

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/81125176572?](https://us02web.zoom.us/j/81125176572?pwd=UKIYZ1DOYMWIS0FURGCYK3NPR_HRCZZ09)
[PWD=UKIYZ1DOYMWIS0FURGCYK3NPR_HRCZZ09](https://us02web.zoom.us/j/81125176572?pwd=UKIYZ1DOYMWIS0FURGCYK3NPR_HRCZZ09)

DIAL IN NUMBER: 1-346-248-7799 MEETING ID: 811 2517 6572 PASSWORD: 476871
ON WEDNESDAY JULY 29, 2020

AT 10:00 A.M., TO CONSIDER THE FOLLOWING MATTERS:

Briefing and Possible Action on:*

1. Approval of minutes.
2. Citizens to be heard.
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
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
5. Consideration and possible action to appoint Pedro Alanis as an Assistant Secretary of San Antonio Housing Trust Public Facility Corporation.
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.

***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)

San Antonio Housing Trust Public Facility Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 1

Agenda Date: 7-29-2020

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 June 15, 2020 meeting.

SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION

OFFICIAL MEETING MINUTES

June 15, 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: Rebecca Viagran, Roberto Treviño, Dr. Adriana Rocha Garcia, Shirley Gonzales and John Courage

ABSENT:

Staff/Visitors Present:

Pedro Alanis- Interim Executive Director San Antonio Housing Trust Finance Corporation; Nicole Collazo- Assistant Director San Antonio Housing Trust Finance Corporation; JD Hernandez – Asset Manager San Antonio Housing Trust Finance Corporation; Sharon Jennings-Contract Officer San Antonio Housing Trust Finance Corporation; Maria Bradley - Administrative Assistant, San Antonio Housing Trust Finance Corporation; Kip Hamilton- American south Real Estate Fund; Edward Mungia- D4; Kent Peter- American South Real Estate Fund; Basil Koutsogeorgas-Provident Realty Advisors; Allison Shae- NHSD; Ben Olivo- San Antonio Heron; Barbara Hawkins- George Gervin Youth Center; Brad Fisher- Gardner Capital; Robert Wilson- Sanchez & Wilson PLLC; James Plummer- Bracewell LLP; Derek Roberts-D9; Summer Greathouse-Bracewell LLC

1. Approval of minutes-

COMMISSION ACTION: The motion was made by Councilwoman Dr. Adriana Rocha and seconded by Councilman Roberto Treviño to approve the minutes from April 28, 2020.

AYES: 5

NAYS: 0

ABSTAIN: 0

The MOTION CARRIED.

2. PUBLIC COMMENT- NONE.

- 3. Resolution authorizing the West End at Frio Lofts transaction, including the execution of all documentation necessary to carry out the transaction; authorizing the purchase of the land for the transaction and the lease of such land for the transaction; and authorizing the acquisition of the membership interest in SAHT West End on Frio, 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 briefed on the new construction project that is a 24-unit multifamily new construction project located in Council District 5. It is South of UTSA downtown. Terramark is looking for affordable market structure through a 75-year lease with the San Antonio Housing Trust Public Facility Corporation to develop a new \$4.3 million project. This project will provide 12 market rate units, 2 units at or below 80% AMI and 10 units at or below 50% AMI. The total project costs are \$4,344,000 with a bank loan of approximately \$3,175,000 and opportunity zone equity of about \$600,000. The City is also providing about \$569,000 in both land equity contribution to the project. Staff has negotiated a reduction in the typical PFC terms called "PFC-Lite". The origination fee at closing will be reduced to \$70,000 and will take \$100,000 in an Administrative transaction fee anticipated in year 10, plus 13% of sale distribution proceeds.

Pete recommends the board approve the attached resolution authorizing The West End Frio transaction.

COMMISSION ACTION:

The motion was made by Councilwoman Gonzales and seconded by Councilman Roberto Treviño for the approval of the execution of all documentation with West End at Frio Lofts.

AYES: 5

NAYS: 0

ABSTAIN:

The MOTION CARRIED.

