

Effective March 16, 2020 Governor Gregg Abbott authorized the temporary suspension of some of the statutory provisions of the Texas Open Meetings Law This Meeting of the Board of Trustees of the San Antonio Housing Trust Foundation, Inc is being held pursuant to this authorization and will limit face-to-face meetings to slow the spread of the Corona Virus (COVID19). See attached Open Meeting Laws Subject to Temporary Suspension

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:

[HTTPS://US02WEB.ZOOM.US/J/96271670872?PWD=C3BSSE1JRWW0EVRTBE13UYTTBK5HDZ09](https://us02web.zoom.us/j/96271670872?pwd=C3BSSE1JRWW0EVRTBE13UYTTBK5HDZ09) OR DIAL IN 1 (346) 248-7799 MEETING ID: 962 7167 0872

PASSWORD: 783567 ON TUESDAY, APRIL 28, 2020 AT 10:00 A.M.,
TO CONSIDER THE FOLLOWING MATTERS:

Briefing and Possible Action on:*

1. Approval of minutes.
2. Public Comment.
3. Resolution authorizing **Park at 38Thirty Apartments** transaction (formerly known as Parkdale 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 Parkdale 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 **Pan American 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 Pan American 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. Resolution authorizing **Luna Flats Apartments** 9% LIHTC 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

- Luna Flats 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
6. Resolution authorizing the **South Flores 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 SF CEVALLOS PFC, 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
 7. Consideration and possible action to approve a Resolution inducing the **West End at Frio Lofts**, a new 24-unit mixed income affordable/market PFC structure infill project in partnership with Terramark, located on approximately 1.49 acres at the corner of South Frio Street and El Paso Street in Council District 5 and authorizing the execution of a non-binding Memorandum of Understanding and other matters in connection therewith.
 8. Consideration and possible action to provide Public Facility Corporation funds to support the City of San Antonio's COVID Emergency Housing Assistance Program.
 9. 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

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: 4-28-2020

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 February 26, 2020 meeting.

SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION
OFFICIAL MEETING MINUTES
February 26, 2020

The Public Facility Corporation met in session at 3:22p.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 Public Facility Corporation; Nicole Collazo- Assistant Director San Antonio Housing Public Facility Corporation; JD Hernandez – Asset Manager San Antonio Housing Trust Public Facility Corporation; Sharon Jennings-Contract Officer San Antonio Housing Trust Public Facility Corporation; Maria Bradley - Administrative Assistant, San Antonio Housing Trust Public Facility Corporation; Edward Mungia-D4; Allison Shae-Neighborhood Housing Services Department; Steve Poppon- HRES; Lizbeth Parra-TRLA

1. Approval of minutes-

MINUTES COMMISSION ACTION:

The motion was made by Councilwoman Gonzales and seconded by Councilwoman Rocha Garcia to approve the minutes January 22, 2020

AYES: 5

NAYS: 0

ABSTAIN: 0

The MOTION CARRIED.

- 2. CITIZENS TO BE HEARD-** Lizbeth Parra with Texas RioGrande Legal Aid is a representative for the Pan American tenants. She provided a list of requests that the tenants are asking for.

- 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.

Pete Alanis said this is an \$18.75 million project, a 74-unit multi-family, 9% low income housing tax credit project located in District 8. The PFC approved a prior inducement in 2019 for an 88-unit project, however the project was not awarded tax credit due to a competitive process. In 2020, due to a new QAP criteria the project should be more competitive, and the PFC will partner up with a historically underutilized business “HUB” partner to provide a more competitive edge.

The developer fee of \$1.68 million is capped at 15% of the project eligible tax credit basis. The HUB will be 5% of the general partnership and take a 5% stake of the developer fee and 40% cash flow. NRP and the PFC will split the balance of the cash flow each at 30%.

Pete recommends the board approve the non-binding Resolution to obtain tax credits and the required debt.

Councilman Treviño asked if Councilman Manny Pelaez, was in favor of this project. Jason Arechiga with the NRP Group stated he met with the office of District 8 and was very supportive with this project.

COMMISSION ACTION:

The motion was made by Councilman Treviño and seconded by Councilwoman Gonzales to approval of Item Number 3.

Councilman Courage abstained.

AYES: 4

NAYS: 0

ABSTAIN: 1

The MOTION CARRIED

- 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.**

The Public Facility Corporation induced the 100-unit Pan American Apartments on August 28, 2019. This is the first project-based voucher subsidized partnership for the PFC. There will not be any increases in rents for the tenants as a result of the renovations. Steele Development, Monroe Property Group, and the Public Facility Corporation staff met on site with the residents and representatives from neighborhood associations to discuss the project plans.

