

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 AT THE MUNICIPAL PLAZA ROOM "B", 105 MAIN PLAZA (114 WEST COMMERCE STREET), SAN ANTONIO, TEXAS 78205 ON WEDNESDAY, FEBRUARY 26, 2020 AT 3:00 P.M., TO CONSIDER THE FOLLOWING MATTERS:

Briefing and Possible Action on:*

1. Approval of minutes.
2. Citizens to be heard.
3. Consideration and possible action to re-approve an Amended and Restated Resolution inducing the **Hamilton Wolfe Lofts Apartments**, a new 74-unit 9% Low Income Housing Tax Credit multi-family project in partnership with NRP, located at approximately Hamilton Wolfe Road and Princeton Place in Council District 8.
4. Consideration and possible action to approve a Resolution authorizing execution of a Memorandum of Understanding with Steele Properties III LLC in connection with the **Pan American Apartments**, a 4% Low Income Housing Tax Credit redevelopment of an existing 100-unit multi-family project, located at 143 NW 36th Street, San Antonio, in Council District 5.
5. Presentation of and possible action to approve the audited financial statements for the fiscal year ending September 30, 2019.
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).

DISABILITY ACCESS STATEMENT

This meeting site is wheelchair accessible. The Accessible Entrance is located at the Municipal Plaza Building / Main Plaza Entrance. Accessible Visitor Parking Spaces are located at City Hall, 100 Military Plaza, north side. Auxiliary Aids and Services, including Deaf interpreters, must be requested forty-eight [48] hours prior to the meeting. For assistance, call (210) 207-7268 or 711 Texas Relay Service for the Deaf.

**SAN ANTONIO HOUSING TRUST PUBLIC 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: 2-26-2020

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 January 22, 2020 meeting.

SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION
OFFICIAL MEETING MINUTES
January 22, 2020

- The Public Facility Corporation met in session at 2:08p.m, Municipal Plaza, Room “B”, 105 Main Plaza, San Antonio, TX 78205
- The meeting was called to order by Councilwoman Viagran and the roll was called by John Hernandez.

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; Maria Bradley – Administrative Assistant, San Antonio Housing Trust Finance Corporation; David Holland-Provident; Madison Iszler-Express News; Jay Podjenski-D1; Lleana Sandoval-D9; Debra Guerrero-NRP Group; Edward Mungia-D4; Jean Latsha- Pedcor; Daryl Lange- Bitterhue Group;Caroline McDonald-Brown & Ortiz; Jose Gonzalez-Representing Alamo Community Group

1. Approval of minutes-

MINUTES COMMISSION ACTION:

The motion was made by Councilwoman Dr. Rocha Garcia and seconded by Councilman Treviño to approve the minutes from December 10, 2019.

AYES: 4

NAYS: 0

ABSTAIN: 0

The MOTION CARRIED.

2. PUBLIC COMMENT- NONE

3. Consideration and possible action to approve a Resolution amending the lease agreement between the Public Facility Corporation and the Foster Road GL LP due to pending sale of the Viridian Apartments (Montabella Pointe II) located at 5415 N Foster in Council District

Pete Alanis stated the Foster Road project was a Finance Corporation and Public Facility Corporation deal and is now complete. It has 321- units and half of those units available were tenants whose incomes are less than 80% of the AMI. NRP Group is seeking to sell to Canyon Partners Real Estate.

The two options to choose from are:

1. Cash out approximately \$1.34 million at the point of the sale
2. Keep receiving net cash flow of 7.5% for the remaining of the lease over the net present value of \$3.4 million.

COMMISSION ACTION:

The motion was made by Councilman Treviño and seconded by Councilwoman Rocha Garcia for the approval the Resolution amending the lease agreement between PFC and the Viridian Apartments in choosing the new cash flow option for the remaining of the lease.

AYES: 5

NAYS: 0

ABSTAIN: 0

The MOTION CARRIED

4. Consideration and possible action to approve a Resolution inducing the Ridgeline Flats Apartments, a new 349-unit mixed income affordable/market PFC structure in partnership with the NRP Group LLC, located on 26 acres of land located between IH-10 and Bitters Road on the north side of Loop 1604 in Council District 9.

Pete Alanis briefed about this affordable market structured financing with the PFC that would own into a 75-year lease. Previous PFC structure has called to either take an ownership position option or cash out option vs net cash flow option. He wants to see if we can negotiate a higher percentage net cash flow lease instead of having the option to sell. In the past this project created an affordable concession program which provides a buy down amount units from the 80% units down to the 60% units AMI level. The PFC was able to negotiate with NRP to have them fund a \$650,000 affordability concession program. The Public Facility Corporation is anticipated to receive approximately \$900,000 and would get 15% net cash flow.

Jim Plummer is suggesting to the board to consider building a dedicated fund.

Councilwoman Viagran asked why is income averaging not part of this agreement. Jim replied that it is strictly Public Facility Corporation funded project.

