

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 VIA ZOOM
LINK:

<https://us02web.zoom.us/j/85079822905?pwd=eTc5dGVxYUdmQWdlUEhGOXhCZEt4Zz09>

DIAL-IN NUMBER 1 (346) 248-7799 MEETING ID: 850 7982 2905 PASSWORD: 435544
ON WEDNESDAY AUGUST 26, 2020 AT 11:00 A.M.,
TO CONSIDER THE FOLLOWING MATTERS:

Briefing and Possible Action on:*

1. Approval of minutes
2. Public Comment
3. Consideration and possible action to approve a Resolution inducing the **Cattleman Square Lofts Apartments**, a new 138-unit 4% Low Income Housing Tax Credit multi-family project in partnership with Alamo Community Group, located on 1.57 acres in the near west side of downtown in Council District 5.
4. Consideration and possible action to approve a Resolution inducing the **Crosswinds at Bulverde Apartments**, a new 312-unit 4% Low Income Housing Tax Credit multi-family project in partnership with Pedcor Housing Development, located on approximately 21 acres at the 4000 block of N Loop 1604 E between Bulverde and O'Connor Roads in Council District 10.
5. Consideration and possible action to approve a Resolution inducing the **Southton Lofts**, a new 239-unit mixed income affordable/market PFC structure in partnership with 3LB Equities, located on 13.8 acres of land located the north side of Southton Road, less than 1 mile east of IH-37 South in Council District 3.
6. Presentation and discussion regarding the proposed budget for the San Antonio Housing Trust Foundation, Inc. and affiliated entities.

***Executive Session**

The Board reserves the right to enter into an Executive Session at any time to discuss any of the agenda items pursuant to Section 551.071 (Consultation with Attorney) or 551.072 (Deliberation Regarding Real Property).

SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION BOARD MEMBERS:

Council Member Roberto C. Trevino (District 1), Council Member Rebecca J. Viagran (District 3), Council Member Dr. Adriana Rocha Garcia (District 4), Council Member Shirley Gonzales (District 5), Council Member John Courage (District 9)

Posted on: 8/21/2020 4:45PM

San Antonio Housing Trust Public Facility Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 1

Agenda Date: 08-26-2020

In Control: San Antonio Housing Trust Public Facility Corporation

DEPARTMENT: San Antonio Housing Trust Public Facility Corporation

DEPARTMENT HEAD: Pedro Alanis

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Approval of minutes

SUMMARY:

This item includes the approval of minutes from the July 29, 2020 meeting.

**SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION
OFFICIAL MEETING MINUTES**

July 29, 2020

- The Public Facility Corporation met in session at 10:00a.m, via Zoom
- The meeting was called to order by Councilwoman Viagran and the roll was called by Maria Bradley.

PRESENT: Councilwoman Rebecca Viagran, Councilman Roberto Treviño, Councilwoman Dr. Adriana Rocha Garcia, and Councilwoman Shirley Gonzales

ABSENT:

Staff/Visitors Present:

Pedro Alanis- Interim Executive Director San Antonio Housing Trust Public Facility Corporation; Nicole Collazo- Assistant Director San Antonio Housing Trust Public Facility Corporation; JD Hernandez – Asset Manager San Antonio Housing Trust Public Facility Corporation; Sharon Jennings-Contract Officer San Antonio Housing Trust Public Facility Corporation; Maria Bradley - Administrative Assistant, San Antonio Housing Trust Public Facility Corporation; James Plummer-Bracewell LLP; Summer Greathouse-Bracewell LLC; Allison Shea, NHSD; Mitchell Parton, San Antonio Business Journal; Martza Carmiol, Creative Communications;

1. Approval of minutes for July 15, 2020.

MINUTES COMMISSION ACTION:

The motion was made by Councilwoman Dr. Adriana Rocha Garcia and seconded by Councilman Roberto Treviño to approve the minutes from June 15, 2020.

AYES: 3

NAYS: 0

ABSTAIN: 0

The MOTION CARRIED.

2. PUBLIC COMMENT-

NONE.

- 3. Resolution authorizing Greenline North Apartments transaction (formerly known as City Base Apartments), 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 SAHT City Base GP, LLC; and authorizing the financing for such transaction; and authorizing San Antonio Housing Trust Public Facility Corporation to enter into a joint venture agreement to serve as the general contractor; and other matters in connection therewith.**

Pete Alanis stated that this item is for final approval of the resolution for Greenline North Apartments transaction. This is a Franklin Development project with 292 multi-family units. This is a 4% tax credit project located on South New Braunfels in District 3. All units are 2-3 bedrooms with income average of 60% AMI or below. The range of incomes will be 30% - 80% AMIs. The project is expected to cost \$51.4 million dollars with \$33 million in tax exempt bonds. Anticipated final sources of funds are \$30 million first lien debt, \$16.7 in tax credit equity, \$4.1 City of San Antonio Affordable Housing bond grant, and \$526,000 in deferred developer fees. Important to note that over the course of 20 years the Public Facility Corporation and the Finance Corporation combined will receive approximately \$8.2 million dollars in developer fees, cash flow revenues and bond fees. The City will be repaid the \$4.1 million funding which will be expected to be repaid in year 10.

