer stated that the Council can make grants to the sponsor at any time. The City of San Antonio is the sponsor of the Finance Corporation. Also, the Housing Finance Corporation, as apposed to the Public Facility Corporation, has the ability to make grants, loans, etc. for housing and/or housing related items to non-profit entities.

Councilman Treviño motioned and Councilman Saldaña seconded the motion to approve the grant with monthly reports. Being no objections, motion passed 5 – 0 with Chair voting.

5. Consideration and appropriate action regarding grants to the City of San Antonio to support its programs benefitting single family housing.

Mrs. Vera Soto briefed on the progress of the Under One Roof and the Minor Repair Programs. The Councilmembers asked to be provided a more detailed report on the repairs, to include; which district, types of repairs, and cost of repairs.

Councilwoman Gonzales requested an update on the breakdown of all housing programs within San Antonio. Mrs. Vera Soto is still in the process of gathering that data and will have a report for the Council soon.

Councilman Shaw expressed concern on the possibility of a recipient flipping the property or passing away. Mrs. Burford explained that there is a 5-year restrictive covenant on the property. If the homeowner were to pass within that time frame, the program coordinators would evaluate the heirs the property passed to and decide on a course of action.

Councilman Shaw motioned and Councilman Treviño seconded the motion to create an exemption to the restrictive covenants that if heirs continue to own the home, then the recapture provisions relating to the income restrictions will not apply until home is sold. Being no objections, motion passed 5 – 0 with Chair voting

Adjournment: 11:05 A.M.

¹ Citizens signed up at the beginning of the meeting will be allowed to speak for up for three minutes. Citizens may elect to speak at the time an agenda item is considered.

San Antonio Housing Trust Finance Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 2.

Agenda Date: 03-28-18

In Control: San Antonio Housing Trust Finance Corporation

DEPARTMENT: San Antonio Housing Trust Finance 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 Finance Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 3.

Agenda Date: 03-28-18

In Control: San Antonio Housing Trust Finance Corporation

DEPARTMENT: San Antonio Housing Trust Finance Corporation

DEPARTMENT HEAD: John Kenny

COUNCIL DISTRICTS IMPACTED: District 3

SUBJECT:

Briefing and possible action regarding authorizing the Issuer's Multifamily Tax-Exempt Mortgage-Backed Bonds (MTEBS) (St. John's Apartments) Series 2018

SUMMARY: This item includes a briefing and possible action regarding a resolution authorizing the Issuer's Multifamily Tax-Exempt Mortgage-Backed Bonds (MTEBS) (St. John's Apartments) Series 2018, including the execution of all documentation necessary to carry out the transaction; and other matters in connection therewith

ISSUE:

The 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 \$22,600,000. 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 approximately \$2,500,000 of deferred developer fee.

The project has received a \$22,000,000 allocation of bond volume cap. Since this project began, the budget has increased by \$600,000 and we will need to obtain another \$600,000 of bond volume cap. Therefore, you will also be authorizing a 2018 volume cap application for that amount.

The Finance Corporation will receive a 1% closing fee. The Public Facilities Corporation will receive 25% of the developer fee and 50% of the Cash Flow from the project and 50% 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.

The Finance Corporation staff recommends that the board authorize up to \$23,600,000 of bonds and approve all of the documents necessary to close the transaction and authorize their execution. The approving resolution is attached.

ALTERNATIVES:

If the San Antonio Housing Trust Finance Corporation board does not approve this transaction, the 228 affordable senior units will not be constructed.

FISCAL IMPACT:

The Issuer will receive a 1% financing fee and the Public Facilities Corporation will receive 25% of the developer fee and 50% of the Cash Flow from the project and 50% of any proceeds from the sale or refinancing of the Project.

RECOMMENDATION: Staff recommend approval of the attached Resolution.

ATTACHMENT: Resolution

CERTIFICATE FOR RESOLUTION

The undersigned officer of the San Antonio Housing Trust Finance 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 March 28, 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 SAN ANTONIO HOUSING TRUST FINANCE CORPORATION MULTIFAMILY TAX-EXEMPT MORTGAGE-BACKED BONDS (MTEBS) (ST. JOHN'S APARTMENTS), SERIES 2018; INCLUDING THE EXECUTION OF ALL DOCUMENTS NECESSARY TO CARRY OUT THE TRANSACTION; 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 AND SEALED March 28, 2018.