COMMISSION ACTION:

The motion was made by Councilman Courage and seconded by Councilman Treviño for the approval of the Resolution inducing the Ridgeline Flats Apartments.

AYES: 5

NAYS: 0

ABSTAIN: 0

The MOTION CARRIED

5. Consideration and possible action to approve a Resolution authorizing execution of a revised Term Sheet for Friedrich Lofts a new 347-unit mixed income affordable/market PFC structure in partnership with Provident Realty Advisors, located on 4.04 acres at 1617/1631 East Commerce in Council District 2.

Pete Alanis commented that this project is a 347-unit multi-family project, garden style development with a parking garage. This will be a \$68 million development. The developer Provident Realty Advisors (PRA) negotiated terms with American South Real Estate Fund. In this deal the PFC will receive \$250,000 closing fee, \$25,000 annual administrative fee. Upon a capital event, the PFC would receive 16.5% net cash flow.

COMMISSION ACTION:

The motion was made by Councilman Treviño and seconded by Councilwoman Gonzales to approve the Resolution authorizing execution of the revised time sheet for Fredrick Lofts.

AYES: 5

NAYS: 0

ABSTAIN: 0

The MOTION CARRIED

6. Consideration and possible action to approve a Resolution inducing the acquisition and rehabilitation of the Preserve at the Port Apartments, a 396-unit 4% Low Income Housing Tax Credit multi-family project in partnership with Integrated Realty and Streamline, located at 402 Gillmore Avenue in Council District 5, and a Memorandum of Understanding in connection therewith.

Pete Alanis mentioned that Integrated Realty is seeking a partnership with the SAHTPFC to acquire and rehab Preserve at the Port Apartments. In the Memorandum of Understanding, the Developer has agreed to two requirements.

1. Not raising the rents for existing tenants for two years.
2. Developer will create a "rent bank" to assist any tenants going through short-term financial crisis.

The SAHTPFC will receive 40% of the developer fee (approximately \$1,147,250) at closing and 40% of the deferred developer fee (approximately \$689,000) over a 15-year period. The PFC would also receive 50% of any proceeds from the sale or refinancing of the project.

COMMISSION ACTION:

The motion was made by Councilwoman Gonzales and seconded by Councilman Treviño for approval of the Resolution inducing the acquisition and rehabilitation of the Preserve at the Port Apartments

AYES: 5

NAYS: 0

ABSTAIN: 0

7. Consideration and possible action to approve a Resolution authorizing execution of a Memorandum of Understanding with a Pedcor Housing Corporation affiliate and a Village Capital Corporation affiliate in connection with Northview Apartments, a new 156-unit 4% Low Income Housing Tax Credit multi-family project, located at 23132 US Highway 281 North in Council District 9.

Pete Alanis mentioned that on the December 10, 2019 meeting the SAHTPFC induced the 156-unit Northview Apartments. The PFC will receive 40% of the developer fee at closing and 40% of the deferred developer fee over a 15-year period. The PFC will also receive 45% of any proceeds from the sale or refinancing of the project.

The SAHTFC also approved the tax-exempt bonds in the amount not to exceed \$25,000,000.

The updated Memorandum of Understanding states that the developer reserve a minimum of 10% of all the units for residents earning at or less than 30% AMI.

COMMISSION ACTION:

The motion was made by Councilman Courage and seconded by Councilman Treviño to approve the Resolution and execution of the Memorandum of Understanding for the Northview Apartments.

AYES: 5

NAYS: 0

ABSTAIN: 0

The MOTION CARRIED

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

Nicole Collazo informed the Board that the job opening for the Executive Director position has been posted on the SAHT website and other job posting sites. Councilman Courage wants to know if the job posting could be posted on the CoSA's website. Nicole said she will ask about that.

Pete Alanis briefed on the financial report for the FY 2020 forecast anticipated \$3.2 million. In the first quarter Public Facility Corporation and Finance Corporation have collected \$1,388,40 in revenues.

The PFC has received \$288,382 in the first quarter and the FC has received \$198,757 in revenues in the first quarter. The Foundation gets 25% of all revenues from the PFC and FC in a quarterly basis to support operations.

Councilman Courage said he wanted to look at the NALCAB assessment and sit down to discuss the implementation of it and start tacking it. He mentioned there were many different directions and not one cohesive direction. He would like the two boards to come together and discuss the assessment. Councilwoman Viagran agreed to arrange a special work session discuss the assessment.

NO ACTION WAS TAKEN

Councilwoman Viagran adjourned the meeting. There being no further business, the meeting adjourned at 3:11p.m.

San Antonio Housing Trust Public Facility Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 2

Agenda Date: 2-26-2020

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:

Citizens to be heard

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: 2-26-2020

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 8

SUBJECT: Amended and Restated Resolution of Inducement for the Hamilton Wolfe Lofts Apartments.

SUMMARY:

In January of 2019 the PFC approved a Resolution of Inducement for NRP's 9% tax credit project called Hamilton Wolfe Lofts Apartments. Because the prior approval took place more than a year ago, the TDHCA has requested an updated resolution to be included in the 2020 tax credit application.