Staff is recommending approval of the resolution for Greenline North Apartments transaction. Councilwoman Viagran mentioned that this project is part of the bond project and is in support of this project.

COMMISSION ACTION:

The motion was made by Councilwoman Dr. Adriana Rocha Garcia and seconded by Councilman Roberto Treviño to approve Resolution authorizing Greenline North Apartments transaction.

AYES: 4

NAYS: 0

ABSTAIN: 0

The MOTION CARRIED.

- 4. Resolution authorizing Preserve at Billy Mitchell Apartments transaction (formerly known as Preserve at the Port), 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 SAHT Port San Antonio Preserve 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**

Pete Alanis briefed on the Preserved at Billy Mitchell Apartments project. Pete clarified that the development group for this project is Integrated Realty Group not Steele Development group as stated in the memo. This project is an acquisition and rehabilitation of 384 multi-family units located on Gilmore Avenue in District 5. The development is going to serve tenants ranging from 30%-70% AMI. The Developer has agreed to provide basic internet access for residents at the 30%-50% AMI levels and will be seeking discount services for those tenants at 70% AMI. They will be providing washer/dryer in each unit. The Developer also agreed to contribute \$500,000 fund to maintain rents at those rent levels for two years post rehabilitation.

This project had applied to be a tax credit project; however, the tax credit program denied their application. The denial was due to schools that were low performing. The project lost about a month in the process on how to work with Developer to find financing solution. In doing so, the property will accept section 8 vouchers and cap tenant underwriting limits at 30%t of household income. In addition, the Developer will provide moving assistance. There is an

August 30th deadline when the bond will expire on the project which means the property must close on financing in 30 days. The property has acquired additional equity partners, tax credit equity and PACE equity through Greenworks Lending. However, there is still a chance the project will not be able to meet the deadline to close. Seeking approval to allow, Pete Alanis, Interim Executive Director, to authorize terms to move forward with execution of the transaction. The bonds will be brought to City Council for approval next month. Staff is working with the developers and the partners to start creating and drafting all the necessary documents.

The fiscal impact is about \$7.5 million over 15-year period. The estimated tax amount on the project is about \$3.5 million over the 15-year period. The project will be providing additional revenues than the tax amount.

Staff is recommending approval of resolution authorizing Preserve at Billy Mitchell transaction.

Councilwoman Gonzales asked about the status of the Historic tax credits. Pete replied that the project does meet all the qualifications for Historic tax credits. Staff does anticipate that the project will receive those Historic tax credit equity on this project. Councilwoman Gonzales stated that she would like to see more rehabilitation projects in the area and in the city. She is in support of this project.

COMMISSION ACTION:

The motion was made by Councilwoman Gonzales and seconded by Councilwoman Dr. Rocha Garcia for approval the Resolution authorizing Preserve at Billy Mitchell transaction.

AYES: 4

NAYS: 0

ABSTAIN: 0

The MOTION CARRIED.

5. Consideration and possible action to appoint Pedro Alanis as an Assistant Secretary of San Antonio Housing Trust Public Facility Corporation.

Pete Alanis informed the board that he was selected as the lone finalist for the permanent Executive Director position. The Foundation board will be meeting on August 12, 2020 for final approval to hire Pete as the permanent Executive Director. Staff is requesting the Public Facility Corporation to appoint Pete Alanis as an Assistant Secretary so that he can have authorize to executive documents on behalf of the corporation.

COMMISSION ACTION:

The motion was made by Councilwoman Gonzales and seconded by Councilman Treviño to approve action to appoint Pedro Alanis as an Assistant Secretary of the San Antonio Housing Trust Public Facility Corporation.

AYES: 4

NAYS: 0

ABSTAIN:

The MOTION CARRIED.

6. Assistant Secretary's Report - A briefing on financials, progress of projects or grant expenditures, personnel matters and other activities which do not require Board action.

Pete Alanis briefed about the Corporation's financials. During the third quarter April thru June the Corporation received \$405,000 in revenues. To date the Corporation has earned a total of \$2.4 million. Staff anticipated revenues for the fiscal year to be \$3.1 million dollars. The Corporation is on track to meeting the anticipated revenues goal in the fourth quarter. For the Finance Corporation, during the third quarter earned \$343,000. To date the Finance Corporation has earned close to \$600,000 in revenues. Staff forecasted \$85,290. The Finance Corporation is well ahead of the forecast. Overall, both corporations are about 93% of where staff forecasted revenues to be.

Pete also gave an update on the corporations' cash balances. The Public Facility Corporation has a cash balance of \$356,057. The Finance Corporation has a cash balance of \$744,314. The Foundation has a cash balance of \$1.6 million. The Trust has a cash balance of \$1.37 million on top of the \$10 million reserve. The total cash balance of all corporations is \$4.1 million.

Risk Mitigation update is as follows. The Trust as a whole contributed about \$5 million towards the City of San Antonio Emergency Housing Assistance program. Charitable Foundations through United Way and San Antonio Area Foundation have contributed \$110,725. The Foundation received a \$25,000 Wells Fargo grant for the Risk Mitigation program. Also, received an individual direct donation in the amount of \$5,000 dollars. Total Risk Mitigation support in the amount of \$5,140,725 dollars. To date the Risk Mitigation program and the City of San Antonio Emergency Housing program have expended \$5,114,884. The Risk Mitigation remaining balance is \$25,840 dollars. Total households assisted to date are 1,933 at an average assistance of \$2,646 per request. San Antonio Housing Authority is anticipated to contribute \$200,000 to the Risk Mitigation fund by next month.

