

A MEETING OF THE OF THE SAN ANTONIO HOUSING TRUST FINANCE 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 San Antonio Housing Trust Finance Corporation Multifamily Housing Governmental Note (Lord Road Apartments Project), Series 2018; 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 FINANCE 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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AGENDA

SAN ANTONIO HOUSING TRUST FINANCE CORPORATION

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San Antonio Housing Trust Finance Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 1.

Agenda Date: 06-19-18

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 May 23, 2018 meeting

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

- The Finance 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 Finance Corporation
JD Hernandez, San Antonio Housing Trust Finance Corporation
Nicole Collazo, San Antonio Housing Trust Finance 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 Rodriguez, District 5
Ben Olivo, Freelance Writer

1. Approval of minutes – March 28, 2018 Finance 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 – None

3. Briefing and possible Action On: Review of Financial Reports

Mr. James Plummer provided an overview of the current financial statement for the FC. As of YTD the Net Income(Loss) is at \$(929,960.02). The current balance as of 4/30/2018 is \$859,828.46. This does not include the reserved funds of \$500,000 for the Rio Lofts loan.

Mr. Plummer stated that it is best to hold off on the Policy Discussion until the Mayor’s Housing Task Force releases their findings in June.

COMMISSION ACTION:

No action required

4. **Briefing and possible Action On: Resolution concerning the application of Pedcor Investments – 2018 – CLXIX, L.P. relating to the proposed financing of up to \$41,000,000 of the costs of the acquisition, construction, and equipping of the Culebra Creek Apartments, to be located at approximately the 11900 block of Culebra Road; and other matters in connection therewith**

Mr. James Plummer provided an overview of the Culebra Creek Project, a Pedcor project. This is a 4% tax credit deal without a bargain purchase price agreement. For that reason, the PFC will receive 40% of Developer Fee. This project is projected to close in the 1st quarter of 2019.

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

5. **Briefing and possible Action On: Resolution concerning the request of Lord Road Apartments, Ltd. relating to the proposed financing of \$3,500,000 of additional costs of the acquisition, construction, and equipping of the Lord Road Apartments, to be located at W.W. White Road and Lord Road in San Antonio, Texas and other matters in connection therewith**

NRP is requesting an increase to bond financing of \$3,500,000 due to more favorable conditions than obtaining a direct loan from TDHCA.

COMMISSION ACTION:

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

AYES: 4

NAYS: 0

ABSTAIN: 0

THE MOTION CARRIED

Adjournment

Councilwoman Viagran adjourned at 10:20 AM.

San Antonio Housing Trust Finance Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 2.

Agenda Date: 06-19-18

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: 06-19-18

In Control: San Antonio Housing Trust Finance Corporation

DEPARTMENT: San Antonio Housing Trust Finance Corporation

DEPARTMENT HEAD: John Kenny

COUNCIL DISTRICTS IMPACTED: District 2

SUBJECT:

Briefing and possible action regarding the issuance of Multifamily Housing Governmental Note (Lord Road Apartments Project) Series 2018

SUMMARY:

This item includes a briefing and possible action regarding a Resolution concerning the issuance of up to \$27,500,000 of tax exempt bonds for the Lord Road Apartments to finance the costs of the acquisition, construction, and equipping a 324 unit multifamily apartments complex at 4835 Lord Road in San Antonio, Texas and other matters in connection therewith

ISSUE:

Lord Road Apartments is a proposed 324-unit rental housing development to be located at 4835 Lord Road in Council District 2 with a total development cost of \$49 million. Five percent or sixteen of the units would be restricted to 50% of area median income and the remaining balance of 308 units will be restricted to 60% of area median income (e.g., a family of four will have a maximum income of \$40,080.00). Along with the proposed issuance of a Multifamily Housing Governmental Note for \$27,500,000.00, this project is funded with \$16,827,098.00 in Texas Department of Housing and Community Affairs (TDHCA) tax credits, \$2,850,000.00 in HOME grant loans that City Council approved in

September 29, 2016 and October 5, 2017, \$250,000.00 in previously awarded loans from the San Antonio Housing Trust Foundation and deferred development fees.

The SAHTPFC will receive a 28% split of the developer fee and 45% of the cash flow, with the PFC having the bargain purchase right at the end of the 15 year compliance period. NRP has a right to participate in any new tax credits for the project for two years after the compliance period.

The Governmental Note is the same as a bond but is termed a Governmental Note because it will be part of Freddie Mac's direct tax exempt loan program. The Note will be secured by cash equal to the principal amount of the Note during the construction period and by a Freddie Mac Mortgage Back Security thereafter.