BACKGROUND:

The \$18.75 million project is a 74-unit multifamily, 9% low income housing tax credit project in District 8 located at Hamilton Wolfe Road and Princeton Place. The PFC approved a prior inducement in 2019 for an 88-unit project, however, the project was not awarded 9% tax credits in last years competitive round. In 2020, due to new QAP criteria the project should be more competitive due to a partnership with a historically under-utilized business ("HUB") partner to obtain one additional tax credit point to provide competitive edge.

The project will have income levels at 30%, 50%, and 60% AMI spread throughout the project.

Bed/Bath	Income	# Units	Net Rent
1/1	30%	1	\$317
1/1	50%	3	\$584
1/1	60%	2	\$717
2/1	30%	5	\$383
2/1	50%	21	\$702
2/1	60%	22	\$862
3	30%	2	\$445
3	50%	6	\$814
3	60%	12	\$999

The total project budget is approximately \$18,745,000. The tax credits will raise approximately \$13,648,000 in equity. There will be approximately \$4,400,000 of permanent and soft debt and \$697,168 in deferred developer fee.

The developer fee of \$1.68 million is capped at 15% of the project eligible tax credit basis (\$11.2 million) which is established by TDHCA. \$698,000 is estimated to be deferred.

The HUB shall be 5% of the general partnership and take a 5% stake of the developer fee and 40% of the cash flow. NRP and the Corporation will split the balance of the cash flow, at 30% each.

The Public Facilities Corporation will receive 25% of the developer fee and deferred developer fees, anticipated to be paid back over 15 years. The PFC shall receive 50% of any remaining Cash Flow from the project along with a right of first refusal at the end of the 15-year compliance period to acquire the Project for the outstanding debt plus exit taxes.

Staff recommends that the board approve all documents necessary to obtain tax credits and the required debt. Once the financing is secured, we will negotiate definitive documents and bring them back for approval. The non-binding resolution authorizing us to proceed is attached.

ALTERNATIVES:

If a resolution is not approved and final application is not submitted to TDHCA by February 28th, the project will not be considered for tax credits and not be built.

FISCAL IMPACT:

The 2019 ad valorem property tax is approximately \$53,000 on the existing property, which equates to \$750,000 not paid over 15 years due to the property tax exemption.

The San Antonio Housing Trust Public Facility Corporation will ensure 74 affordable housing units are placed into production, plus an estimated \$359,000 in developer fees and deferred developer fees over the same 15 years period. The PFC's 30% stake in cash flow is estimated at \$180,000 - \$200,000 over the 15-year period.

RECOMMENDATION:

Staff recommends approving the attached Amended and Restated Resolution of Inducement for the Hamilton Wolfe Lofts Apartments, 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 for low income housing tax credits; and to allow other matters in connection therewith.

ATTACHMENT:

Amended and Restated Resolution

**HAMILTON WOLFE LOFTS APARTMENTS
Inducement**

CERTIFICATE FOR AMENDED AND RESTATED 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 February 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

AMENDED AND RESTATED RESOLUTION INDUCING THE HAMILTON WOLFE 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 Articles of Incorporation and the Bylaws of the PFC.

SIGNED AND SEALED February 26, 2020.

Nicole Collazo, Assistant Secretary

AMENDED AND RESTATED RESOLUTION INDUCING THE HAMILTON WOLFE 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, 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, Hamilton Wolfe Lofts Ltd., a Texas limited partnership (the "User"), has filed an Application for financing (the "Application"), requesting that (i) the PFC participate in the acquisition, construction, and equipping of a proposed 74-unit multifamily housing facility to be located at Hamilton Wolfe Road and Princeton Place and to be known as the Hamilton Wolfe Lofts Apartments (the "Project");

WHEREAS, the User intends to finance the Project in part with 9% housing tax credits and possibly a direct loan competitively procured from the Texas Department of Housing and Community Affairs ("TDHCA");

WHEREAS, on January 23, 2019, the Board approved a resolution (the "Original Resolution") authorizing the inducement of the Project and all filings with the Texas Department of Housing and Community Affairs ("TDHCA");

WHEREAS, the TDHCA has requested a more resolution be passed by the Board for its tax credit application file and the Board desires to comply with such request so that the Project receives tax credits from the TDHCA;

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 general 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, including 9% tax credits and a direct loan from the TDHCA;

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 Gonzales	Vice President and Director
Roberto Trevino	Director
Dr. Adriana Rocha Garcia	Director
John Courage	Director
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 User may construct the Project; and

WHEREAS, this Board has reviewed the foregoing and determined that the action herein authorized is in furtherance of the public purposes of SAHTPFC; 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, acting in either its own capacity or as the party controlling the general partner of the User:

(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 applications, notices, contracts or agreements deemed necessary and desirable by the User or the PFC in connection with the Project, specifically including any applications, agreements, documents, certificates and instruments necessary to obtain tax credits and a direct loan from the TDHCA (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) work with a HUB, including sharing ownership in the general partnership of the User, sharing developer fees and cash flow of the User to enable the Project to be competitive;

(c) own the real estate and serve as the general contractor for the Project to obtain tax exemptions;

(d) 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 President, Vice President, Secretary, Treasurer, Executive Director, or Assistant Secretary of the Board to execute any Contracts and take any and all actions required to obtain tax credits, equity financing and debt financing (including a direct loan from the TDHCA).