Councilwoman Viagran asked what balance will increase by \$200,000. Pete replied that the San Antonio Housing Authority has a memorandum of understanding to contribute a total of \$350,000 towards the EHAP. \$200,000 of that will be deposited into the SAHT Risk Mitigation program to quickly deploy increasing the \$25,840 balance to \$225,840. Councilwoman Viagran also asked if of the 1,933 households, are they single request per household or does this number include multiple requests for a household. Pete responded that the requests are unique request per household. Councilwoman Dr. Rocha Garcia commented that the breakdown of the households is very helpful. Councilman Treviño stated that the investments are proven to be very helpful as we try to reinvest back into the community.

Pete Alanis gave an update on the projects that are expected to close through the end of the year. Pan American, Park at 3830 and Luna Flats have closed. Friedrich Land closing is scheduled to close at the end of the month on July 31, 2020. The S. Flores Lofts is expected to close by mid-August. The West end Lofts, Greenline and Preserve at Billy Mitchell are expected to close by

end of August. Several other projects are in the pipeline, which include Canyon Pass in September, Northview in October, and Echo East in December.

Pete stated that the NALCAB assessment provided some recommendations regarding the use of professional services and process of selecting those services. Request for Qualifications have been issued for Asset Management and Underwriting services and for Legal services. Response are due on August 5, 2020 and August 12, 2020. Staff will be working with both boards to create an Ad Hoc Committee to evaluate and review staff recommendations of the RFQ responses.

NO ACTION WAS TAKEN.

Councilwoman Viagran adjourned the meeting. There being no further business, the meeting adjourned at 10:37a.m.

San Antonio Housing Trust Public Facility Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 2

Agenda Date: 08-26-2020

In Control: San Antonio Housing Trust Public Facility Corporation

DEPARTMENT: San Antonio Housing Trust Public Facility Corporation

DEPARTMENT HEAD: Pedro Alanis

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Public Comment

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: 08-26-2020

In Control: San Antonio Housing Trust Public Facility Corporation

DEPARTMENT: San Antonio Housing Trust Public Facility Corporation

DEPARTMENT HEAD: Pedro Alanis

COUNCIL DISTRICTS IMPACTED: District 5

SUBJECT: Inducement Resolution for the Cattleman Square Lofts Apartments

SUMMARY:

Approving a Resolution of Inducement for the Cattleman Square Lofts Apartments transaction to include the execution of all documentation necessary to obtain the financing for such transaction; authorizing all filings and agreements with Texas Department of Housing and Community Affairs in connection with applications low income housing tax credits; and to allow other matters in connection therewith.

BACKGROUND:

On April 28, 2020, the Finance Corporation authorized the inducement of bond financing for this project in an amount of up to \$15,000,000 in tax-exempt bonds.

Alamo Community Group, a locally based affordable housing nonprofit, is seeking a partnership with the San Antonio Housing Trust Public Facility Corporation to develop a new \$23.7 million, 138-unit multifamily transit oriented development project which will average all units at or below 60% of the area median income. The project will be developed on approximately 1.57 acres of land and is expected to raise approximately \$7,122,073 in equity for the development, and it is expected that up to \$15,000,000 of tax-exempt bonds will be issued.

Alamo Community Group is preparing a grant application to the Westside TIRZ board for related costs associated with the project. The project will also be awarded \$539,366 in SAWS fees waivers, and is expected to receive a \$1,100,000 TDHCA MFDL loan.

Neither the PFC nor the City of San Antonio will be liable for repayment of the revenue bonds.

ALTERNATIVES:

If a resolution is not approved, TDHCA will not approve the tax credits for the Project, which will not be built.

FISCAL IMPACT:

The San Antonio Housing Trust Public Facilities Corporation will receive 25% of the total developer fee and 50% of the Cash Flow over 15 years. Additionally, the PFC will receive 50% of any proceeds from the sale or refinancing of the Project.

The San Antonio Housing Trust Finance Corporation will receive an issuance fee equal to 1% bond issuance at closing which will remain with the Corporation.

RECOMMENDATION:

Staff recommends the board approve a Resolution of Inducement for the Cattleman Square Lofts Apartments transaction to include the execution of all documentation necessary to obtain the financing for such transaction; authorizing all filings and agreements with Texas Department of Housing and Community Affairs in connection with applicant's low income housing tax credits; and to allow other matters in connection therewith.

ATTACHMENT:

Resolution

CATTLEMAN SQUARE LOFTS APARTMENTS

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 August 26, 2020 (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 INDUCING THE CATTLEMAN SQUARE LOFTS APARTMENTS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO OBTAIN THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; 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 August 26, 2020.