The PFC negotiated 40% of the developer fee and 50% of the net Cash Flow in exchange for the property tax exemption.

The developer is anticipating only a 12% developer fee (7.2% to the developer and 4.8%

to PFC)

A portion of the developer fee may be required to be deferred over 4 years to subsidize a project gap.

The Finance Corporation also approved the issuance of tax-exempt bonds in an amount not to exceed \$15,000,000.

The PFC/FC will ensure the rehabilitation of 100 units, as well as, receive an estimated \$2,031,000 over a 15-year period.

Councilwoman Gonzales commented about her concern was the laundry rooms. She mentioned it would be nice to have a laundry room available for each tenant in their unit. She mentioned she wants the tenants to be happy and be a successful project.

Councilwoman Viagran asked if all tenants were able to return to their previous units. Pete stated that the Monroe Group is working on keeping everyone in the same unit, but it is hard to say 100% that is going to happen, but the intent is to move everyone back in the same unit.

COMMISSION ACTION:

The motion was made by Councilwoman Gonzales and seconded by Councilwoman Rocha Garcia for the approval of Item number 4.

AYES: 5

NAYS: 0

ABSTAIN: 0

The MOTION CARRIED

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

Clark Crutchfield went over the Public Facility Corporation financial statements assets and liabilities for year ending September 30, 2019. He mentioned everything was in compliance.

COMMISSION ACTION:

The motion was made by Councilman Treviño and seconded by Councilman Courage to accept the audit as presented.

AYES: 5

NAYS: 0

ABSTAIN: 0

The MOTION CARRIED

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

Pete Alanis briefed on some items that were done in relation to the NALCAB assessment. He introduced a new employee of the SAHT team, Sharon Jennings, Contract Officer.

Pete also mention that he has provided underwriting expertise to the Asset Manager and offered more opportunities for staff training.

NO ACTION TAKEN.

Councilwoman Viagran adjourned the meeting. There being no further business, the meeting adjourned at 4:23p.m.

San Antonio Housing Trust Public Facility Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 2

Agenda Date: 4-28-2020

In Control: San Antonio Housing Trust Public Facility Corporation

DEPARTMENT: San Antonio Housing Trust Public Facility Corporation

DEPARTMENT HEAD: Pedro Alanis

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Public Comment

SUMMARY:

This item will allow 3 minutes each for interested speakers to address the Board.

San Antonio Housing Trust Public Facility Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 3

Agenda Date: 4-28-20

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 8

SUBJECT:

Resolution authorizing the **Park at 38Thirty** Apartments transaction (formerly known as Parkdale 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 Parkdale 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 196-unit multifamily tax credit project located at 3830 Parkdale St on 7.07 acres in District 8. All units, which are both 2 and 3 bedroom units, will be rented to individuals whose income are at or below 60% of median family income.

The Project is expected to cost approximately \$35,425,800 with up to \$18,000,000 in tax exempt bonds being issued as a requirement for the 4% LIHTC Program (although the Resolution offers up to \$25,000,000 in bonds if needed). The sources of funds are as

follows: \$21,959,900 in a 221(d)(4) first lien debt; \$8,804,179 in tax credit equity; \$4,400,000 in City of San Antonio Affordable Housing Bond Grant and a deferred development fee of \$261,721. The City's grant shall be assigned to the PFC, which will then be loaned to the partnership and repaid to the PFC through cash flow.

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 196 units will not be built.

FISCAL IMPACT:

The 2019 ad valorem property tax was approximately \$24,218 on the existing property, which equates to \$484,360 not paid over 20 years due to the property tax exemption.

Revenues generated to the PFC/FC estimated \$5,294,346:

- \$1,450,807 by receiving 40% of the total developer fee.
 - Non-deferred portion of \$1,346,119 shall be paid within the first 36 months after closing through the end of construction.
 - Deferred fees of \$104,688 is anticipated to be paid out over the first two years after apartments are placed in service.
- \$3,663,539 estimated through 50% of the Cash Flow from the project over 20 years.
- \$180,000 in a 1% bond issuance fee to San Antonio Housing Trust Finance Corporation
- 45% of any proceeds from the sale or refinancing of the Project.

Note the PFC revenues, less administrative proceeds owed to the Foundation, shall be used repay the City's \$4.4 million contribution. Funds will be deposited annually into the City's affordable housing fund.