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.

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San Antonio Housing Trust Public Facility Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 4

Agenda Date: 2-26-2020

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: Resolution approving and authorizing execution of a Memorandum of Understanding for the Pan American Apartments

SUMMARY:

Approving a Resolution authorizing the execution of a Memorandum of Understanding with Steele Properties III LLC, as developer, for the Pan American Apartments; and to allow other matters in connection therewith.

BACKGROUND:

On August 28, 2019, the San Antonio Housing Trust Public Facility Corporation induced the 100-unit Pan American Apartments 4% LIHTC project. This project will be the first project-based voucher subsidized partnership for the PFC. Tenants of the Pan American will see no increases in rents as a result of the improvements, interior and exterior renovations, a responsive property management company, and overall improved quality of life. Steele Development, Monroe Property Group, and the PFC staff have met on site with the residents and representatives from local neighborhood associations to discuss project plans.

The PFC will serve as the general partner of the tax credit partnership and has negotiated 40% of the developer fee and 50% of the net Cash Flow in exchange for the property tax exemption. The developer fee limit is set by TDHCA through the Tax Credit Program is 15%. However, the developer is anticipating only a 12% developer fee (7.2% to developer 4.8% to PFC). The Project will be required to defer a portion of developer fee over 4 years to subsidize a project gap. The deferred fee is anticipated to be paid from cash flow in the first four years. After which the PFC will start to receive its share of cash flow. Additionally, the PFC receives 25% of any future capital event and retains the right to buy PFC at the end of the compliance period for Fair Market Value.

In connection with the Project, the San Antonio Housing Trust Finance Corporation also approved the issuance of tax-exempt bonds in an amount not to exceed \$15,000,000.

At the time of inducement, a Memorandum of Understanding had not been negotiated between the parties for approval by this Board. The PFC staff and developers have negotiated a Memorandum of Understanding for your approval and authorization to execute.

ALTERNATIVES:

If a resolution is not approved, the developer will not be able to proceed.

FISCAL IMPACT:

The 2019 ad valorem property tax is approximately \$150,000 on the existing property, which equates to \$2,250,000 not paid over 15 years due to the property tax exemption.

The PFC/FC will ensure the rehabilitation of 100 poorly conditioned units, as well as, receive an estimated \$2,031,000 over 15 years plus:

- \$809,000 developer fee from closing through construction completion
- \$160,000 in deferred developer fee over a 4-year period
- \$882,000 in anticipated cash flow over next 11-year period
- \$135,000 to the SAHT Finance Corporation equal to 1% bond issuance at closing
- \$45,000 in annual bond issuance fee to SAHT Finance Corporation (\$3,000/yr)
- 25% of any proceeds from the sale or refinancing of the project, which is not anticipated to occur until at least year 15

The PFC, if approved, will seek to contribute back an estimated \$334,000 into the project from its share developer fee to pay for tenant requested improvements beyond the project budget.

RECOMMENDATION:

Staff recommends the board approve a Resolution to approve and authorize execution of the attached Memorandum of Understanding; and to allow other matters in connection therewith.

ATTACHMENT:

Resolution
Memorandum of Understanding

PAN AMERICAN 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 February 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 APPROVING A MEMORANDUM OF UNDERSTANDING
FOR THE PAN AMERICAN APARTMENTS PROJECT; 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 February 26, 2020.

Assistant Secretary

RESOLUTION APPROVING A MEMORANDUM OF UNDERSTANDING
FOR THE PAN AMERICAN APARTMENTS PROJECT; AND OTHER
MATTERS IN CONNECTION THEREWITH

WHEREAS, Steele Pan American LP, a Texas limited partnership (the “Partnership”), and SAHT Pan American GP, LLC, a Texas limited liability company and its general partner (the “General Partner”), have been formed to acquire and rehabilitate an approximately 100-unit multifamily housing facility (the “Housing Facility”) located at approximately 146 NW 36th Street, San Antonio, Texas and known as the Pan American 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, the General Partner, SAHTPFC, and Steele Properties III, LLC or an affiliate or affiliates thereof (the “Developer”) have defined their mutual relationship in a Memorandum of Understanding (the “MOU”), a copy of which has been attached hereto as Exhibit A;

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 MOU, in substantially the form attached hereto, is 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 the MOU, in substantially the form attached hereto.

Section 3. 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 the MOU, 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. 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 5. 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 6. 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 7. 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 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.

