AGENDA

SAN ANTONIO HOUSING TRUST FINANCE CORPORATION

A MEETING OF THE OF THE SAN ANTONIO HOUSING TRUST FINANCE CORPORATION BOARD OF DIRECTORS WILL BE HELD VIA ZOOM:
ZOOM LINK:
HTTPS://US02WEB.ZOOM.US/J/81397684034?PWD=VNVIYVRYEDNCD1RGS2ZVV2E5AJZ4DZ09
DIAL-IN NUMBER 1-346-248-7799 MEETING ID: 813 9768 4034 PASSWORD: 532656
ON WEDNESDAY, OCTOBER 21, 2020
AT 1:00 P.M., TO CONSIDER THE FOLLOWING MATTERS:

Briefing and Possible Action on:

1. Approval of minutes
2. Public Comment
3. Resolution authorizing San Antonio Housing Trust Finance Corporation Multifamily Housing Revenue Bonds (Canyon Pass Apartments Project), Series 2020; and other matters in connection therewith

SAN ANTONIO HOUSING TRUST FINANCE 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 Finance Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 1

Agenda Date: 10-21-2020

In Control: San Antonio Housing Trust Finance Corporation

DEPARTMENT: San Antonio Housing Trust Finance Corporation

DEPARTMENT HEAD: Pedro Alanis

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Approval of minutes

SUMMARY:

This item includes the approval of minutes from the September 30, 2020 meeting

SAN ANTONIO HOUSING TRUST FINANCE CORPORATION
OFFICIAL MEETING MINUTES
September 30, 2020

- The Finance Corporation met in session at 10:24 a.m., via zoom

- The meeting was called to order by Councilwoman Rebecca Viagran and the roll was called by Maria Bradley.

PRESENT: Councilwoman Rebecca Viagran, Councilman Roberto Treviño, Councilwoman Shirley Gonzales and Councilman John Courage

ABSENT: Councilwoman Dr. Adriana Rocha Garcia

Staff/Visitors Present:
Pedro Alanis- Interim Executive Director San Antonio Housing Trust Public Facility Corporation; Nicole Collazo- Assistant Director San Antonio Housing Trust Public Facility Corporation; JD Hernandez – Asset Manager San Antonio Housing Trust Public Facility Corporation; Sharon Jennings-Contract Officer San Antonio Housing Trust Public Facility Corporation; Maria Bradley - Administrative Assistant, San Antonio Housing Trust Public Facility Corporation; James Plummer- Bracewell LLP; Summer Greathouse-Bracewell LLC; Kenneth Saks-Villas at Echo East; Jacque Wooding-Prospera Housing Community Service; Piette Gilbert; Victor Miramontes-Managing Partners Mission DG, LLC; Ryan Sweeney- Prospera Housing Community Services; Adolfo Pesquera-Virtual Builders Exchange; Juanna Cormier- LIHTC Consultant- Brad McMurray-Prospera Housing Community Services; Derek Roberts-District 9; Jean Latsha- Pedcor; Jose Gonzalez-Alamo Community Group

1. **Approval of minutes August 26, 2020.**

   MINUTES COMMISSION ACTION:

   The motion was made by Councilman Treviño and seconded by Councilman Courage to approve the meeting minutes from August 26, 2020.

   AYES: 4
   NAYS: 0
   ABSTAIN: 0

   THE MOTION CARRIED.

2. **Public Comment-**

   NONE.

3. **Resolution concerning the application of The Arbors at West Avenue, LP (an affiliate of Prospera Housing Community Services) relating to the proposed financing of up to $25,000,000 of the costs of the acquisition, rehabilitation, construction, and equipping of the Arbors at West Avenue, to be located at approximately 3747 West Avenue; and other matters in connection therewith.**

Pete stated this project is a 234-unit multifamily tax credit project in District 1 located inside Loop 410. He mentioned that the project is combining 2 adjacent apartment complexes and providing renovations and reconstructions of the Arbor Place Apartments. All units will be rented to individuals whose incomes average at or below 60% of median family income. This project will retain 43 Section 8 units through a new 20-year HUD contract.
Councilman Trevino is supportive of this project.

COMMISSION ACTION:
The motion was made by Councilman Treviño and seconded by Councilman Courage to approve the resolution concerning the application of The Arbors at West Avenue, LP .

AYES:4
NAYS: 0
ABSTAIN: 0

THE MOTION CARRIED.