Assistant Secretary

RESOLUTION INDUCING THE CATTLEMAN SQUARE LOFTS APARTMENTS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO OBTAIN THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, ACG Cattleman Square, LP, a Texas limited partnership (the “Partnership”), and SAHT Cattleman Square GP, LLC, a Texas limited liability company and its general partner (the “General Partner”), have been or will be formed to acquire and construct an approximately 138-unit multifamily housing facility (the “Housing Facility”) to be located at approximately 811 West Houston Street, San Antonio, Texas and known as the Cattleman Square Lofts Apartments (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) acquire the Land and lease it to the Partnership pursuant to a Ground Lease (the “Ground Lease”), and (iii) enter into a joint venture with the Developer to form an entity that will 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 Housing Revenue Bonds (Cattleman Square Lofts Apartments) Series 2020 (the “Bonds”) to finance the Project (the “Bond Financing”);

WHEREAS, the Issuer will issue the Bonds in an amount not to exceed \$15,000,000 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 an Indenture, a Loan Agreement, a Note, a Regulatory Agreement and Declaration of Restrictive Covenants, a Leasehold Deed of Trust, Assignment of Rents, Security Agreement, and Fixture Filing together with Ground Lessor Subordination and Joinder, a Servicing Agreement, and a Ground Lease (collectively, the “Bond Documents”);

WHEREAS, the Developer, on behalf of the Partnership, will apply for approximately \$_____ in low income housing tax credits (the “LIHTCs”) from the Texas Department of Housing and Community Affairs (“TDHCA”);

WHEREAS, in connection with the application for LIHTCs, it is anticipated that the Partnership, General Partner and/or SAHTPFC will be required to execute, complete and deliver various applications, agreements, documents, certificates and instruments to TDHCA (the “TDHCA Documents”);

WHEREAS, the Partnership will contribute approximately \$_____ of equity to the construction of the Project, which will be contributed by a limited partner to be determined at a later date (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 Agreement of Limited Partnership, a Development Agreement, and closing certificates (collectively, the “Equity Documents”);

WHEREAS, in order to provide additional funding for the Project, the Partnership may enter into one or more subordinate loans (“Subordinate Loans”);

WHEREAS, in connection with the Subordinate Loans, the Partnership, the General Partner, and/or SAHTPFC will be required to enter into certain agreements, including but not limited to loan agreements, leasehold deeds of trust, declaration of restrictive covenant of affordability or land use restriction agreements, assignments, notes, and subordination agreements (collectively, the “Subordinate Loan Documents”);

WHEREAS, SAHTPFC will enter into a joint venture with the Developer to form an entity that will enter into a construction contract with the Partnership to serve as the general contractor to construct the Project (the “Construction Documents”);

WHEREAS, the members of the Board of Directors of SAHTPFC (collectively, the “Board”) and their respective offices are as follows:

| <u>Name of Director/Officer</u> | <u>Position</u> |
|---------------------------------|--|
| Rebecca Viagran | President and Director |
| Shirley Gonzalez | Vice President and Director |
| Roberto Trevino | Director |
| Dr. Adriana Rocha Garcia | Director |
| John Courage | Director |
| Pedro A. Alanis | Executive Director/Assistant Secretary |
| Nicole Collazo | Assistant Secretary |

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 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 structures of financing contemplated for the Project, including but not limited to the Bond Financing, the LIHTCs, the Equity Financing, the

TDHCA Documents, the Construction Documents, and the Subordinate Loans are hereby approved.

Section 2. The President, any Vice President, the Secretary, the Treasurer, the Executive Director, any Assistant Secretary, or any of them, are hereby authorized to execute any and all applications and term sheets required for the financing and construction of the Project, including, but not limited to, the TDHCA Documents and all other documents relating to obtaining the Bond Financing, LIHTCs, Equity Financing, the Loan and the Subordinate Loans to which the Partnership, the General Partner, and/or SAHTPFC is a party.

Section 3. The President, any Vice President, the Secretary, the Treasurer, and the Executive Director, any Assistant Secretary, 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 SAHTPFC, and any and all certificates and other instruments necessary to carry out the intent thereof and hereof, including, without limitation, the TDHCA Documents and all filings or other actions required by the TDHCA in connection with the LIHTCs. The President, any Vice President, the Secretary, the Treasurer, the Executive Director, any Assistant Secretary, 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 4. It is understood by SAHTPFC, and the Partnership and Developer have represented to SAHTPFC, that in consideration of SAHTPFC's adoption of this Resolution, and subject to the terms and conditions hereof, that the Partnership and Developer have agreed that

(a) the Partnership and Developer will (1) pay all Project costs that are not or cannot be paid or reimbursed from the proceeds of any debt and (2) indemnify and hold harmless SAHTPFC and the City against all losses, costs, damages, expenses and liabilities of whatsoever nature (including but not limited to reasonable attorneys' fees, litigation and courts costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to the Project, or the design, construction, equipping, installation, operation, use, occupancy, maintenance or ownership of the Project (other than claims arising from the gross negligence or willful misconduct of SAHTPFC or the City).