* * *

EXHIBIT A

MEMORANDUM OF UNDERSTANDING

San Antonio Housing Trust Public Facility Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 5

Agenda Date: 2-26-2020

In Control: San Antonio Housing Trust Public Facility Corporation

DEPARTMENT: San Antonio Housing Trust Public Facility Corporation

DEPARTMENT HEAD: Pedro Alanis

SUBJECT: Presentation and possible action to approve the audited financial statements for the fiscal year ending September 30, 2019.

SUMMARY:

The San Antonio Housing Trust released a Request for Qualifications on September 10, 2019. In October 2019, Gregory & Crutchfield, LLC was selected to begin the audits of the San Antonio Housing Trust Foundation, Finance Corporation, and Public Facility Corporation.

The purpose of a financial statement audit is to add credibility to the reported financial position and performance of an organization.

An auditor seeks to gain an understanding of the environment in which the Trust entities operate and assess whether there may be risks that could impact the financial statements. The auditor typically assesses the effectiveness of internal controls by concentrating on proper authorization, safeguarding assets, and segregation of duties.

FISCAL IMPACT:

In FY 2019, the PFC had total net assets of \$5,053,249. The corporation increased net assets by \$1,568,907 the prior year.

RECOMMENDATION:

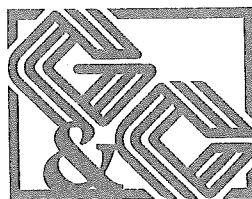
Staff recommends approval of the annual audit.

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**San Antonio Housing Trust
Public Facility Corporation**

Financial Statements

September 30, 2019

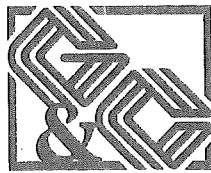


GREGORY & CRUTCHFIELD, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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GREGORY & CRUTCHFIELD, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

The Board of Directors
San Antonio Housing Trust Public Facility Corporation

We have audited the accompanying financial statements of San Antonio Housing Trust Public Facility Corporation (a nonprofit organization) which comprise the statement of financial position as of September 30, 2019, and the related statements of activities and changes in net assets, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

DRAFT

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of San Antonio Housing Trust Public Facility Corporation as of September 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule on *Comparison of Actual to Budgeted Expenses – City of San Antonio CDGB Cost Reimbursement Program Agreement* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements.

Gregory & Crutchfield, LLC

San Antonio, Texas
January 11, 2020

San Antonio Housing Trust Public Facility Corporation
Statement of Financial Position
September 30, 2019

DRAFT

Assets	
Current assets	
Cash	\$ 3,772,332
Total current assets	3,772,332
Property and equipment	
Land	42,237,351
Total property and equipment	42,237,351
Other Assets	
Due from SAHTFC	680,000
Due from Red Berry TIRZ	198,656
Total other assets	878,656
Total assets	<u>46,888,339</u>
Liabilities and net assets	
Current liabilities	
Accounts payable	478,074
Prepaid deposit	211,172
Prepaid rent - Current Portion	537,030
Total current liabilities	1,226,276
Long-term liabilities	
Prepaid rent - Long Term Portion	40,608,814
Total long-term liabilities	40,608,814
Total liabilities	41,835,090
Net assets	
Without donor restrictions	5,053,249
Total net assets	<u>5,053,249</u>
Total liabilities and net assets	<u>\$ 46,888,339</u>

The accompanying notes are an integral part of these financial statements

San Antonio Housing Trust Public Facility Corporation
Statements of Activities and Changes in Net Assets
For the Year Ended September 30, 2019

DRAFT

Change in net assets without donor restrictions:

Support and revenue	
Administrative fee income	\$ 24,999
Application fee income	6,000
CDGB grant	355,621
Developer fee income	1,888,152
Incentive management fee	30,946
Interest income	2,014
Origination fee income	1,000,000
Other income	126,937
Rental income	394,210
Total support and revenue without donor restrictions	3,828,879
Expenses	
Administrative fees	769,762
Insurance	3,435
Meals and entertainment	152
Professional fees	1,800
Grant - Under 1 Roof	1,000,000
CDBG project expenses	426,323
Rent	58,500
Total expenses without donor restrictions	2,259,972
Increase in net assets without donor restrictions	1,568,907
Net assets, beginning of year	3,484,342
Net assets, end of year	\$ 5,053,249

The accompanying notes are an integral part of these financial statements

San Antonio Housing Trust Public Facility Corporation
Statement of Cash Flows
For the Year Ended September 30, 2019

DRAFT

Cash flow from operating activities:

Change in net assets	\$ 1,568,907
Adjustments to reconcile excess of revenue over expenses to net cash provided by operating activities:	
(Increase) / decrease in :	
Due from SAHTFC	(680,000)
Due from Red Berry TIRZ	(162,961)
Increase / (decrease) in :	
Accounts payable	295,210
Prepaid deposit	(142,964)
Prepaid rent	24,833,509
Net cash provided by operating activities	25,711,701
Cash flow used in investing activities:	
Purchase of land	(25,169,216)
Cash flow from financing activities:	
	-
Net increase in cash	542,485
Cash and cash equivalents, beginning of year	3,229,847
Cash and cash equivalents, end of year	\$ 3,772,332