4. **Resolution concerning the application of Aspire at Vida, LP (an affiliate of Mission Development Group) relating to the proposed financing of up to $30,000 of the costs of the acquisition, construction, and equipping of the Aspire at Vida, to be located on Jaguar Boulevard near University Way; and other matters in connection therewith.**

Pete mentioned that this is a 288-unit multifamily, tax credit project in District 3. More than 89% of the units will be rented to individuals whose income average at or below 60% of median family income and the remainder of the units will be market rate. In addition, 15% of the units are expected to be reserved for veterans. Mission DG will act as the developer and will seek a nonbinding resolution of inducement with the Public Facility Corporation.

COMMISSION ACTION:
The motion was made by Councilman Courage and seconded by Councilwoman Gonzales to approve the nonbinding inducement **r**esolution concerning the application of Aspire at Vida, LP.

AYES:4
NAYS: 0
ABSTAIN: 0

THE MOTION CARRIED.

5. **Resolution concerning the application of Franklin Brooks City Base, Ltd (an affiliate of Franklin Development) relating to the proposed financing of up to $20,000,000 of the costs of the acquisition, construction, and equipping of the Brooks Seniors, to be located at the corner of Inner Circle Drive and Louis Bauer; and other matters in connection therewith**

Pete briefed that this is a 193-unit multifamily senior housing tax credit project in District 3. About 65% of the units will be rented to tenants income average at or below 60% of median family income and 35% of the units will be market rate. Project will be dedicated to tenants of ages 62 and older.
Councilman Courage wants to know what kind of amenities will be available for the seniors.
Pete replied that there are nearby trails and amenities near Brooks City Base. Pete will also get with the developer to see what amenities will be provided for them and will bring it up to the board.

COMMISSION ACTION:
The motion was made by Councilman Gonzales and seconded by Councilman Courage to approve resolution concerning the application of Franklin Brooks City Base, Ltd.

AYES:4
NAYS: 0
ABSTAIN: 0

THE MOTION CARRIED.

6. **Second Amended and Restated Resolution of Inducement relating to the proposed financing of up to $20,000,000 of the costs of the acquisition, construction, and equipping the Echo East Apartments located at 301 Spriggsdale; and other matters in connection therewith**

Pete briefed that this project will be income average to the 60% AMI level and will accept Section 8 vouchers. This project had impacts to tax credit pricing and had to withdraw its tax credit application. The partner at the time, Gardner Capital, was unable to close HUD financing on the project in time. The project had to proceed with Conventional Financing with a reduction in tax credit pricing. Pete recommends increasing the bond amount from $20,000,000 to $30,000,000 and to approve the restated resolution.

COMMISSION ACTION:
The motion was made by Councilwoman Gonzales and seconded by Councilman Courage to approve the second amended and restated resolution of inducement relating to the proposed financing of up to $30,000,000 of the costs of the acquisition, construction, and equipping the Echo East Apartments

AYES:4
NAYS: 0

ABSTAIN: 0

THE MOTION CARRIED.

7. **Resolution authorizing San Antonio Housing Trust Finance Corporation First Lien Multifamily Housing Revenue Bonds (Northview Apartments Project), Series 2020B; and other matters in connection therewith**

Pete recommends final approve on the bond issuance associated with the Northview Apartments.

COMMISSION ACTION:
The motion was made by Councilman Courage and seconded by Councilwoman Gonzales to approve the resolution authorizing San Antonio Housing Trust Finance Corporation First Lien Multifamily Housing Revenue Bonds (Northview Apartments Project), Series 2020B.

AYES:4
NAYS: 0
ABSTAIN: 0

THE MOTION CARRIED.

8. **Consideration and possible action to approve the Finance Corporation's annual budget and to authorize the expenditures contained therein, including providing $500,000 in Finance Corporation funds to support the City of San Antonio's COVID-19 Emergency Housing Assistance Program**

Pete presented the Finance Corporation's annual budget for fiscal year 2021 to include providing $500,000 from the Finance Corporation to support the City of San Antonio's COVID 19 Emergency Housing Assistance Program.

COMMISSION ACTION:
The motion was made by Councilwoman Gonzales and seconded by Councilman Courage to approve the Finance Corporation's annual budget and to authorize the expenditures contained therein, including providing $500,000 in Finance Corporation funds to support the City of San Antonio's COVID-19 Emergency Housing Assistance Program.

AYES:4
NAYS: 0
ABSTAIN: 0

THE MOTION CARRIED.

Adjournment
The meeting was adjourned by Councilwoman Viagran at 11:23 a.m.