RECOMMENDATION:

Staff recommends approval of the attached Resolution authorizing the Park at 38Thirty 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 April 28, 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 PARK AT 38THIRTY 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 PARKDALE GP, LLC AND ITS ADMISSION AS THE GENERAL PARTNER OF ARDC PARKDALE, LTD.; 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

(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 April 28, 2020.

Nicole Collazo, Assistant Secretary

RESOLUTION

RESOLUTION AUTHORIZING PARK AT 38THIRTY 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 PARKDALE GP, LLC AND ITS ADMISSION AS THE GENERAL PARTNER OF ARDC PARKDALE, LTD.; 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

WHEREAS, ARDC Parkdale, Ltd., a Texas limited partnership (the “Partnership”), and SAHT Parkdale GP, LLC, a Texas limited liability company and its general partner (the “General Partner”), have been formed to acquire and construct a 196-unit multifamily housing facility (the “Housing Facility”) to be located at 3830 Parkdale Street, San Antonio, Texas 78229 (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 agreement to 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 (Park at 38Thirty 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 \$25,000,000 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 the Indenture, Loan Agreement, the Note, the Regulatory and Land Use Restriction Agreement, a 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 financing, the Partnership will also enter into a loan transaction with Dougherty Mortgage, LLC. for a loan secured by the United States Department of Housing and Urban Development pursuant to Section 221(d)(4) of the National Housing Act (the “HUD Loan”) in the approximate amount of \$21,959,900;

WHEREAS, in connection with the execution of the HUD Loan, the Partnership, the General Partner, and/or SAHTPFC will be required to enter into certain agreements, including, but

not limited to, a Firm Commitment, a Note, a Multifamily Deed of Trust, Assignment of Rents and Security Agreement together with a Ground Lessor Subordination and Joinder, a Regulatory Agreement, a Replacement Reserve Agreement, Certificates of Borrower, and a Subordination Agreement (collectively, the “HUD Documents”);

WHEREAS, in connection with the financing for the Project, the Partnership, the General Partner, and/or SAHTPFC will be required to enter into a loan from PNC Bank, National Association (the “Bridge Loan”) in the approximate amount of \$4,138,169, which will be documented in certain agreements, including, but not limited to, a Construction Loan Agreement, a Promissory Note, Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, Assignment of Leases and Rents, assignments of various contracts, an Environmental Indemnification Agreement, various subordination and intercreditor agreements, and various closing documents and certificates relating to a bridge loan, which will be repaid from the Equity Financing as provided below (collectively, the “Bridge 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 \$30,000, and the right to receive reimbursements not to exceed \$4,400,000 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 certain 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 \$8,804,179 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 HUD Loan, the Bridge Loan, the Assignment of Rights, Reimbursement Loan and the Equity Financing and the terms of the Bond Documents, the HUD Documents, the Bridge Loan Documents, the Assignment Documents, 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 HUD Documents, the Bridge Loan Documents, the Assignment Documents, 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 HUD Loan, the Bridge Loan, the Assignment, the Reimbursement Loan 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 a joint venturer in 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: 4-28-20

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 Pan American 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 Pan American 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 100-unit multi-family apartment complex located at 143 NW 36th Street in District 5. The development is renewing a 20 year Housing Assistant Payment (HAP) contract with HUD to provide project based voucher to tenants. The tenants are at or below 30% of area median family income.

The PFC shall create an LLC and act as the sole member of the General Partner. The Project is expected to cost approximately \$21,279,014 with up to \$15,000,000 in tax exempt bonds being issued as a requirement for the 4% LIHTC Program. The sources

of funds are as follows: \$14,370,000 in permanent financing, \$5,894,861 in tax credit equity; \$519,177 in deferred developer fees; \$169,174 in existing net operating income. The PFC shall contribute approximately \$326,000 from the PFC developer fee to provide for tenant requested additional rehabilitation scope and for a licensed and bonded moving company to assist residents during temporary relocation.

The PFC will create a single-member LLC, which will serve as the General Partner in a tax credit limited liability company partnership. Steele Pan American LP will act as a Limited Partner. Monroe Property Management Group shall serve as the property management company. 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 documents and allow the project to close.

ALTERNATIVES:

If you do not approve the resolution, the 100 units will not be rehabilitated.

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 \$3,396,392 over a 15-year period. This is an increase from prior estimates in February due to more favorable lending rates and more accurate estimates on administrative costs:

- \$978,731 developer fee from closing through construction completion
- \$207,671 in deferred developer fee over a 4-year period
- \$2,021,290 in anticipated cash flow over next 11-year period
- \$143,700 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 will, if approved, contribute back approximately \$326,000 of initial developer fee to pay for tenant requested improvements beyond the project budget.