John Kenny, Assistant Secretary



RESOLUTION AUTHORIZING SAN ANTONIO HOUSING TRUST
FINANCE CORPORATION MULTIFAMILY TAX-EXEMPT MORTGAGE-
BACKED BONDS (MTEBS) (ST. JOHN'S APARTMENTS), SERIES 2018;
INCLUDING THE EXECUTION OF ALL DOCUMENTS NECESSARY TO
CARRY OUT THE TRANSACTION; AND OTHER MATTERS IN
CONNECTION THEREWITH

WHEREAS, the San Antonio Housing Trust Finance Corporation (the "Issuer") has developed a program of issuing bonds and loaning their proceeds to defray, in whole or in part, all reasonable or necessary costs incidental to the acquisition, renovation, construction, and improvement of land, improvements, and related property at least 90% of which is intended to be occupied by persons of low or moderate income, as determined by the Issuer, all in order to alleviate a shortage of affordable rental housing within San Antonio, Texas, for such persons of low or moderate income, and to refund such bonds;

WHEREAS, the Issuer has been requested to issue its "Multifamily Tax-Exempt Mortgage-Backed Bonds (MTEBS) (St. John's Apartments), Series 2018" in the aggregate principal amount not to exceed \$23,600,000 (the "Bonds"), the proceeds of which will be used to finance the cost of acquiring, constructing, and equipping a proposed 228-unit senior apartment facility to be known as St. John's Apartments, to be located at 222 Mitchell Road, San Antonio, Texas (the "Project") for 222 Mitchell Redevelopments, L.P., a Texas limited partnership (the "Borrower");

WHEREAS, the Issuer desires to issue the Bonds pursuant to a Trust Indenture (the "Trust Indenture") among the Issuer and corporate trustee, and to loan (or otherwise make available) the proceeds thereof to the Borrower pursuant to a Financing Agreement (the "Financing Agreement") between the Issuer and the Borrower, all subject to the terms of a Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement") among the Issuer and the Borrower;

WHEREAS, the loan will be evidenced by a Note issued under the Financing Agreement (the "Note"), and assignments of the Note (the "Assignments") from the Issuer in favor of the trustee;

WHEREAS, the Issuer will be presented with a Bond Purchase Agreement (the "Purchase Agreement") and Offering Statement, setting forth certain terms and conditions upon which the under-writer will sell the Bonds;

WHEREAS, the Issuer is authorized to issue the Bonds pursuant to the Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code, as amended;

WHEREAS, the Issuer has determined that issuance of the Bonds is necessary to finance the costs of acquiring, constructing, and equipping the Project;

WHEREAS, this Board of Directors has reviewed the foregoing and determined that the action herein authorized is in furtherance of the corporate purposes of the Issuer and that the terms and conditions of the Bonds and the above-described instruments, including without

limitation the dates, interest rates, maturities, redemption terms, and sales price of the Bonds and the manner of disbursing the proceeds thereof are advisable;

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

Section 1. The terms of the Financing Agreement, the Trust Indenture, the Note, the Regulatory Agreement, the Assignment, the Official Statement and the Purchase Agreement, are hereby authorized and approved when such documents are approved by the Executive Director.

Section 2. The Corporation is authorized to obtain up to an additional \$1,600,000 of volume cap from the Texas Bond Review Board and the Executive Director or Assistant Secretary is authorized to execute any forms or certificates necessary therefore.

Section 3. The President, any Vice President, the Secretary, the Treasurer, the Executive Director, and each Assistant Secretary, or any of them, are authorized and directed to execute (to the extent required to be executed or acknowledged by the Issuer) and deliver (or to accept, as the case may be) the Financing Agreement, the Trust Indenture, the Regulatory Agreement, the Note, the Assignment, the Purchase Agreement, the Official Statement and any and all certificates (including tax certificates), applications (including volume cap and carry-over applications with the TBRB) and other instruments described therein upon the conditions therein described or necessary or desirable in connection with the issuance of the Bonds and the loan of the proceeds thereof to the Borrower, all upon the terms herein approved, and the President, the Vice President, the Secretary, the Treasurer, the Executive Director, and each Assistant Secretary, or any of them, are authorized to negotiate and approve such changes in the terms of each such instrument as such officers shall deem necessary or appropriate upon the advice of counsel to the Issuer, and approval of the terms of each such instrument by such officers shall be conclusively evidenced by the execution and delivery of such documents.

Section 4. The Bonds, in the aggregate principal amount of not to exceed \$23,600,000, with an interest rate (not including applicable premium) not to exceed 5.25% as set forth in the Financing Agreement, and with a maturity date not to exceed December 31, 2037, in substantially the form and substance set forth in the Financing Agreement, are hereby approved, and the President, the Vice President, the Secretary, the Treasurer, the Executive Director, and each Assistant Secretary, or any of them, are hereby authorized and directed, for and on behalf of the Issuer, to execute the Bonds or have their facsimile signatures placed upon them, and such officers are hereby authorized and directed to deliver the Bonds, and the seal of the Issuer is hereby authorized and directed to be affixed or placed by facsimile on the Bonds. Authentication of the Bonds upon the terms and conditions and in the manner described in the Financing Agreement as the same may be modified is authorized by this Resolution. The final principal amounts, interest rates, maturity dates (not to exceed the amounts, the rates, and the maximum term set forth above), and final redemption dates and prices for the Bonds shall be set forth in the final form of the Financing Agreement, and the execution and delivery of the Purchase Agreement by the President, the Vice President, the Secretary, the Treasurer, the Executive Director, each Assistant Secretary, or any of them, shall constitute approval of the agreed final principal amounts of, interest rates on the Bonds, maturity dates of the Bonds, and the final

redemption dates and prices for the Bonds. The proceeds of the Bonds are hereby authorized to be utilized as set forth herein and in the Financing Agreement and the Trust Indenture.