San Antonio Housing Trust Finance Corporation

Agenda Memorandum

File Number _____

Agenda Item Number: 2

Agenda Date: 10-21-2020

In Control: San Antonio Housing Trust Finance Corporation

DEPARTMENT: San Antonio Housing Trust Finance 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 Finance

Corporation Agenda Memorandum

File Number _____

Agenda Item Number: 3

Agenda Date: 10-21-2020

In Control: San Antonio Housing Trust Finance Corporation

DEPARTMENT: San Antonio Housing Trust Finance Corporation

DEPARTMENT HEAD: Pedro Alanis

COUNCIL DISTRICTS IMPACTED: District

9 **SUBJECT:**

Briefing and possible action regarding a Resolution approving the bonds to be issued for Pedcor's Canyon Pass Apartments Project.

SUMMARY:

This item includes a briefing and possible action regarding a Resolution concerning the approval of the issuance of one or more series of tax-exempt bonds for Pedcor Investments – 2019 – CLXXV, L.P., in the original principal amount of up to $35,000,000, to pay the costs of the acquisition, construction, and equipping of the Canyon Pass Apartments, to be located at approximately 25601 Overlook Parkway; and other matters in connection therewith.

ISSUE:

This Pedcor project is a 264-unit multifamily 4% tax credit project located at approximately 25601 Overlook Parkway on approximately 15 acres in District 9. All units, which are 1, 2, and 3-bedroom units, will be rented to individuals whose income is at or below 60% of median family income. The San Antonio Housing Trust Public

Facility Corporation has created a single-member LLC, which will act as the sole general partner of Pedcor Investments – 2019 – CLXXV, L.P.

The Project is expected to cost approximately $52,078,102 with up to $35,000,000 in tax exempt bonds being issued as a requirement for the 4% LIHTC Program. The expected sources of funds are as follows: $33,500,000 in first lien debt; $17,636,307 in tax credit equity; and a deferred development fee of $364,786.

Multifamily revenue bonds will be issued by the Finance Corporation in the approximate total amount of up to $35,000,000 and will only be outstanding for a period of 43 years. The bonds are being issued because the 4% tax credit rules require that at least 50% of the project be financed with tax-exempt bonds. The bond proceeds will be used to pay the cost of development. The bonds are payable exclusively from the project funds, not PFC or Finance Corporation funds, City funds, or taxes.

ALTERNATIVES:

If the San Antonio Housing Trust Finance Corporation board does not approve this transaction, then 264 affordable units will not be constructed.

FISCAL IMPACT:

The Issuer will receive a 1% Bond Issuance Fee of the final issuance amount anticipated to be $335,000 along with a $30/unit per year annual bond fee totaling $118,800 over a 15 year period.

RECOMMENDATION:

Staff recommends approval of the attached Resolution

ATTACHMENT:

Resolution

CERTIFICATE FOR RESOLUTION

The undersigned officer of the San Antonio Housing Trust Finance Corporation (the "Issuer") hereby certifies as follows:

In accordance with the bylaws of the Issuer, the Board of Directors of the Issuer (the "Board") held a meeting on October 21, 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 SAN ANTONIO HOUSING TRUST FINANCE CORPORATION MULTIFAMILY HOUSING REVENUE BONDS (CANYON PASS APARTMENTS), SERIES 2020; 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.

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

SIGNED AND SEALED October 21, 2020.

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Pedro A. Alanis, Assistant Secretary

RESOLUTION AUTHORIZING SAN ANTONIO HOUSING TRUST FINANCE CORPORATION MULTIFAMILY HOUSING REVENUE BONDS (CANYON PASS APARTMENTS), SERIES 2020; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the San Antonio Housing Trust Finance Corporation (the “Issuer”) has developed a program of issuing bonds and loaning their proceeds to defray, in whole or in part, all reasonable or necessary costs incidental to the acquisition, renovation, construction, and improvement of land, improvements, and related property at least 90% of which is intended to be occupied by persons of low or moderate income, as determined by the Issuer, all in order to alleviate a shortage of affordable rental housing within San Antonio, Texas, for such persons of low or moderate income, and to refund such bonds;

WHEREAS, the Issuer has been requested to issue its “Multifamily Housing Revenue Bonds (Canyon Pass Apartments), Series 2020” in the aggregate principal amount not to exceed $33,500,000 (the “Bonds”), the proceeds of which will be used to finance the cost of acquiring, constructing, and equipping a proposed 264-unit multifamily apartment facility to be known as the Canyon Pass Apartments, to be located at approximately 25601 Overlook Parkway, San Antonio, Texas (the “Project”) for Pedcor Investments-2019-CLXXV, L.P., a Texas limited partnership (the “Borrower”);