RECOMMENDATION:

Staff recommends approval of the attached Resolution authorizing the Pan American 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 April 28, 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 PAN AMERICAN 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 PAN AMERICAN GP, LLC AND ITS ADMISSION AS THE GENERAL PARTNER OF STEELE PAN AMERICAN, 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 April 28, 2020.

Nicole Collazo, Assistant Secretary

RESOLUTION

RESOLUTION AUTHORIZING PAN AMERICAN 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 PAN AMERICAN GP, LLC AND ITS ADMISSION AS THE GENERAL PARTNER OF STEELE PAN AMERICAN, 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, 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 existing 100-unit multifamily housing facility (the “Housing Facility”) to be located at 143 NW 36th Street, San Antonio, Texas 78237 (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 \$15,000,000 and loan such proceeds to the Partnership;

WHEREAS, in connection with the Bond Financing, the Partnership, the General Partner, and/or SAHTPFC will be required to enter into certain agreements, including but not limited to the Indenture, Loan Agreement, the Note, the Regulatory and Land Use Restriction Agreement, a 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 financing, the Partnership will also enter into a loan transaction with KeyBank for a loan in an amount not to exceed \$14,370,000 (the “KeyBank Loan”);

WHEREAS, in connection with the execution of the KeyBank Loan, the Partnership, the General Partner, and/or SAHTPFC will be required to enter into certain agreements, including, but not limited to, a Promissory Note, a Construction Loan Agreement, a Construction Deed of Trust, Assignment of Leases and Rents, Security Agreement, Financing Statement and Fixture Filing, an

Environmental Indemnification Agreement, and other agreements, certificates and assignments (collectively, the “KeyBank Loan Documents”);

WHEREAS, the Partnership will contribute approximately \$5,894,861 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, SAHTPFC intends to contribute approximately \$326,000 in proceeds toward funding of additional improvements for the Project (the “SAHTPFC Funding”);

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 KeyBank Loan, the Equity Financing and the SAHTPFC Funding and the terms of the Bond Documents, the KeyBank 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 KeyBank 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 KeyBank Loan, the Equity Financing, and the SAHTPFC Funding 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: 4-28-20

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 1

SUBJECT:

Resolution authorizing the Luna Flats Apartments transaction (also known as the Markson), 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 a membership interest in Luna Flats 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 NRP Group project is a 69-unit 9% multi-family housing tax credit project located at 4415 San Pedro Avenue in District 1. All units will be rented to individuals whose incomes range from 30% to 60% of area median family income.

The Project is expected to cost approximately \$18,439,053. The project does not have tax exempt bonds as this is not a requirement of the 9% LIHTC Program. The sources of funds are as follows: \$13,686,131 in tax credit equity; \$3,125,000 in permanent financing, \$1,577,000 in a Loan from the City of San Antonio, and \$50,921 in deferred developer fees.

The San Antonio Housing Trust Public Facility Corporation will be the 95% managing partner and MSTZO, LLC will be the 5% non-managing partner together acting as the General Partner. The NRP Group is a limited Partner.

The PFC will be the general contractor for the Project to obtain a sales tax exemption. The PFC will own the land and lease it to the tax credit partnership.

Staff recommends that the board approve the resolution to approve various documents and allow the project to close, which is anticipated to be on May 1, 2020.

ALTERNATIVES:

If the PFC Board does not approve the resolution, the 69 units will not be built.

FISCAL IMPACT:

The 2019 ad valorem property tax is approximately \$35,428 on the existing property, which equates to \$531,420 not paid over 15 years due to the property tax exemption.

The PFC will ensure the new construction of 69 affordable units, as well as, receiving the following estimated fees over 15 years:

- \$385,750 developer fee (25%) through year 8.
- \$24,706 in anticipated cash flow (30%) from year 8 to 15
- Right of first refusal at the end of the 15-year compliance period to acquire the project for the outstanding debt plus exit taxes

RECOMMENDATION:

Staff recommends approval of the attached Resolution authorizing the Luna Flats (Markson) Apartments transaction.

ATTACHMENTS:

Resolution
Memorandum of Understanding

LUNA FLATS 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 April 28, 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 LUNA FLATS APARTMENTS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION, INCLUDING WITHOUT LIMITATION A MEMORANDUM OF UNDERSTANDING; AUTHORIZING THE PURCHASE OF THE LAND FOR THE TRANSACTION AND THE LEASE OF SUCH LAND FOR THE TRANSACTION; AND AUTHORIZING THE ACQUISITION OF MEMBERSHIP INTEREST IN LUNA FLATS GP LLC AND ITS ADMISSION AS THE GENERAL PARTNER OF LUNA FLATS 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 April 28, 2020.