Supplemental disclosure:

Interest paid	-
Taxes paid	-

The accompanying notes are an integral part of these financial statements

San Antonio Housing Trust Public Facility Corporation
Statement of Functional Expenses
For the Year Ended September 30, 2019

DRAFT

	Program	Management and General	Fundraising	Total
Administrative fees	769,762	-	-	\$ 769,762
Grant - Under 1 Roof	1,000,000	-	-	1,000,000
CDBG project expenses	426,323	-	-	426,323
Insurance	-	3,435	-	3,435
Meals and entertainment	-	152	-	152
Professional fees	-	1,800	-	1,800
Rent	58,500	-	-	58,500
Totals	2,254,585	5,387	-	\$ 2,259,972

The accompanying notes are an integral part of these financial statements

San Antonio Housing Trust Public Facility Corporation
Notes to Financial Statements
For the Year Ended September 30, 2019

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Note 1 – The Organization

San Antonio Housing Trust Public Facility Corporation (“SAHTPFC”) is a Texas nonprofit public facility corporation and component unit of the City of San Antonio, incorporated on December 28, 2009 under the Texas Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (“the Act”). The organization's primary purpose is to provide for financing, acquisition, and construction of public facilities.

SAHTPFC is managed by a five member Board of Directors that serve without compensation. The Board members are residents of the City of San Antonio and appointed by written ordinance of the City Council of the City of San Antonio. The internal affairs of the Organization are governed by the Organization’s bylaws, which are approved by the governing body of the City of San Antonio. Upon dissolution of the Organization, any interest in any funds or property of any kind, real, personal, or mixed, such funds or property or rights thereto shall be transferred and delivered to the City of San Antonio after satisfaction or provision for satisfaction of debts and claims have been made.

During 2016, 2017, 2018, and 2019, SAHTPFC formed SAHT Crockett Street LP, LLC, SAHT Longhorn Quarry LP, LLC, SAHT Majestic Living GP, LLC, SAHT Foster Road LP, LLC, SAHT Pedcor GP, LLC, SAHT Marquee Village GP, LLC, SAHT Lookout LP, LLC and SAHT Parkdale GP, LLC, all Texas limited liability companies, to be used in possible real estate development partnerships to be determined. SAHTPFC is the sole member and owner of these LLC entities.

During 2016, SAHTPFC formed SAHT 222 Mitchell GP, LLC, a Texas limited liability company, to serve as the General Partner of 222 Mitchell Redevelopment, LP, a Texas limited partnership formed to develop and operate a 228 unit affordable multi-family complex in San Antonio. SAHTPFC leased the land from the Archbishop of San Antonio for 75 years and then subleased the land for 75 years to 222 Mitchell Redevelopment, LP.

During 2016, SAHTPFC formed SAHT Lord Road GP, LLC, a Texas limited liability company, to serve as the General Partner of Lord Road Apartments Ltd, a Texas limited partnership formed to develop and operate a 324 unit affordable multi-family complex in San Antonio.

During 2017, SAHTPFC formed SAHT Brookwood GP, LLC, a Texas limited liability company, to serve as the General Partner of Westover Senior P3, LP a Texas limited partnership formed to develop and operate a 197 unit affordable multi-family complex in San Antonio.

During 2017, SAHTPFC formed SAHT Copper Pointe GP, LLC, a Texas limited liability company, to be involved in the real estate development project with LDG Copper Pointe, LP, a Delaware limited partnership formed to develop and operate a 252 unit affordable multi-family complex in San Antonio.

During 2018, SAHTPFC formed SAHT Leon Creek GP, LLC, a Texas limited liability company, to serve as the General Partner of PEDCOR Investments-2016-CLVI, LP a Texas limited partnership formed to develop and operate a 296 unit affordable multi-family complex in San Antonio.

Note 1 – The Organization – *continued*

During 2018, SAHTPFC formed SAHT Red Berry LP, LLC, a Texas limited liability company, to serve as the General Partner of Red Berry GL, LP a Texas limited partnership formed to develop and operate a 330 unit mixed income housing development project in San Antonio.

During 2018, SAHTPFC formed SAHT Broadway Jones LP, LLC, a Texas limited liability company, to be involved in the real estate development project with Broadway Jones Apartments, LP, a Delaware limited partnership formed to develop and operate a 283 unit affordable multi-family complex in San Antonio.

During 2019, SAHTPFC formed SAHT Alsbury GP, LLC, a Texas limited liability company, to serve as the General Partner of VDC SA-Alsbury, LP a Texas limited partnership formed to develop and operate a 240 unit affordable multi-family complex in San Antonio.

During 2019, SAHTPFC formed SAHT Culebra Creek GP, LLC, a Texas limited liability company, to serve as the General Partner of PEDCOR Investments-2018-CLXIX, LP a Texas limited partnership formed to develop and operate a 312 unit affordable multi-family complex in San Antonio.