Section 5. This Resolution shall be deemed to constitute the acceptance of the Partnership's and Developer's proposal that it be further induced to proceed with providing the Project. **Provided that neither the Partnership nor the Developer nor any other party is entitled to rely on this Resolution as a commitment to enter into the proposed transaction, and SAHTPFC reserves the right not to enter into the proposed transaction either with or without cause and with or without notice, and in such event SAHTPFC shall not be subject to any liability or damages of any nature. Neither the Partnership nor the Developer nor anyone claiming by, through or under the Partnership or the Developer, nor any investment**

banking firm or potential purchaser shall have any claim against SAHTPFC whatsoever as a result of any decision by SAHTPFC not to enter into the proposed transaction.

Section 6. 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 7. The officers of this Board hereby approve the selection of Bracewell LLP as counsel to the General Partner and SAHTPFC for this transaction.

Section 8. 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 9. 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 10. 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 11. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 12. This Resolution shall be in force and effect from and after its passage.

San Antonio Housing Trust Public Facility Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 4

Agenda Date: 08-26-2020

In Control: San Antonio Housing Trust Public Facility Corporation

DEPARTMENT: San Antonio Housing Trust Public Facility Corporation

DEPARTMENT HEAD: Pedro Alanis

COUNCIL DISTRICTS IMPACTED: District 10

SUBJECT: Inducement Resolution for the Crosswinds at Bulverde Apartments

SUMMARY:

Approving a Resolution of Inducement for the Crosswinds at Bulverde Apartments transaction to include the execution of all documentation necessary to obtain the financing for such transaction; authorizing all filings and agreements with Texas Department of Housing and Community Affairs in connection with applications low income housing tax credits; and to allow other matters in connection therewith.

BACKGROUND:

Pedcor Housing Corporation is seeking a partnership with the San Antonio Housing Trust Public Facility Corporation to develop a new \$66 million, 312-unit multifamily, HUD 221(d)(4) and 4% LIHTC project which will likely income average all units at or below 60% of the area median income. The project is expected to raise approximately \$19,721,369 in equity for the development, and it is expected that up to \$40,685,000 of tax-exempt bonds will be issued.

Pedcor has developed several projects in partnership with the Trust, including Oak Valley Apartments, Trails at Leon Creek Apartments and Culebra Creek Apartments. They are the largest FHA borrower in the country and one of the top national affordable housing

developers. Neither the PFC nor the City of San Antonio will be liable for repayment of the revenue bonds, which will be GNMA insured.

ALTERNATIVES:

If a resolution is not approved, TDHCA will not approve the tax credits for the Project, which will not be built.

FISCAL IMPACT:

The San Antonio Housing Trust Public Facilities Corporation will receive 40% of the developer fee at closing and 40% of the deferred developer fee over a 15-year period. After which the PFC will receive 50% of the Cash Flow. Additionally, the PFC will receive 50% of any proceeds from the sale or refinancing of the Project. Estimated dollar amounts will be provided once formal term sheets and commitments are received.

The San Antonio Housing Trust Finance Corporation will receive an issuance fee equal to 1% bond issuance at closing which will remain with the Corporation.

RECOMMENDATION:

Staff recommends the board approve a Resolution of Inducement for the Crosswinds at Bulverde Apartments transaction to include the execution of all documentation necessary to obtain the financing for such transaction; authorizing all filings and agreements with Texas Department of Housing and Community Affairs in connection with applicant's low income housing tax credits; and to allow other matters in connection therewith.

ATTACHMENT:

Resolution

CROSSWINDS AT BULVERDE APARTMENTS

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 August 26, 2020 (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 INDUCING THE CROSSWINDS AT BULVERDE APARTMENTS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO OBTAIN THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; AND APPROVING A MEMORANDUM OF UNDERSTANDING FOR SUCH 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 Bylaws of SAHTPFC.

SIGNED August 26, 2020.

Assistant Secretary

RESOLUTION INDUCING THE CROSSWINDS AT BULVERDE APARTMENTS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO OBTAIN THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; AND APPROVING A MEMORANDUM OF UNDERSTANDING FOR SUCH TRANSACTION AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, Pedcor Investments-2020-CLXXVIII, a Texas limited partnership (the “Partnership”), and SAHT Crosswinds GP, LLC, a Texas limited liability company and its general partner (the “General Partner”), have been or will be formed to acquire and construct an approximately 312-unit multifamily housing facility (the “Housing Facility”) to be located at approximately the 4000 Block of N Loop 1604 E, San Antonio, Texas and known as the Crosswinds at Bulverde Apartments (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) acquire the Land and lease it to the Partnership pursuant to a Ground Lease (the “Ground Lease”), and (iii) enter into a joint venture with the Developer to form an entity that will 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 Housing Revenue Bonds (Crosswinds at Bulverde Apartments) Series 2020 (the “Bonds”) to finance the Project (the “Bond Financing”);

WHEREAS, the Issuer will issue the Bonds in an amount not to exceed \$45,000,000 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, which may include but not be limited to an Indenture, a Loan Agreement, a Note, a Regulatory Agreement and Declaration of Restrictive Covenants, a Leasehold Deed of Trust, Assignment of Rents, Security Agreement, and Fixture Filing together with Ground Lessor Subordination and Joinder, a Servicing Agreement, and a Ground Lease (collectively, the “Bond Documents”);

WHEREAS, the Developer, on behalf of the Partnership, will apply for approximately \$_____ in low income housing tax credits (the “LIHTCs”) from the Texas Department of Housing and Community Affairs (“TDHCA”);