Nicole Collazo, Assistant Secretary

RESOLUTION AUTHORIZING THE LUNA FLATS APARTMENTS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION, INCLUDING WITHOUT LIMITATION A MEMORANDUM OF UNDERSTANDING; AUTHORIZING THE PURCHASE OF THE LAND FOR THE TRANSACTION AND THE LEASE OF SUCH LAND FOR THE TRANSACTION; AND AUTHORIZING THE ACQUISITION OF MEMBERSHIP INTEREST IN LUNA FLATS GP LLC AND ITS ADMISSION AS THE GENERAL PARTNER OF LUNA FLATS 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, Luna Flats Ltd., a Texas limited partnership (the “Partnership”), and Luna Flats GP, LLC, a Texas limited liability company and its general partner (the “General Partner”), have been formed to acquire and construct an approximately 69-unit multifamily housing facility (the “Housing Facility”) located at approximately 4415 San Pedro Avenue, San Antonio, Texas and known as the Luna Flats 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 95% member and manager of the General Partner 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, the General Partner, SAHTPFC, and The NRP Group, 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;

WHEREAS, in connection with the financing, the Partnership will also enter into a loan transaction with JPMorgan Chase Bank, N.A. for a construction and permanent loan (the “Loan”) in an amount not to exceed \$13,800,000;

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

Leases and Rents, a Loan Agreement, an Environmental Indemnity Agreement, Certificates of Borrower, and a Subordination Agreement (collectively, the “Loan Documents”);

WHEREAS, in connection with the financing for the Project, the Partnership, the General Partner, and/or SAHTPFC will be required to enter into a loan from the City of San Antonio (the “City Loan”) in the approximate amount of \$1,540,760, which will be documented in certain agreements, including, but not limited to, a Developer Agreement, a Real Estate Lien Note, a Leasehold Deed of Trust, a Declaration of Restrictive Covenants, assignments of various contracts, an Environmental Indemnification Agreement, various subordination and intercreditor agreements, and various closing documents and certificates relating to a bridge loan, which will be repaid from the Equity Financing as provided below (collectively, the “City Loan Documents”);

WHEREAS, the Partnership will contribute approximately \$13,686,131 of equity to the construction of the Project, which will be raised from the sale of tax credits (the “Equity Financing”) on substantially the same terms and conditions as reflected in the MOU;

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 Loan, the City Loan and the Equity Financing and the terms of the Loan Documents, the City Loan Documents, the Equity Documents and the MOU, 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 Loan Documents, the City Loan Documents, the Equity Documents and the MOU, indemnity agreements and guaranties covering the Land or the Project, and all other documents relating to the Loan, the City Loan, the Equity Financing and the MOU, 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 acquisition of membership interest in the General Partner by SAHTPFC and General Partner’s 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.

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: 6

Agenda Date: 4-28-20

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 South Flores 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 SF Cevallos PFC, 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. This is the final approval for the South Flores transaction.

SUMMARY:

This Athena Domain development is a 292-unit multi-family new construction project located on 3.4 acres at the intersection of East Cevallos Street and South Flores Street in Council District 5. The project is an Affordable/Market mixed income structure with 144 market rate units; 118 units reserved for those tenants at or below 80% AMI; and 30 units reserved for those tenants at or below 60% AMI. Rent is set at 30% of the 80%/60% AMI annual rent rate and cannot be increased above 35% of AMI, so long as the project is tax exempt.

The Project is expected to cost approximately \$56,085,074. The sources of funds are as follows: \$45,231,541 in a 221(d)(4) first lien debt; \$10,853,532 in private equity; The project also has a previously executed CCHIP Agreement providing up to \$148,892 in City Fee Waivers and \$217,872 in SAWS Fee Waivers.

The project will be owned by the PFC and leased for 75 years to SF Cevallos MF, LP, an affiliate of Athena Domain. SAHT SF Cevallos PFC, LLC will be a 15% limited partner in SF Cevallos MF, LP to receive cash flow from the project.

Staff recommends that the board approve the resolution to approve various documents and allow the project to close, which is anticipated to be in May.

ALTERNATIVES:

If you do not approve this Project, it will not be constructed.

FISCAL IMPACT:

The 2019 ad valorem property tax is approximately \$62,352 on the existing property, which equates to \$623,520 not paid over 10 years due to the property tax exemption.