4. **Consideration and possible action to approve a Resolution authorizing the Assistant Secretary to execute a Memorandum of Understanding with Gardner Capital and the George Gervin Youth Center, Inc in connection with the Echo East Apartments, a new 192-unit 4% Low income Housing Tax Credit multi-family project, located at 301 Spriggsdale in Council District 2.**

Pete Alanis stated on December 10, 2019 the SAHTPFC induced the Echo East project. The \$20,000,000 million inducement was approved. The \$38 million project is being financed with a 4% LIHTC project with a HUD 221 (d)(4) loan. The City of San Antonio is providing a land contribution valued at \$450,000 through an amended Chapter 380 Agreement. Since the PFC is working with a nonprofit entity the developer fee is adjusted down to 15% total developer fee. This project would include 18 units at 30% AMI, 20 units at 40% AMI, 36 units at 50% AMI, and 118 units at 70% AMI.

All Council Members are pleased and look forward to the completion of the project.

COMMISSION ACTION:

The motion was made by Councilman Courage and seconded by Councilwoman Dr. Rocha Garcia for approval the Resolution executing the MOU.

AYES: 5

NAYS: 0

ABSTAIN: 0

The MOTION CARRIED.

5. **Consideration and possible action approving a revised Resolution authorizing the Assistant Secretary to execute a memorandum of Understanding with Integrated Realty Group in connection with the Preserve at Billy Mitchell Village, a 384-unit Historic Tax Credit acquisition and rehabilitation multi-family project, located at 402 Gilmore Ave in Council District 5.**

Pete Alanis announced that on January 22nd the PFC board approved an Inducement Resolution and a non-binding MOU for the acquisition of the Preserve at the Port Apartments. TDHA elected not to move forward with the Tax Credit application due to the Rehabilitation project being in proximity to a low performing school per the TDHCA policy.

The Edgewood Superintendent has plans to improve making outstanding attempt to turn the schools around. Edgewood is initiating an Innovation plan which includes conversion of Winston Elementary into a Steam Academy. The PFC renegotiated the terms with a revised financing structure to allow the project to move forward. The project structured \$54 million project will be financed with \$11 million in Historic Tax Credits, \$7.9 million in C-PACE financing and \$37 million in combination of tax exempt and taxable private placement bond debt. The project will provide 384 rehabilitated units: 19 units at 30% AMI; 58 units at 50% AMI; 307 units at 70% AMI.

The PFC will be the general partner for the tax credit partnership receiving 40% of the total developer fee and 40% of Net Cash Flow instead of 50% Cash Flow.

The developer will not increase rent for two years for the existing tenants. The developer will fund a \$500,000 supplemental rental fund to offset the difference in rent cost.

COMMISSION ACTION:

The motion was made by Councilwoman Gonzales and seconded by Councilwoman Dr. Rocha Garcia to approval of the revised Resolution authorized MOU with Preserve Billy Mitchell Village.

AYES: 5

NAYS: 0

ABSTAIN:

The MOTION CARRIED.

6. **Consideration and possible action to approve a Resolution authorizing the Assistant Secretary to execute documents for a \$3,500,000 loan from American South Real Estate Fund, LP and a seller loan of \$4,732,500 in connection with the Friedrich Lofts Apartments, a new 347-unit mixed income affordable/market PFC structure in partnership with Provident Realty, located at 1617 East Commerce in Council District 2 and ratifying the execution of a Term sheet in connection therewith.**

Pete stated they were working with Provident Realty Advisors. The Friedrich is a 349-unit mixed income market and is in Council District 2. The project was previously approved by the PFC board in 2018 and then re-approved on January 22, 2020. Fifty percent of the 349 units in

the project will be set aside for tenants whose income is less than 80% AMI. Another 14 of the units will be set aside for tenants whose income is less than 60% AMI. For the project to move forward we need to be able to complete environmental assessment in areas that need to be demolished.

Approve an interim step where the PFC acquires the property will get \$350,000 fee at the land closing to the Public Facility Corporation.