WHEREAS, in connection with the application for LIHTCs, it is anticipated that the Partnership, General Partner and/or SAHTPFC will be required to execute, complete and deliver various

applications, agreements, documents, certificates and instruments to TDHCA (the “TDHCA Documents”);

WHEREAS, the Partnership will contribute approximately \$_____ of equity to the construction of the Project, which will be contributed by a limited partner to be determined at a later date (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 Agreement of Limited Partnership, a Development Agreement, and closing certificates (collectively, the “Equity Documents”);

WHEREAS, in order to provide additional funding for the Project, the Partnership may enter into one or more subordinate loans (“Subordinate Loans”);

WHEREAS, in connection with the Subordinate Loans, the Partnership, the General Partner, and/or SAHTPFC will be required to enter into certain agreements, including but not limited to loan agreements, leasehold deeds of trust, declaration of restrictive covenant of affordability or land use restriction agreements, assignments, notes, and subordination agreements (collectively, the “Subordinate Loan Documents”);

WHEREAS, SAHTPFC will enter into a joint venture with the Developer to form an entity that will enter into a construction contract with the Partnership to serve as the general contractor to construct the Project (the “Construction Documents”);

WHEREAS, the members of the Board of Directors of SAHTPFC (collectively, the “Board”) and their respective offices are as follows:

| <u>Name of Director/Officer</u> | <u>Position</u> |
|---------------------------------|--|
| Rebecca Viagran | President and Director |
| Shirley Gonzalez | Vice President and Director |
| Roberto Trevino | Director |
| Dr. Adriana Rocha Garcia | Director |
| John Courage | Director |
| Pedro A. Alanis | Executive Director/Assistant Secretary |
| Nicole Collazo | Assistant Secretary |

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 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 structures of financing contemplated for the Project, including but not limited to the Bond Financing, the LIHTCs, the Equity Financing, the TDHCA Documents, the Construction Documents, and the Subordinate Loans are hereby approved and the TDHCA Documents and the Memorandum of Understanding, are hereby approved.

Section 2. The President, any Vice President, the Secretary, the Treasurer, the Executive Director, any Assistant Secretary, or any of them, are hereby authorized to execute any and all applications and term sheets required for the financing and construction of the Project, including, but not limited to, the TDHCA Documents and the Memorandum of Understanding and all other documents relating to obtaining the Bond Financing, LIHTCs, Equity Financing, and the Subordinate Loans to which the Partnership, the General Partner, and/or SAHTPFC is a party.

Section 3. The President, any Vice President, the Secretary, the Treasurer, and the Executive Director, any Assistant Secretary, 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 SAHTPFC, and any and all certificates and other instruments necessary to carry out the intent thereof and hereof, including, without limitation, the TDHCA Documents and all filings or other actions required by the TDHCA in connection with the LIHTCs. The President, any Vice President, the Secretary, the Treasurer, the Executive Director, any Assistant Secretary, 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 4. It is understood by SAHTPFC, and the Partnership and Developer have represented to SAHTPFC, that in consideration of SAHTPFC's adoption of this Resolution, and subject to the terms and conditions hereof, that the Partnership and Developer have agreed that

(a) the Partnership and Developer will (1) pay all Project costs that are not or cannot be paid or reimbursed from the proceeds of any debt and (2) indemnify and hold harmless SAHTPFC and the City against all losses, costs, damages, expenses and liabilities of whatsoever nature (including but not limited to reasonable attorneys' fees, litigation and courts costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to the Project, or the design, construction, equipping, installation, operation, use, occupancy, maintenance or ownership of the Project (other than claims arising from the gross negligence or willful misconduct of SAHTPFC or the City).

Section 5. This Resolution shall be deemed to constitute the acceptance of the Partnership's and Developer's proposal that it be further induced to proceed with providing the Project. **Provided that neither the Partnership nor the Developer nor any other party is entitled to rely on this Resolution as a commitment to enter into the proposed transaction, and SAHTPFC reserves the right not to enter into the proposed transaction either with or without cause and with or without notice, and in such event SAHTPFC shall not be subject**

to any liability or damages of any nature. Neither the Partnership nor the Developer nor anyone claiming by, through or under the Partnership or the Developer, nor any investment banking firm or potential purchaser shall have any claim against SAHTPFC whatsoever as a result of any decision by SAHTPFC not to enter into the proposed transaction.

Section 6. 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 7. The officers of this Board hereby approve the selection of Bracewell LLP as counsel to the General Partner and SAHTPFC for this transaction.

Section 8. 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 9. 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 10. 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 11. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 12. This Resolution shall be in force and effect from and after its passage.

San Antonio Housing Trust Public Facility Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 5

Agenda Date: 08-26-2020

In Control: San Antonio Housing Trust Public Facility Corporation

DEPARTMENT: San Antonio Housing Trust Public Facility Corporation

DEPARTMENT HEAD: Pedro Alanis

COUNCIL DISTRICTS IMPACTED: District 3

SUBJECT: Inducement Resolution for the Southton Lofts

SUMMARY:

Consideration and possible action to approve a Resolution inducing the Southton Lofts, a new 239-unit mixed income affordable/market PFC structure in partnership with 3LB Equities, located on 13.8 acres less than 1 mile east of IH-37 South in Council District 3.