During 2019, SAHTPFC formed SAHT West Cevallos LP, LLC, a Texas limited liability company, to be involved in the real estate development project with West Cevallos GL, LP, a Delaware limited partnership formed to develop and operate a 323 unit affordable multi-family complex in San Antonio.

During 2019, SAHTPFC formed SAHT Mesa West GP, LLC, a Texas limited liability company, to serve as the General Partner of PEDCOR Investments-2018-CLXX, LP a Texas limited partnership formed to develop and operate a 280 unit affordable multi-family complex in San Antonio.

SAHTPFC is the sole member and owner of each of these aforementioned LLC's. SAHTPFC has made no capital contributions to these limited partnerships and they are all in the predevelopment stages and there are no financial amounts to consolidate in the financial statements of SAHTPFC as of September 30, 2019.

Note 2 – Summary of Significant Accounting Policies

Accounting Basis – The financial statements are presented on the accrual basis of accounting.

Tax Exempt Status – SAHTPFC is exempt from federal income taxes under Section 115(a) of the Internal Revenue Code. Management is not aware of any tax positions that would have a significant impact on its financial position.

Cash and Cash Equivalents – SAHTPFC considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. There were no cash equivalents as of September 30, 2019.

Note 2 – Summary of Significant Accounting Policies - *continued*

Financial Statement Presentation – SAHTPFC has prepared the accompanying financial statements in accordance with FASB Accounting Standards Codification 958-205, Not-for-Profit Entities. Under FASB ASU 958-205, the Organization is required to report assets and liabilities in reasonably homogeneous groups and sequence or classify them in ways that provide relevant information about interrelationships, liquidity, and financial flexibility. Classify and report net assets in two groups, net assets with donor restrictions and net assets without donor restrictions. Classify and report revenue, expenses, gains, and losses as increases or decreases in net assets with donor restrictions or net assets without donor restrictions.

Estimates – The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual amounts could differ from these estimates.

Revenue – SAHTPFC's primary source of revenue are from developer fees associated with the construction of public facilities.

Subsequent Events – Subsequent events have been evaluated by management through the date of the report of the independent auditors. Material subsequent events, if any, are disclosed in a separate footnote to these financial statements.

New Accounting Pronouncements – In February 2016, the FASB issued a new accounting pronouncement regarding lease accounting for reporting periods beginning after December 15, 2019. A lessee will be required to recognize on the balance sheet the assets and liabilities for leases with lease terms of more than 12 months. Management is currently evaluating the effect this pronouncement will have on the financial statements and related disclosures.

Property and Equipment – Property and equipment is currently comprised of land only, which is not depreciated. Purchases of assets are recorded at cost and any donated assets would be recorded at fair market value as of the date of donation. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets which range from 5 to 40 years. Expenditures for property and equipment in excess of \$500 are capitalized. There were no depreciable assets as of September 30, 2019.

Prepaid Rent Liability– SAHTPFC has purchased land (*see note 4*) in transactions with multiple limited partnerships which are generally involved in real estate development and which usually will develop and build apartment buildings on the land and rent those apartments to low to moderate income families in the San Antonio area to qualify for certain low income housing tax credits. The partnerships sell the land to SAHTPFC and then in return pay to lease the land back from SAHTPFC for long terms ranging from 55 to 99 years. The partnerships will prepay the entire long term ground lease for the same amounts as the land was sold to SAHTPFC. These funds received from the partnerships are recorded as a prepaid rent liability on the balance sheet and the portion to be recovered in one year from the balance sheet date are classified as the current portion of prepaid rent. The prepaid rents received by SAHTPFC are amortized using the straight line method over the term of the lease and the rental income is recognized each year as it is earned under the terms of the leases. See Note 6 which gives more information on these leases.



Note 3 – Cash Balance In Excess of FDIC Insured Limits

SAHTPFC's cash balance in excess of the federally insured limits as of September 30, 2019 is collateralized by pledged securities in accordance with the City of San Antonio's Administrative and Fiscal Contract.

Note 4 – Property and Equipment

A summary of the Organization's property and equipment as of September 30, 2019 is as follows:

Land – Woodlawn Ranch	3,400,400
Land – Cevallos Lofts	2,462,735
Land – ACME Road	810,000
Land – Oak Valley	925,000
Land – Montabella Pointe	800,000
Land – Lord Road	1,425,000
Land – Copper Pointe	1,870,000
Land – Brookwood	1,350,000
Land – Trails at Leon Creek	4,025,000
Land – Alsbury Park	2,000,000
Land – Broadway Jones	5,167,664
Land – West Cevallos	11,981,813
Land – Culebra Creek	2,854,375
Land – Mesa West	<u>3,165,364</u>
Total	42,237,351
Accumulated depreciation	<u>(0)</u>
Net property and equipment	<u>42,237,351</u>

Note 5 – Related Party Transactions

SAHTPFC and the San Antonio Housing Trust Foundation, Inc. ("SAHTF") shared the same Executive Director during the year ended September 30, 2019. SAHTPFC pays SAHTF 25% of developer revenues to administer their programs. SAHTPFC accrued administrative fees in the amount of \$478,074 to SAHTF for the year ending September 30, 2019.