Jim Plummer explained that they are going this format that if you go to HUD with a project that has an environmental issue then you become a federal environmental site instead of a state clean up site. It is important to clean up the property up before going to HUD for financing.

Councilwoman Viagran asked who is responsible for the demolition of the property. Pete replied that the demolition is being paid by the development team. There is a \$1.7 million TIRZ grant that will reimburse them, but he did clarify the TIRZ grant can be used for any eligible costs for the project.

COMMISSION ACTION:

The motion was made by Councilwoman Gonzales and seconded by Councilwoman Dr. Rocha Garcia to approving the resolution subject to Councilwoman Sullivan's approval.

AYES: 5

NAYS: 0

ABSTAIN:

The MOTION CARRIED.

7. 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 reported that the development partners completed construction on the Stella, St. John's Seminary, Salado at Red Berry and the Brookwood apartments in July. Pete is recommending issuing an RFQ for Asset Management and Underwriting Consultant as more projects are being developed. The SAHT Personnel Committee members will meet on June 19th to discuss and formalize the recommendation and on July 1st the RFQ will be issued.

NO ACTION NEEDED.

Councilwoman Viagran adjourned the meeting. There being no further business, the meeting adjourned at 11:11a.m.

San Antonio Housing Trust Public Facility Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 2

Agenda Date: 7-29-2020

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:

Citizens to be heard

SUMMARY:

This item will allow 3 minutes each for interested speakers to address the Board. You may call 210-735-2772 prior to the meeting to submit your comments or questions.

San Antonio Housing Trust Public Facility Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 3

Agenda Date: 7-29-20

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:

Resolution authorizing the **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

SUMMARY:

The Franklin Development project is a 292-unit multifamily 4% tax credit project located at 7402 South New Braunfels Avenue on 11.171 acres in District 3. All units, which are both 2- and 3-bedroom units, will be rented to individuals whose income averages at or below 60% of median family income with a range of units from 30% to 80% AMI

The Project is expected to cost approximately \$51,416,607 with up to \$33,000,000 in tax exempt bonds being issued as a requirement for the 4% LIHTC Program. The anticipated final sources of funds are as follows: \$30,105,414 in first lien debt; \$16,731,698 in tax credit equity; \$4,100,000 in City of San Antonio Affordable Housing Bond Grant and a deferred development fee of \$526,959. The City's Grant shall be to the PFC and loaned

to ARDC City Base, Ltd. to be repaid through the PFC's development fee and cash flow. The City's loan is expected to be repaid by year 10.

The PFC will own the land and lease it to the tax credit partnership. The PFC will create a single-member LLC, which will be the General Partner of the tax credit partnership. The PFC and Franklin will form a joint venture to be the general contractor for the Project to obtain a sales tax exemption.

Staff recommends that the board approve the resolution to approve various documents and allow the project to close.

ALTERNATIVES:

If you do not approve the resolution, the 292 units will not be built.

FISCAL IMPACT:

The 2020 ad valorem property tax was \$0 on the existing property, as it was previously City-owned.

Revenues generated to the PFC/FC are estimated \$8,251,985:

- \$1,985,345 by receiving 40% of the total developer fee.
 - Non-deferred portion of \$1,774,561 shall be paid within the first 36 months after closing through the end of construction in four payments.
 - Deferred fees of \$210,784 is anticipated to be paid out after the first-year apartments are placed in service.
- \$5,716,440 estimated through 50% of the Cash Flow from the project over the following 20 years.
- \$330,000 in a 1% bond issuance fee to San Antonio Housing Trust Finance Corporation
- \$175,000 Total annual Bond fees (20-year period)
- 50% of any proceeds from the sale or refinancing of the Project.

Note the PFC revenues, less 25% operation proceeds owed to the Foundation, shall be used repay the City's \$4.1 million contribution, which is anticipated to conclude by year 10. Funds will be deposited annually into the City's affordable housing fund as revenues are received.

RECOMMENDATION:

Staff recommends approval of the attached Resolution authorizing the Greenline North Apartments transaction.