BACKGROUND:

3LB Equities is seeking a partnership through a 75-year lease with the San Antonio Housing Trust Public Facility Corporation to develop a new \$33.8 million, 239-unit three-story garden-style multi-family new construction project with surface parking, whereby the PFC shall have ownership of the land with the equity partnership in the project.

The total project cost is approximately \$33,815,049 with a HUD-insured loan of approximately \$26,604,500, and opportunity zone equity of approximately \$7,210,549. The PFC is anticipated to receive \$250,000 as a closing fee, 12.5% of cash flow for 10 years and 15% cash flow after any sale, after repayment of preferred equity funds. The PFC will also receive 2% of any gross sales price in perpetuity. The project will receive no other forms of public incentives or subsidies. The apartments are anticipated to include an exercise room, community room, swimming pool, picnic/play area, security system (gated access), clubhouse, business center, game/media room, cabana, package lockers, car charging station, and dog park.

ISSUE:

The Developer is providing units serving a range of AMI levels: ten percent at 50% AMI, ten percent at 60% AMI and thirty percent at 80%AMI Rent will be capped at 33.3% of the 80%, 60% and 50% AMI income, based on HUD and adjusted for bedroom/family size, as applicable so long as the project is tax exempt.

ALTERNATIVES:

If the San Antonio Housing Trust Public Facility Board does not indicate approval to proceed, the affordable and market rate units will not be built and the property will remain as it is.

FISCAL IMPACT:

No fiscal impact, as this is a non-binding resolution

RECOMMENDATION:

Staff recommends approval of the Resolution

ATTACHMENT:

Resolution

**SOUTHTON LOFTS
Inducement**

CERTIFICATE FOR RESOLUTION

The undersigned officer of the San Antonio Housing Trust Public Facility Corporation (the "PFC") hereby certifies as follows:

1. In accordance with the bylaws of the PFC, the Board of Directors of the PFC (the "Board") held a meeting on August 26, 2020 (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 INDUCING THE SOUTHTON LOFTS IN PARTNERSHIP
WITH 3 LB EQUITIES, TO BE LOCATED AT IH-37 AND SOUTHTON
ROAD 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 PFC.

SIGNED AND SEALED August 26, 2020.

Pedro A. Alanis, Assistant Secretary

**RESOLUTION INDUCING THE SOUTHTON LOFTS IN PARTNERSHIP
WITH 3 LB EQUITIES, TO BE LOCATED AT IH-37 AND SOUTHTON
ROAD AND OTHER MATTERS IN CONNECTION THEREWITH**

WHEREAS, the City Council of the City of San Antonio, Texas (the “City”), has, pursuant to the Texas Public Facility Corporations Act, Chapter 303, Texas Local Government Code, as amended (the “Act”), approved and created the San Antonio Housing Trust Public Facility Corporation, a nonstock, nonprofit public facility corporation (the “PFC”);

WHEREAS, the PFC, on behalf of the City, is empowered to finance the costs of public facilities that will provide decent, safe, and sanitary housing at affordable prices for residents of the City;

WHEREAS, 3 LB Equities (the “User”), has requested that (i) the PFC finance the acquisition, construction, and equipping of a proposed 239-unit multifamily housing facility to be located at IH-37 and Southton Road and to be known as the Southton Lofts (the “Project”);

WHEREAS, this Resolution shall constitute the PFC’s preliminary, non-binding commitment, subject to the terms hereof, to proceed;

WHEREAS, the User has requested that the PFC create a single member limited liability company to serve as a limited partner of the User;

WHEREAS, the User has requested authorization to make all filings necessary to obtain and maintain equity and debt financing for the Project; and

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 User may construct the Project; now, therefore,

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

Section 1. Subject to the terms hereof, the PFC agrees that it will

(a) cooperate with the User with respect to the Project, and, if arrangements therefor satisfactory to the User and the PFC can be made, take such action and authorize the execution of such documents and take such further action as may be necessary or advisable for the authorization, execution, and delivery of any contracts or agreements deemed necessary and desirable by the User or the PFC in connection with the Project (collectively, the “Contracts”), providing among other things for financing, acquisition, construction, equipping, and improvement of the Project; and use, operation, and maintenance of the Project, all as shall be authorized, required, or permitted by law and as shall be satisfactory to the PFC and the User;

(b) take or cause to be taken such other actions as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

Neither the State of Texas (the "State"), the City, nor any political PFC, subdivision, or agency of the State shall be obligated to pay any debt or other obligation of the user or the Project and that neither the faith and credit nor the taxing power of the State, the City, or any political, subdivision, or agency thereof is pledged to any obligation relating to the Project.