SAHTPFC and the San Antonio Housing Trust Finance Corporation ("SAHTFC") shared the same Executive Director during the year ended September 30, 2019. SAHTFC received funds meant for SAHTPFC. SAHTPFC recorded the amount due them in the amount of \$680,000 as of September 30, 2019.



Note 6 – Ground Leases and Prepaid Rent Liability

As owner of various land assets (see note 4) the Organization has entered into ground leases on each property as it is purchased. The property is leased to the tenant for the development, construction, rental and operation of a rental project. The lease amount is for the purchase price of the land and is prepaid in full by the tenant at the time of the ground lease agreement. The length of the lease is from 55 years to 99 years.

<u>Property</u>	<u>Commencement Date</u>	<u>Lease Period</u>	<u>Prepaid Lease Amount</u>	<u>Prepaid Balance as of 9/30/19</u>
Woodlawn Ranch	10/12/11	2011 - 2087	3,400,400	3,039,182
Cevallos Lofts	4/6/10	2010 – 2065	2,462,735	2,038,028
ACME Road	11/1/16	2016 – 2116	810,000	786,137
Oak Valley	6/1/17	2017 – 2116	925,000	903,198
Montabella Pointe	8/31/17	2017 - 2092	800,000	777,778
Lord Road	8/24/18	2018 – 2093	1,425,000	1,404,021
Copper Pointe	7/17/18	2018 – 2093	1,870,000	1,839,872
Brookwood	5/25/18	2018 – 2093	1,350,000	1,325,655
Trails at Leon Creek	8/1/18	2018 – 2117	4,025,000	3,977,568
Alsbury Park	7/1/19	2019 – 2094	2,000,000	1,993,334
Broadway Jones	12/27/18	2019 – 2094	5,167,664	5,115,987
West Cevallos	6/14/19	2019 – 2094	11,981,813	11,935,218
Culebra Creek	7/1/19	2019 – 2118	2,854,375	2,847,167
Mesa West	9/1/19	2019 – 2118	<u>3,165,364</u>	<u>3,162,699</u>
Total			<u>42,237,351</u>	<u>41,145,844</u>
Current Portion				<u>537,030</u>
Long term Portion				<u>40,608,814</u>



Note 7 – Liquidity and Availability of Financial Assets

The following reflects the Organization’s financial assets as of September 30, 2019, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of September 30, 2019.

Financial assets at year-end	3,772,332
Less those unavailable for general expenditures within one year, due to:	
Contractual – restricted to payment of current liabilities	478,074
Contractual – restricted to payment of long-term debt	<u> --</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>3,294,258</u></u>

Note 8 – Litigation

The Organization’s management is not aware of any pending or threatened claim against it.

Note 9 – Organization’s Evaluation of Events and Transactions

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through January 11, 2020 which is the date of the independent auditor’s report.

San Antonio Housing Trust Public Facility Corporation
Comparison of Actual to Budgeted Expenses
City of San Antonio CDBG Cost Reimbursement Program Agreement
For the Year Ended September 30, 2019

DRAFT

	Actual	Budget	Budget Variance (Under) / Over
General Conditions	1,366	-	1,366
Water Supply and Maintenance	13,025	58,900	(45,875)
Lake Subsurface and Embankment	195,816	180,000	15,816
Drainage Spillover	134,558	113,537	21,021
Trail Site Retaining Walls	54,450	130,409	(75,959)
Soft Costs	27,108	-	27,108
Total	426,323	482,846	(56,523)

See independent auditor's report (other matters)

San Antonio Housing Trust Public Facility Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 6

Agenda Date: 2-26-2020

In Control: San Antonio Housing Trust Public Facility Corporation

SUBJECT: A briefing on financials, progress of projects or grant expenditures, personnel matters and other activities which do not require Board action.

BRIEFING:

During the first six months of the interim Executive Director's term,

- Revised PFC/FC application protocol, insuring all information flows through the Executive Director
- Revised the list of documents required to be financially reviewed prior to PFC Board action
- Revised the record keeping process and collected all relevant documents on every project
- Developed policies related to HR, Employee Compensation, Procurement, Financial Management
- Selected an External Auditor through an RFQ process
- Hired a new Contract Officer to monitor existing agreements
- Provided financial underwriting expertise to Trust and currently training existing staff
- Re-negotiated more favorable financial terms and options for PFC partnerships
- Attended community meetings and visited with residents
- Created new board presentations & responded to media requests
- Completed 2019 Financial Audit process
- Completed 2019 Annual Report for Trust entities
- Attended City led Housing Huddle coordination meetings
- Coordinating with City on the new Strategic Housing Implementation Plan (SHIP)
- Facilitated a unified statement from the Foundation Board on the Governance Structure

The permanent Executive Director position will be filled by early May. City staff and Interim Executive Director will begin reviewing bylaws, review list of legal documents requiring re-filing, holding one and one sessions for feedback with PFC members. regarding governance feedback