ATTACHMENT: Resolution

CERTIFICATE FOR RESOLUTION

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

1. In accordance with its bylaws, the Board of Directors of SAHTPFC (the "Board") held a meeting on July 29, 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 AUTHORIZING THE GREENLINE NORTH (F/K/A CITY BASE) APARTMENTS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; AUTHORIZING THE PURCHASE OF THE LAND FOR THE TRANSACTION AND THE LEASE OF SUCH LAND FOR THE TRANSACTION; AND AUTHORIZING THE CREATION OF SAHT CITY BASE GP, LLC AND ITS ADMISSION AS THE GENERAL PARTNER OF ARDC CITY BASE, LTD.; AND AUTHORIZING THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION TO SERVE AS THE GENERAL CONTRACTOR; AND OTHER MATTERS IN CONNECTION THEREWITH

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

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

SIGNED July 29, 2020.

Nicole Collazo, Assistant Secretary

RESOLUTION

RESOLUTION AUTHORIZING THE GREENLINE NORTH (F/K/A CITY BASE) APARTMENTS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; AUTHORIZING THE PURCHASE OF THE LAND FOR THE TRANSACTION AND THE LEASE OF SUCH LAND FOR THE TRANSACTION; AND AUTHORIZING THE CREATION OF SAHT CITY BASE GP, LLC AND ITS ADMISSION AS THE GENERAL PARTNER OF ARDC CITY BASE, LTD.; AND AUTHORIZING THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION TO SERVE AS THE GENERAL CONTRACTOR; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, ARDC City Base, Ltd., a Texas limited partnership (the “Partnership”), and SAHT City Base GP, LLC, a Texas limited liability company and its general partner (the “General Partner”), have been formed to acquire and construct a 292-unit multifamily housing facility (the “Housing Facility”) to be located at 7402 South New Braunfels Avenue, San Antonio, Texas 78223 (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) 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 Governmental Note (Greenline North 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 \$33,000,000 and loan such proceeds to the Partnership;

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

WHEREAS, in connection with the Bond Financing, the Partnership will also enter into a loan transaction with Bank of America for a loan in an amount not to exceed \$33,000,000 (the “BoA Loan”);

WHEREAS, in connection with the execution of the BoA Loan, the Partnership, the General Partner, and/or SAHTPFC will be required to enter into certain agreements, including, but not limited to, a Project Note, a Construction Disbursement Agreement, a Leasehold Deed of Trust,

Assignment, Security Agreement, and Fixture Filing, an Environmental Indemnity Agreement, and other agreements, certificates and assignments (collectively, the “BoA Loan Documents”);

WHEREAS, in lieu of issuing taxable bonds, the Partnership may arrange a taxable loan in an amount of up to \$9,000,000 from Bank of America (the “BoA Bridge Loan”) pursuant to a loan agreement, note and security documents (the “BoA Bridge Loan Documents”);

WHEREAS, in order to provide additional funding for the Project, the City of San Antonio, pursuant to a Contract for Sale of Land for Private Redevelopment (the “City Agreement”), granted Franklin Development Properties, Ltd. (“Developer”), as developer of the Project, the right to purchase the Land for \$485,000, and the right to receive reimbursements not to exceed \$4,100,000 from the San Antonio Affordable Housing Bond Grant program (the “Reimbursement Proceeds” and collectively with the right to purchase the Land, the “City Grant Agreement Rights”);

WHEREAS, pursuant to an Assignment and Amendment Agreement (the “Assignment Document”), Developer is assigning to SAHTPFC the City Grant Agreement Rights and certain other rights under the City Agreement, including the right to receive the Reimbursement Proceeds pursuant thereto, in consideration for SAHTPFC/s participation in the Project (the “Assignment of Rights”), and SAHTPFC will in turn lend such Reimbursement Proceeds to the Partnership (the “Reimbursement Loan”) pursuant to a Loan Agreement, Promissory Note and Deed of Trust (collectively, the “Reimbursement Loan Documents”);

WHEREAS, the Partnership will contribute approximately \$16,731,698 of equity to the construction of the Project, which will be raised from the sale of tax credits (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, and including the documents attached as exhibits thereto, and closing certificates (collectively, the “Equity Documents”);