The project is anticipated to close in July.

ALTERNATIVES:

If the San Antonio Housing Trust Finance Corporation board does not approve this transaction, the 324 affordable units will not be constructed.

FISCAL IMPACT:

The Issuer will receive a financing fee of \$150,000 because of who the buyer of the tax credits will be. The Public Facilities Corporation will receive 28% 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 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 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 SAN ANTONIO HOUSING TRUST FINANCE CORPORATION MULTIFAMILY HOUSING GOVERNMENTAL NOTE (LORD ROAD APARTMENTS PROJECT), SERIES 2018; 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 June 19, 2018.

John Kenny, Assistant Secretary



RESOLUTION AUTHORIZING SAN ANTONIO HOUSING TRUST FINANCE CORPORATION MULTIFAMILY HOUSING GOVERNMENTAL NOTE (LORD ROAD APARTMENTS PROJECT), SERIES 2018; 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 Housing Governmental Note (Lord Road Apartments Project), Series 2018” in the aggregate principal amount not to exceed \$27,500,000 (the “Note”), the proceeds of which will be used to finance the cost of acquiring, constructing, and equipping a proposed 324-unit multifamily apartment facility to be known as Lord Road Apartments, to be located at 2835 Lord Road, San Antonio, Texas (the “Project”) for Lord Road Apartments Ltd., a Texas limited partnership (the “Borrower”);

WHEREAS, the Issuer desires to issue the Note pursuant to a Funding Loan Agreement (the “Funding Loan Agreement”) among the Issuer, Lord Road Bond Purchaser, LLC and Amegy Bank, a division ZB National Association (the “Fiscal Agent”), and to loan (or otherwise make available) the proceeds thereof to the Borrower pursuant to a Project Loan Agreement (the “Project Loan 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 promissory note issued under the Project Loan Agreement, and assignments of the Note (the “Assignments”) from the Issuer in favor of the Fiscal Agent;

WHEREAS, the Issuer will be presented with a bond purchase agreement (the “Purchase Agreement”) setting forth certain terms and conditions upon which the initial buyer will purchase the Note;

WHEREAS, the Issuer is authorized to issue the Note 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 Note 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 Note and the above-described instruments, including without limitation the dates, interest rates, maturities, redemption terms, and sales price of the Note 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 Project Loan Agreement, the Funding Loan Agreement, the Note, the Regulatory Agreement, the Assignment, and the Purchase Agreement, are hereby authorized and approved.

Section 2. 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 Project Loan Agreement, the Funding Loan Agreement, the Regulatory Agreement, the Note, the Assignment, the Purchase Agreement 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 Note 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 3. The Note, in the aggregate principal amount of not to exceed \$27,500,000, with an interest rate (not including applicable premium) not to exceed 7% as set forth in the Funding Loan Agreement, and with a maturity date not to exceed December 31, 2038, in substantially the form and substance set forth in the Funding Loan 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 Note or have their facsimile signatures placed upon them, and such officers are hereby authorized and directed to deliver the Note, and the seal of the Issuer is hereby authorized and directed to be affixed or placed by facsimile on the Note. Authentication of the Note upon the terms and conditions and in the manner described in the Funding Loan 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 Note shall be set forth in the final form of the Funding Loan Agreement, and the execution and delivery of the Funding Loan 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 Note, maturity dates of the Note, and the final redemption dates and prices for the Note. The proceeds of the Note are hereby authorized to be utilized as set forth herein and in the Project Loan Agreement and the Funding Loan Agreement.

Section 4. The Issuer hereby confirms the selection of Bracewell LLP as Bond Counsel.

Section 5. 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 Fiscal Agent the written request of the Issuer for the authentication and delivery of the Note by the trustee in accordance with the Project Loan Agreement and the Funding Loan Agreement.

Section 6. 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 Note 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 7. 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 8. The Board of Directors has expressly determined and hereby confirms that the issuance of the Note 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 9. The Note and the interest thereon shall be limited obligations of the Issuer payable solely from the revenues, funds, and assets pledged under the Project Loan Agreement to secure payment of the Note, and under no circumstances shall the Note be payable from any other revenues, funds, assets, or income of the Issuer. No bond may be issued unless the San Antonio Housing Trust Public Facility Corporation controls the general partner of the Borrower.

Section 10. The Note 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 11. After the Note is issued, this Resolution shall be and remain irrevocable until the Note or interest thereon shall have been fully paid or provision for payment shall have been made pursuant to the Project Loan Agreement.

Section 12. 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 Note 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 13. The recitals of this Resolution are hereby found to be true and are incorporated herein for all purposes.

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