Section 5. The Issuer hereby authorizes its Executive Director to select and approve the trustee.

Section 6. The President, the Vice President, the Secretary, the Treasurer, the Executive Director, each Assistant Secretary, or any of them, are hereby authorized to execute and deliver to the trustee the written request of the Issuer for the authentication and delivery of the Bonds by the trustee in accordance with the Financing Agreement and the Trust Indenture.

Section 7. All action and resolutions, not inconsistent with provisions of this Resolution heretofore taken by this Board of Directors and the officers of the Issuer directed toward the financing of the Project and the issuance of the Bonds shall be and the same hereby is extended, ratified, approved, and confirmed. 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 instruments approved hereby or otherwise to give effect to the actions authorized hereby and the intent hereof.

Section 8. The Board of Directors confirms \$96,455 as the amount currently constituting low and moderate income in the City of San Antonio, Texas (the "City"), adjusted as set forth in the Regulatory Agreement, is hereby approved.

Section 9. The Board of Directors has expressly determined and hereby confirms that the issuance of the Bonds to assist in the financing of the Project will promote the public purposes set forth in Section 394.002 of the Act and will accomplish a valid public purpose of the Issuer by assisting persons of low and moderate income in the City to obtain decent, safe, and sanitary housing at affordable prices, thereby helping to relieve unemployment, to preserve and increase the tax base of the City, and to reduce public expenditures for crime prevention and control, public health, welfare, and safety and for other valid public purposes.

Section 10. The Bonds and the interest thereon shall be limited obligations of the Issuer payable solely from the revenues, funds, and assets pledged under the Financing Agreement to secure payment of the Bonds, and under no circumstances shall the Bonds be payable from any other revenues, funds, assets, or income of the Issuer. No bonds may be issued unless the San Antonio Housing Trust Public Facility Corporation controls the general partner of the Borrower.

Section 11. The Bonds shall not constitute an indebtedness, liability, general, special, or moral obligation or a pledge or loan of the faith or credit or taxing power, within the meaning of any constitutional or statutory provision whatsoever, of the United States of America or any agency or instrumentality thereof, the State of Texas, the City, or any other political subdivision or governmental unit.

Section 12. After the Bonds are issued, this Resolution shall be and remain irrevocable until the Bonds or interest thereon shall have been fully paid or provision for payment shall have been made pursuant to the Financing Agreement.

Section 13. 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. In case any obligation of the Issuer authorized or established by this Resolution or the Bonds is held to be in violation of law as applied to any person or in any circumstance, such obligation shall be deemed to be the obligation of the Issuer to the fullest extent permitted by law.

Section 14. The recitals of this Resolution are hereby found to be true and are incorporated herein for all purposes.

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San Antonio Housing Trust Finance Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 4.

Agenda Date: 03-28-18

In Control: San Antonio Housing Trust Finance Corporation

DEPARTMENT: San Antonio Housing Trust Finance Corporation

DEPARTMENT HEAD: John Kenny

COUNCIL DISTRICTS IMPACTED: District 5

SUBJECT:

Briefing and possible action regarding a \$500,000 grant request for the Rio Lofts project

SUMMARY: This item includes a briefing and possible action regarding a \$500,000 grant request for the Rio Lofts Apartments

ISSUE:

The project is an 81 unit multifamily project in District 5. It is a 9% tax credit transaction and you are not being asked to participate in the project. You are being asked to make a \$500,000 subordinate loan to the project. The project will consist of 83% low income housing tax credit units (67 units) and 17% market rate units (14 units). ALT Affordable Housing is the nonprofit sponsor and the NRP Group is the developer. The total project budget is \$13,871,655. The tax credits will raise approximately \$11,144,368. The final source of funds will be approximately \$528,395 of deferred developer fee. The balance of the project cost will be funded from a bank loan.

A key question to be discussed is whether we should conduct a Request for Proposals since this is a third-party request.

The loan requested would be for a 30-year term at a 3% interest rate. It would be payable from the cash flow of the project.

ALTERNATIVES:

If the San Antonio Housing Trust Finance Corporation board does not approve this transaction, the borrower will have to locate gap financing from another source.

FISCAL IMPACT:

The corporation would loan \$500,000 of its funds to the project and be repaid over a 30-year period at a 3% interest rate.

RECOMMENDATION: None.

ATTACHMENT: None.