WHEREAS, the Board has determined that it is in the public interest and to the benefit of the citizens and residents of San Antonio for the various entities to enter into the transactions described above so that the Partnership may construct the Project;

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

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

Section 1. The Project, the various forms of financing contemplated for the Project, including but not limited to the Bond Financing, the BoA Loan, the BoA Bridge Loan, the Assignment of Rights, the Reimbursement Loan and the Equity Financing and the terms of the Bond Documents, the BoA Loan Documents, BoA Bridge Loan Documents, Assignment Document, the Reimbursement Loan Documents and the Equity Documents, are hereby authorized and approved when such documents are executed by the officers provided below.

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 documentation required for the financing and construction of the Project, including, but not limited to, the Bond Documents, the BoA Loan Documents, the BoA Bridge Loan Documents, the Assignment Document, the Reimbursement Loan Documents and the Equity Documents, indemnity agreements and guaranties covering the Land or the Project, and all other documents relating to the Bond Financing, the BoA Loan, the BoA Bridge Loan, the Equity Financing, the Assignment of Rights, and the Reimbursement Loan to which the Partnership, the General Partner, and/or SAHTPFC is a party.

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

Section 4. The President, any Vice President, the Secretary, the Treasurer, and the Executive Director, or any of them, and, if required by the form of the document, the Secretary and any Assistant Secretary, or any of them, of SAHTPFC are authorized and directed to modify, execute and deliver any of the documents to be signed by or consented to by SAHTPFC, and any and all certificates and other instruments necessary to carry out the intent thereof and hereof. The President, any Vice President, the Secretary, the Treasurer, 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 5. The officers of this Board, or any of them, are authorized to take any and all action necessary to carry out and consummate the transactions described in or contemplated by the documents approved hereby or otherwise to give effect to the actions authorized hereby and the intent hereof.

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

Section 7. If any section, paragraph, clause, or provisions of this Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

Section 8. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

Section 9. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

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

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

San Antonio Housing Trust Public Facility Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 4

Agenda Date: 7-29-20

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:

Resolution authorizing the Preserve at Billy Mitchell Apartments transaction, including the execution of all documentation necessary to carry out the transaction; authorizing the purchase of the land for the transaction and the lease of such land for the transaction; and authorizing the acquisition of the membership interest in SAHT Port SA 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

SUMMARY:

The Steele Development project is an acquisition and rehabilitation of existing 384-unit multi-family apartment complex located at 402 Gillmore Avenue in District 5. The development will serve tenants at the 30% - 70% AMI levels, and will accept Section 8 vouchers. The developer has also agreed to provide basic internet access for residents at the 30% to 50% AMI levels, provide a washer and dryer in each unit and contribute \$500,000 to a fund that will maintain rents at current levels for 2 years after the rehabilitation has been completed.

The Project is expected to cost approximately \$60,400,000 with up to \$37,000,000 in tax exempt bond debt. The anticipated sources of funds are as follows: \$10,000,000 in PACE financing, \$12,400,000 in historic tax credit equity and \$1,000,000 in a bridge loan;

The PFC will create a single-member LLC, which will serve as the General Partner in a tax credit limited liability company partnership. Port SA Redevelopment, LP will act as a Limited Partner. The PFC will own the land and lease it to the tax credit partnership. The PFC will be the general contractor for the Project to obtain a sales tax exemption.

Staff recommends that the board approve the resolution to approve various legal documents once finalized and allow the project to close.

ALTERNATIVES:

If you do not approve the resolution, the 384 units will not be rehabilitated.

FISCAL IMPACT:

The 2020 ad valorem property tax is approximately \$234,029 on the existing property, which equates to \$3,510,435 not paid over 15 years due to the property tax exemption.