Section 2. It is understood by the PFC, and the User has represented to the PFC, that in consideration of the PFC's adoption of this Resolution, and subject to the terms and conditions hereof, the User has agreed that

(a) the User will (1) pay all Project costs which are not or cannot be paid or reimbursed from the proceeds of any debt and (2) indemnify and hold harmless the PFC and the City against all losses, costs, damages, expenses, and liabilities of whatsoever nature (including but not limited to reasonable attorneys' fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to the Project, or the design, construction, equipping, installation, operation, use, occupancy, maintenance, or ownership of the Project (other than claims arising from the gross negligence or willful misconduct of the PFC or the City); and

Section 3. This Resolution shall be deemed to constitute the acceptance of the User's proposal that it be further induced to proceed with providing the Project. **Provider that neither the User nor any other party is entitled to rely on this Resolution as a commitment to enter into the proposed transaction, and the PFC reserves the right not to enter into the proposed transaction either with or without cause and with or without notice, and in such event the PFC shall not be subject to any liability or damages of any nature. Neither the User nor any one claiming by, through or under the User, nor any investment banking firm or potential purchaser shall have any claim against the PFC whatsoever as a result of any decision by the PFC not to enter into the proposed transaction.**

Section 4. The Board authorizes the negotiation of a Term Sheet setting forth the details of the Project.

Section 5. 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 6. 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 7. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

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

Section 9. This Resolution shall be in force and effect from and after its passage.

* * *

San Antonio Housing Trust Public Facility Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 6

Agenda Date: 08-26-2020

In Control: San Antonio Housing Trust Public Facility Corporation

SUBJECT: Presentation and discussion regarding the proposed budget for the San Antonio Housing Trust Foundation, Inc. and affiliated entities

BRIEFING:

Each year the San Antonio Housing Trust entities adopts a budget in September for the fiscal year beginning October 1 and ending September 30th. The annual budget is the SAHT opportunity to focus on key goals and accomplishments over the next 12-month period including improvements in operations and programmatic assistance in line with our mission.

Attached is the preliminary FY 2021 Operational Budget, which was presented to the Foundation Board on August 12, 2020.

FY 2021 Budget Priorities

Increase Operational Capacity

The Foundation Board is supporting the continued investment in Operational Capacity of staff through the use of external consultants in the areas of asset management, underwriting, and public engagement.

We have seen a significant increase in the overall number of multi-family housing developments partnered with through the Public Facility Corporation and Finance Corporation over the past several years. While the Trust is not currently engaged in daily operations of the apartments, we have obligations associated with oversight of our various partnership including certain ownership/lease management responsibilities, compliance, and financial monitoring.

As our pipeline is anticipated to grow as units come online, the Trust must be able to grow its capacity along with taking on assets. Therefore, continuing the policy of the PFC and

Finance Corporation to provide 25% of revenues back to the Foundation to necessary supplemental capacity from our consultant teams is necessary to ensure we can keep pace with increasing and substantial workloads required for each partnership.

The *preliminary* Foundation operational budget proposes an overall year over year 14% increase from \$716,433 to \$817,155. The operational budget increase is primarily due to cost increases for legal services, asset management, compliance, and underwriting services.

Programmatic Priorities

The purpose of the Foundation is to provide financial support to other non-profit and housing charities to meet the needs our community. The Foundation Board expressed an interest in moving forward with interim program policies for available Foundation funds since the City's SHIP process is likely not going to completed until well after the beginning of the fiscal year.

The Foundation is considering number of systematic housing issues compounded by the COVID-19 pandemic that serve targeted, efficient, and equitable outcomes for our most vulnerable populations. The following are examples of what the Foundation may seek to fund.

- Eviction prevention and emergency needs
- Preservation for very low-income rental housing
- Age-In Place programs for low income Seniors
- Anti-displacement programs for legacy families in gentrifying areas
- Support for non-profit based development of affordable housing

Considering the Housing Trust is moving closer to a re-aligning the governing structure among the four Trust entities and engaging in the City's Strategic Housing Implementation Plan (SHIP), my recommendation would be to consider utilizing Corporation funding for COVID *emergency needs* while we examine how we can better utilize our Public Corporation legal tools to make strategic investments and partnership opportunities informed by the SHIP process.

SAN ANTONIO HOUSING TRUST
PRELIMINARY SOURCES AND USES SUMMARY

FY 2021

Sources

| | | |
|-----------------------------|----|------------|
| Trust | \$ | 12,515,705 |
| Foundation | | 3,133,381 |
| Public Facility Corporation | | 3,877,323 |
| Finance Corporation | | 863,104 |

Total Budget \$ 20,389,512

Uses

| | | |
|----------------------|----------------------------|-------------------|
| Trust | | |
| | Corpus \$ | 10,000,000 |
| | Corpus Growth | 2,515,705 |
| | Sub-total \$ | 12,515,705 |
| Foundation Uses | | |
| | Operations \$ | 817,155 |
| | Restricted Funds | 796,011 |
| | Available for Programs | 1,420,493 |
| | Available by EOY | 99,722 |
| | Sub-total \$ | 3,133,381 |
| PFC Uses | | |
| | Foundation Contribution \$ | 542,396 |
| | Committed to Program | 766,739 |
| | Available for Programs | 388,604 |
| | Available by EOY | 2,179,584 |
| | Sub-total \$ | 3,877,323 |
| FC Uses | | |
| | Foundation Contribution \$ | 28,448 |
| | Available for Programs | 715,867 |
| | Available by EOY | 118,790 |
| | Sub-total \$ | 863,104 |
| Total Uses \$ | | 20,389,513 |