It is proposed that the Corporation would receive \$1,521,934 over 10 years

- \$250,000 origination fee at closing
- \$250,000 administration fees over 10 years (\$25k per year)
- \$1,021,934 (15%) of net cash flow over 10 years

Plus 15% of proceeds from the sale or refinancing of the project, not anticipated until at least year 10. The Year 10 proceeds estimate is \$2,852,820, at that time, the PFC can elect to cash out this amount or keep ongoing rent equal to 15% of net cash flow for remainder of the 75-year lease.

RECOMMENDATION:

Staff recommends approval of the attached Resolution authorizing the South Flores Lofts 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 April 28, 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 SOUTH FLORES LOFTS 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 SF CEVALLOS PFC, 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

(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 April 28, 2020.

Nicole Collazo, Assistant Secretary

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE SOUTH FLORES LOFTS 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 SF CEVALLOS PFC, 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

WHEREAS, SF Cevallos MF, LP, a Delaware limited partnership (the “Partnership”) and SAHT SF Cevallos PFC, LLC, a Texas limited liability company and a limited partner of Partnership (the “SAHT Partner”), have been formed to acquire and construct a 292-unit multifamily housing facility (the “Housing Facility”) to be located at the intersection of East Cevallos and South Flores Streets, San Antonio, Texas (the “Land,” together with the Housing Facility, the “Project”);

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

WHEREAS, in connection with the financing of the Project, the Partnership will enter into a loan transaction with Mason Joseph Company, Inc. for a loan in the amount of approximately \$45,231,541 (the “Loan”);

WHEREAS, in connection with the execution of the Loan, the Partnership and/or SAHTPFC will be required to enter into certain agreements, including, but not limited to, a Promissory Note, a Construction Loan Agreement, a Deed of Trust, together with a Joinder of Deed of Trust or a Deed of Trust on the fee and various assignments and certificates (collectively, the “Loan Documents”);

WHEREAS, the Partnership will raise and contribute approximately \$10,853,532 of equity to construct the Project (the “Equity Financing”);

WHEREAS, in connection with the Equity Financing, the Partnership, the SAHT Partner, and/or SAHTPFC will be required to enter into certain agreements, including but not limited to a Limited Partnership Agreement and closing certificates (collectively, the “Equity Documents”);

WHEREAS, to reduce the cost of the Project by eliminating sales tax on the construction of the Project, SAHTPFC will enter into a joint venture agreement to serve as the general contractor and enter into any required construction contracts and ancillary documents (the “Construction 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 Equity Financing, the Loan, and the terms of the Equity Documents, the Construction Documents, and the Loan Documents, are hereby authorized and approved when such documents are approved by the officers signing them.

Section 2. The President, any Vice President, the Secretary, the Treasurer, 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 Equity Documents, the Construction Documents, the Loan Documents, indemnity agreements and guaranties covering the Land or the Project, and all other documents relating to the Equity Financing, and the Loan to which the Partnership, the SAHT Partner, and/or SAHTPFC is a party.

Section 3. The purchase of the Land, the lease of the Land, the acquisition of membership interest in the SAHT Partner by SAHTPFC, and the role of SAHTPFC as a joint venturer in 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 any Assistant Secretary, or any of them, and, if required by the form of the document, the Secretary and any Assistant Secretary, or any of them, of SAHTPFC are authorized and directed to modify, execute and deliver any of the documents to be signed by or consented to by SAHTPFC, and any and all certificates and other instruments necessary to carry out the intent thereof and hereof. The President, any Vice President, the Secretary, the Treasurer, 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 Limited 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: 7

Agenda Date: 4-28-2020

In Control: San Antonio Housing Trust Public Facility Corporation

DEPARTMENT: San Antonio Housing Trust Public Facility Corporation

DEPARTMENT HEAD: Pedro Alanis

COUNCIL DISTRICTS IMPACTED: District 5

SUBJECT: Inducement Resolution for West End at Frio Lofts Apartments.

SUMMARY:

Consideration and possible action to approve a Resolution inducing the West End at Frio Lofts Apartments, a new 24-unit mixed-income affordable/market PFC structure in partnership with Terramark, located on approximately 1.49 acres at the intersection of South Frio Street and El Paso Street in Council District 5; and authorizing the execution of a non-binding Memorandum of Understanding and other matters in connection therewith.

BACKGROUND:

The Terramark development is a 24-unit multi-family new construction project located on 1.49 acres near the intersection of South Frio Street and El Paso, in Council District 5. Terramark is seeking an affordable/market structured partnership through a 75-year lease with the San Antonio Housing Trust Public Facility Corporation to develop a new \$4.3 million, three-story infill development, whereby the PFC shall have ownership of the land shall lease it to a development partnership .