The PFC/FC will ensure the rehabilitation of 384 poorly conditioned units, as well as, receive an estimated \$7,508,824 over a 15-year period:

- \$1,200,000 developer fee (40%) from closing through construction completion
- \$5,742,984 in anticipated cash flow (40%) over next 15-year period
- \$370,000 to the SAHT Finance Corporation equal to 1% bond issuance at closing
- \$195,840 in annual bond issuance fee to SAHT Finance Corporation (\$3,000/yr)
- 40% of any proceeds from the sale or refinancing of the project, which is not anticipated to occur until at least year 15

RECOMMENDATION:

Staff recommends approval of the attached Resolution authorizing the Preserve at Billy Mitchell Apartments transaction.

ATTACHMENT: Resolution

CERTIFICATE FOR RESOLUTION

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

1. In accordance with its bylaws, the Board of Directors of SAHTPFC (the "Board") held a meeting on July 29, 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 AUTHORIZING PRESERVE AT BILLY MITCHELL (f/k/a PRESERVE AT THE PORT) APARTMENTS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; AUTHORIZING THE PURCHASE OF THE LAND FOR THE TRANSACTION AND THE LEASE OF SUCH LAND FOR THE TRANSACTION; AND AUTHORIZING THE CREATION OF SAHT PORT SA REDEVELOPMENT, LLC AND ITS ADMISSION AS THE GENERAL PARTNER OF PORT SA REDEVELOPMENT, LP; AND AUTHORIZING THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION TO SERVE AS THE GENERAL CONTRACTOR; AND OTHER MATTERS IN CONNECTION THEREWITH

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

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

SIGNED July 29, 2020.

Nicole Collazo, Assistant Secretary

RESOLUTION

RESOLUTION AUTHORIZING PRESERVE AT BILLY MITCHELL (f/k/a PRESERVE AT THE PORT) APARTMENTS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; AUTHORIZING THE PURCHASE OF THE LAND FOR THE TRANSACTION AND THE LEASE OF SUCH LAND FOR THE TRANSACTION; AND AUTHORIZING THE CREATION OF SAHT PORT SA REDEVELOPMENT, LLC AND ITS ADMISSION AS THE GENERAL PARTNER OF PORT SA REDEVELOPMENT, LP; AND AUTHORIZING THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION TO SERVE AS THE GENERAL CONTRACTOR; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, Port SA Redevelopment, LP, a Texas limited partnership (the “Partnership”), and SAHT Port SA Redevelopment, LLC, a Texas limited liability company and its general partner (the “General Partner”), have been formed to acquire and rehabilitate an existing 396-unit multifamily housing facility (the “Housing Facility”) to be located at 402 Gillmore Avenue, San Antonio, Texas (the “Land,” together with the Housing Facility, the “Project”);

WHEREAS, at the request of the Partnership, San Antonio Housing Trust Public Facility Corporation (“SAHTPFC”) has agreed to (i) serve as the sole member of the General Partner of the Partnership in connection with the financing of the Project, (ii) acquire the Land and lease it to the Partnership pursuant to a Ground Lease (the “Ground Lease”), and (iii) serve as the general contractor for the Project;

WHEREAS, the Partnership has requested that the San Antonio Housing Trust Finance Corporation (the “Issuer”) issue its Multifamily Housing Revenue Bonds (Pan American 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 \$37,000,000 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, loan agreement, bonds, promissory notes, the Regulatory and Land Use Restriction Agreement, a deed of trust, a Ground Lease, and a bond purchase agreement, or any other similarly named documents (collectively, the “Bond Documents”);

WHEREAS, in connection with the financing, the Partnership will also enter into a loan transaction and may enter into a bridge loan transaction (collectively, the “Loan”);

WHEREAS, in connection with the execution of the Loan, the Partnership, the General Partner, and/or SAHTPFC may be required to enter into certain agreements, including, but not

limited to, promissory notes, construction loan agreements, construction deeds of trust, environmental indemnification agreements, pledge agreements and other agreements, certificates and assignments (collectively, the “Loan Documents”);

WHEREAS, in connection with the financing, the Partnership may also enter into transaction for PACE financing (the “PACE Financing”), and may be required to enter into various agreements in connection with the PACE Financing (the “PACE Financing Documents”);

WHEREAS, the Partnership will contribute approximately \$12,400,000 of equity to the construction of the Project, which will be raised from the sale of historic tax credits (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, and including the documents attached as exhibits thereto, and closing certificates (collectively, the “Equity Documents”);

WHEREAS, the Board has determined that it is in the public interest and to the benefit of the citizens and residents of San Antonio for the various entities to enter into the transactions described above so that the Partnership may construct the Project;

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

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

Section 1. The Project, the various forms of financing contemplated for the Project, including but not limited to the Bond Financing, the Loan, the PACE Financing and the Equity Financing and the terms of the Bond Documents, the Loan Documents, the PACE Financing Documents and the Equity Documents, are hereby authorized and approved when such documents are executed by the officers provided below.

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 documentation required for the financing and construction of the Project, including, but not limited to, the Bond Documents, the Loan Documents, the PACE Financing Documents and the Equity Documents, indemnity agreements and guaranties covering the Land or the Project, and all other documents relating to the Bond Financing, the Loan, the PACE Financing and the Equity Financing, to which the Partnership, the General Partner, and/or SAHTPFC is a party.

Section 3. The purchase of the Land, the lease of the Land, the creation of the General Partner by SAHTPFC and its admission as the general partner of the Partnership, and the role of SAHTPFC as the general contractor for the Project are approved and the President, any Vice President, the Secretary, the Treasurer, the Executive Director, and any Assistant Secretary, or any

of them, are hereby authorized to execute the documents required to be executed by SAHTPFC in order to effect such transactions.

Section 4. The President, any Vice President, the Secretary, the Treasurer, and the Executive Director, or any of them, and, if required by the form of the document, the Secretary and any Assistant Secretary, or any of them, of SAHTPFC are authorized and directed to modify, execute and deliver any of the documents to be signed by or consented to by SAHTPFC, and any and all certificates and other instruments necessary to carry out the intent thereof and hereof. The President, any Vice President, the Secretary, the Treasurer, 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 5. The officers of this Board, or any of them, are authorized to take any and all action necessary to carry out and consummate the transactions described in or contemplated by the documents approved hereby or otherwise to give effect to the actions authorized hereby and the intent hereof.

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

Section 7. If any section, paragraph, clause, or provisions of this Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

Section 8. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

Section 9. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

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

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

San Antonio Housing Trust Public Facility Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 5

Agenda Date: 7-29-2020

In Control: San Antonio Housing Trust Public Facility Corporation

SUBJECT: Assistant Secretary's Report Briefing

Quarterly Financial Update

Public Facility Corporation

During the 3rd Quarter from April 1, 2020 through June 30, 2020, the PFC received \$405,627 bringing the amount of revenues earned in the fiscal year to \$2,404,139. Per existing policy, 25% of all revenues are contributed back to the SAHT Foundation to support operations. The PFC has contributed back \$601,034 through the end of the third quarter to the SAHT Foundation. This is approximately 70% of the anticipated PFC contribution of \$862,243 to support the FY 2020 Operating Budget.

As of July 24, 2020, the PFC Fund has an available balance of **\$356,057**. An additional \$712,294 is due from the City of San Antonio to reimburse PFC Red Berry activities.

Finance Corporation

During the 3rd Quarter from April 1, 2020 through June 30, 2020, the FC received \$343,422 bringing the amount of revenues earned in the fiscal year to \$596,028. Of this amount the FC has contributed back a total of \$149,007 through the end of the third quarter to the SAHT Foundation. This is approximately 60% of the anticipated FC contribution of \$248,074 to support the FY 2020 Operating Budget.

As of July 24, 2020, the Finance Corporation Fund has an available balance of **\$744,314**.

Housing Trust and Foundation

As of May 30, 2020, the Trust has a fund balance of **\$1,378,255** in addition to the \$10,000,000 Corpus.