The infill development is located just south of UTSA Downtown. The unit mix shall provide twelve (12) market rate units, two (2) units at or below 80% AMI and ten (10) units at or below 50% AMI.

The total project cost is \$4,344,000 with a bank loan of approximately \$3,175,000 and opportunity zone equity of approximately \$600,000. The City has also approved approximately \$569,000 in both land equity contribution through the Affordable Housing Bond and a forgivable loan through the FY 2020 Affordable Housing Fund. The site had assessed taxes of \$3,381 in 2019.

Staff has negotiated a reduction in typical PFC terms. This “PFC-Lite” affordable/market model is designed to achieve financial feasibility on a project with a smaller number of rental units on smaller land footprints.

We have reduced the origination fee at closing to \$70,000 and will take guaranteed \$100,000 in an administrative transaction fee at a future capital event, anticipated in year 10, plus 13% of the distribution proceeds. This structure requires no share of cash flow or fixed lease rate until the capital event to allow for reduced rents.

ALTERNATIVES:

This is a PFC inducement of a non-binding MOU. The PFC board could elect not to approve the resolution of inducement, which would remove the PFC’s involvement in the project.

FISCAL IMPACT:

The Resolution of Inducement has no fiscal impact, as it is non-binding.

RECOMMENDATION:

Staff recommends approving the attached Resolution

ATTACHMENT:

Resolution

Memorandum of Understanding

**WEST END AT FRIO LOFTS APARTMENTS
Inducement**

CERTIFICATE FOR RESOLUTION

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

1. In accordance with the bylaws of the PFC, the Board of Directors of the PFC (the “Board”) held a meeting on April 28, 2020 (the “Meeting”) of the duly constituted officers and members of the Board, at which a duly constituted quorum was present. Whereupon among other business transacted at the Meeting, a written

**RESOLUTION INDUCING THE WEST END AT FRIO LOFTS
APARTMENTS IN PARTNERSHIP WITH TERRAMARK INTERESTS,
L.L.C., TO BE LOCATED AT SOUTH FRIO STREET AND EL PASO
STREET; AND AUTHORIZING THE EXECUTION OF A NONBINDING
MEMORANDUM OF UNDERSTANDING 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 April 28, 2020.

Nicole Collazo, Assistant Secretary

**RESOLUTION INDUCING THE WEST END AT FRIO LOFTS
APARTMENTS IN PARTNERSHIP WITH TERRAMARK URBAN
HOMES, TO BE LOCATED AT SOUTH FRIO STREET AND EL PASO
STREET AND AUTHORIZING THE EXECUTION OF A NONBINDING
MEMORANDUM OF UNDERSTANDING 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, West End on Frio, LLC, a Texas limited liability company (the “User”), has requested that (i) the PFC finance the acquisition, construction, and equipping of a proposed 24-unit multifamily housing facility to be located at El Paso Street and South Frio Street and to be known as the West End at Frio Lofts Apartments (the “Project”);

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

WHEREAS, the Board has reviewed a non-binding memorandum of understanding with the User regarding the Project in substantially the form set forth on Exhibit A attached hereto (the “Memorandum of Understanding”);

WHEREAS, this Resolution shall constitute the PFC’s authorization to enter into the Memorandum of Understanding and consummate the transactions contemplated by the Memorandum of Understanding, subject to the terms and conditions thereof;

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

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

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

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

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

(a) cooperate with the User with respect to the Project, and, if arrangements therefor satisfactory to the User and the PFC can be made, take such action and authorize the execution of

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

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

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

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

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

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

Section 4. The Board authorizes the President, Vice President, Secretary, Treasurer, Executive Director, or Assistant Secretary of the Board to execute the Memorandum of Understanding.

Section 5. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

Section 6. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

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

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

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

* * *

San Antonio Housing Trust Public Facility Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 8

Agenda Date: 4-28-20

In Control: San Antonio Housing Trust Public Facility Corporation

SUBJECT:

Consideration and possible action to provide Public Facility Corporation funds to support the City of San Antonio's COVID Emergency Housing Assistance Program.

SUMMARY:

On April 23, 2020, the San Antonio City Council approved the creation of the \$25 million **COVID 19 Emergency Housing Assistance Program** to help those residents impacted by the COVID 19 crises. To support this effort, City Council is requesting \$2.5 million in unallocated Public Facility Corporation funds, \$1.0 million in undisbursed Under One Roof Public Facility Corporation funds, \$500,000 in Finance Corporation funds, and a total of \$1.0 million from the SAHT Foundation.