As of June 30, 2020, the Foundation has a collective fund balance of **\$1,666,805**

Risk Mitigation Program Update

Risk Mitigation Fund Summary

Source of Funds

Finance Corporation	\$	500,000
Foundation		1,000,000
Public Facility Corporation		2,500,000
PFC - Under One Roof Program		1,000,000
Individual Direct Donation		5,000
San Antonio Area Foundation		100,000
United Way Of SAUW		10,725
Wells Fargo		<u>25,000</u>
Total Sources	\$	5,140,725

Uses of Funds

Funds Disbursed by NHSD	\$	4,853,304
Funds Disbursed by SAHT		<u>261,581</u>
Total Uses	\$	5,114,885

Available Balance \$ 25,840

Households Served

NHSD	1816
SAHT	<u>117</u>
Total Households Served (\$2,646 per HH Average)	1933

Requests for Qualifications

In accordance with recommendations outlined in the NALCAB Assessment, the Trust released two new procurements for Legal Services and Asset Management/Underwriting Consulting Services in July.

Requests for Qualifications – Legal Services

The Legal Services RFQ, was released on July 15, 2020, emailed to a list of qualified firms, advertised in the SA Business Journal on July 17th and July 24th, and posted to our website. The RFQ includes a search for General Counsel, General Partnership, Counsel, and Bond Counsel as follows:

Bond Counsel primarily supports the legal actions associated with authorization, issuance, sale, and delivery of private activity bonds associated with the *Finance Corporation*.

General Partnership Counsel primarily supports Public Facility Corporation legal actions related to complex financial transactional matters, partnership organizational formation, regulatory issues related to HUD, FHA, credit enhancement, tax matters, and ongoing maintenance of partnerships between the Trust and development partners.

General Counsel primarily supports the Foundation and Trust related general legal matters on a wide variety of non-profit and organizational needs including but not limited to human resources, state/federal laws, contract law, auditing, legislative matters, public disclosures, real estate law, and purchasing/procurement.

Proposals are due August 12, 2020. After proposals are submitted, staff shall commence the initial review and prepare a recommendation of the highest qualified firms in each Scope of Service category. The recommendations will be made to a Trust Board Ad Hoc Evaluation Committee.

Requests for Qualifications – Asset Management and Underwriting Services

The Asset Management and Underwriting Consultant RFQ, was released on July 8, 2020, emailed to a list of qualified firms, advertised in the SA Business Journal on July 17th and July 24th, and posted to our website. The RFQ seeks a qualified professional service to provide Asset Management and Underwriting Consulting Services to include the following:

- Initiate project financial review including an initial assessment of project feasibility

- Establish Due Diligence Plan for each proposed project to ensure review of the development team, financials, debt/equity commitments, 3rd Party Reports and operating budgets.
- Underwriting projections to reflect PFC partnership terms, updated debt commitments identify exposures, review Market Studies to ensure rents are justified, compare with historical data for trending assumptions of rent, expenses, utilities
- Assist with Trust Committee/Board presentations and compile full set of due diligence documents after closing.
- Reviewing operating and capital budgets, summarize budget variances to prior year actual performance, review unaudited financial statements, review rent rolls quarterly.
- Reviewing and summarize financials to track and estimate net operating income, cash flow, and distributions from waterfalls, and other obligations owed to the Trust
- Review performance, trends, and operations across the Trust portfolio
- Develop Contract Monitoring Plans, track, and monitor compliance of property with state regulatory agency certification requirements, collect copies of regulatory reports, track annual property compliance with Trust required rent and income limits.

Proposals are due August 5, 2020. After proposals are submitted, staff shall commence the initial review and prepare a recommendation of the highest qualified firms in each Scope of Service category. The recommendations will be made to an Ad Hoc Evaluation Committee.

San Antonio Housing Trust Public Facility Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 6

Agenda Date: 7-29-2020

In Control: San Antonio Housing Trust Public Facility Corporation

SUBJECT:

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

ISSUE:

Traditionally, the Executive Director of the San Antonio Housing Public Facility Finance Corporation has also served as Assistant Secretary, which means that the director has signing authority as an officer of the corporation. This provides an additional person with signing authority to assist when there are applications and documents needing to be executed.

FISCAL IMPACT:

None.

RECOMMENDATION:

Staff recommends the Public Facility Corporation appoint Pedro Alanis as Assistant Secretary of the Public Facility Corporation.