To date, the San Antonio Housing Trust Foundation has provided \$500,000 to the effort and may consider an additional \$500,000 contribution in a future action.

FISCAL IMPACT:

The Public Facility Corporation has \$3,123,070 in unallocated funds. A reallocation of \$2,500,000 to the COVID 19 Emergency Housing Assistance Program would reduce the unallocated amount to \$623,070.

The Public Facility Corporation also has an unexpended balance of \$1,766,739 supporting the Under One Roof Program. A reallocation of \$1,000,000 to the COVID 19 Emergency Housing Assistance Program would reduce this amount to \$766,739 remaining for the Under One Roof Program.

RECOMMENDATION:

Staff recommends the Public Facility Corporation authorizing \$2,500,000 in unallocated Public Facility Corporation funds and a reallocation of \$1,000,000 in undisbursed Under One Roof funds for a total of \$3,500,000 to the City's ***COVID 19 Emergency Housing Assistance Program.***

San Antonio Housing Trust Public Facility Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 9

Agenda Date: 4-28-2020

In Control: San Antonio Housing Trust Public Facility Corporation

SUBJECT: Assistant Secretary's Report Briefing

BRIEFING:

During the 2nd Quarter from January 1, 2020 through March 31, 2020, the *Public Facility Corporation* earned \$844,982.73 in revenues sourced from surplus cash flow on existing developments, administrative fees, application fees and earned interest.

During the 2nd Quarter from January 1, 2020 through March 31, 2020, the *Finance Corporation* earned \$17,733.33 in revenues sourced from annual bond fees and earned interest.

During the fiscal year, the corporate entities of the Trust have provided \$562,779 back to the Trust Foundation per the existing policy which requires 25% of new revenues be contributed on a quarterly basis. The annual estimate for this contribution is \$635,885, which is budget for staff operations. This amount has been netted out of the revenues in the table shown below.

| FY 2020 PFC & FC Net Revenues | | | | | | | |
|-------------------------------|----------------------------|------------------------|------------------------|-------------------------|--------------------------|--------------------|---------------|
| Corporation | FY 2020 Beginning Forecast | Q1 <i>Oct - Dec</i> | Q2 <i>Jan - Mar</i> | Q3 <i>Apr - June</i> | Q4 <i>July - Sept</i> | Total (Thru Q2) | % of Forecast |
| PFC | \$3,136,789 | \$1,153,529 | \$844,983 | <i>TBD</i> | <i>TBD</i> | \$1,998,512 | - |
| FC | 85,290 | \$234,873 | 17,733 | <i>TBD</i> | <i>TBD</i> | 252,606 | - |
| Totals | \$3,222,079 | \$1,388,402 | \$862,716 | <i>TBD</i> | <i>TBD</i> | \$2,251,118 | 70% |

While our corporation revenues have exceeded expectations by approximately 20% through the first half of the year, staff is unable to provide a mid-year budget projection, due to potential COVID-19 impacts to our existing multi-family partnerships.

Cash Flow - We are working with our existing partners to identify impacts to projected annual cash flow for our active inventory. The PFC receives a percentage of cash flow and/or deferred fees that are paid out of available net operating income. If there is a reduction in revenue from outstanding rent and increased operating expenses due to COVID-19 impacts, this may affect disbursements to the PFC.

Developer Fees - With respect to projects that are currently in construction, we are receiving notices describing potential COVID-19 impacts due to supply chain interruptions, labor interruptions, and restrictions on certain business operations. These may have impacts to development budgets and completion timeframes. At this point, it is unknown if any potential delays or cost increases can be absorbed in contingency budgets, or if there are impacts the expected developer fee. However, at minimum there may be timing of when that fee is ultimately paid out. Typically, our portion of developer fee is paid out at varying stages of construction and lease stabilization.

Future Development - The PFC/FC Board has previously induced participation with eleven potential developments, including two on the agenda today. Staff has not been notified of issues impacting a projects ability to move forward due to COVID 19. Staff is hopeful we can close financing on a majority of these induced projects during the remainder of this fiscal year, thus contribute to new revenues.

Remaining Inducements:

1. Westend Lofts
2. Greenline Apartments
3. Echo East Apartments
4. Northview Apartments
5. Preserve at the Port Apartments
6. Canyon Pass Apartments
7. Friedrich Lofts
8. Ridgeline Flats
9. Bietel Creek Flats
10. Cattleman Square Apartments
11. Hamilton Wolfe Apartments