WHEREAS, the Issuer desires to issue the Bonds pursuant to a Financing Agreement (the “Financing Agreement”) between the Issuer, the Borrower, Merchants Capital Corp. (the “Lender”), BOKF, NA, as Construction Fund Agent (the "Construction Fund Agent"), and International City Bank and United Fidelity Bank, fsb (the “Purchasers”), and to loan (or otherwise make available) the proceeds thereof to the Borrower pursuant to a Construction Fund Agreement (the “Construction Fund Agreement”) among the Issuer, the Purchasers, the Construction Fund Agent, and the Borrower, all subject to the terms of a Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”) among the Issuer, the Purchasers, and the Borrower;

WHEREAS, the loan will be evidenced by a Note issued under the Financing Agreement (the “Note”), and assignments of the Note (the “Assignments”) from the Issuer in favor of the Purchaser;

WHEREAS, the Issuer will be presented with two Bond Purchase Agreements (the “Purchase Agreements”), setting forth certain terms and conditions upon which the Purchasers will purchase the Bonds and the Issuer will sell the Bonds to the Purchasers;

WHEREAS, the Issuer is authorized to issue the Bonds pursuant to the Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code, as amended;

WHEREAS, the Issuer has determined that issuance of the Bonds is necessary to finance the costs of acquiring, constructing, and equipping the Project;

WHEREAS, this Board of Directors has reviewed the foregoing and determined that the action herein authorized is in furtherance of the corporate purposes of the Issuer and that the terms and conditions of the Bonds and the above-described instruments, including without limitation the dates, interest rates, maturities, redemption terms, and sales price of the Bonds and the manner of disbursing the proceeds thereof are advisable;

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

Section 1. The terms of the Financing Agreement, the Construction Fund Agreement, the Note, the Regulatory Agreement, and the Purchase Agreement are hereby authorized and approved when such documents are approved by the Executive Director.

Section 2. The President, any Vice President, the Secretary, the Treasurer, the Executive Director, and each Assistant Secretary, or any of them, are authorized and directed to execute (to the extent required to be executed or acknowledged by the Issuer) and deliver (or to accept, as the case may be) the Financing Agreement, the Construction Fund Agreement, the Regulatory Agreement, the Note, the Purchase Agreements, and any and all certificates (including tax certificates), applications (including volume cap and carry-over applications with the TBRB) and other instruments described therein upon the conditions therein described or necessary or desirable in connection with the issuance of the Bonds and the loan of the proceeds thereof to the Borrower, all upon the terms herein approved, and the President, the Vice President, the Secretary, the Treasurer, the Executive Director, and each Assistant Secretary, or any of them, are authorized to negotiate and approve such changes in the terms of each such instrument as such officers shall deem necessary or appropriate upon the advice of counsel to the Issuer, and approval of the terms of each such instrument by such officers shall be conclusively evidenced by the execution and delivery of such documents.

Section 3. The Bonds, in the aggregate principal amount of not to exceed $33,500,000, with an interest rate (not including applicable premium) which shall initially be a Pass-Through Rate which shall not exceed 6% and thereafter the LIBOR Based Rate set at a floor of 3% with a maximum rate of 6%, as set forth in the Financing Agreement, and with a maturity date not to exceed December 31, 2063, in substantially the form and substance set forth in the Financing Agreement, are hereby approved, and the President, the Vice President, the Secretary, the Treasurer, the Executive Director, and each Assistant Secretary, or any of them, are hereby authorized and directed, for and on behalf of the Issuer, to execute the Bonds or have their facsimile signatures placed upon them, and such officers are hereby authorized and directed to deliver the Bonds, and the seal of the Issuer is hereby authorized and directed to be affixed or placed by facsimile on the Bonds. Authentication of the Bonds upon the terms and conditions and in the manner described in the Financing Agreement as the same may be modified is authorized by this Resolution. The final principal amounts, interest rates,

maturity dates (not to exceed the amounts, the rates, and the maximum term set forth above), and final redemption dates and prices for the Bonds shall be set forth in the final form of the Financing Agreement, and the execution and delivery of the Purchase Agreement by the President, the Vice President, the Secretary, the Treasurer, the Executive Director, each Assistant Secretary, or any of them, shall constitute approval of the agreed final principal amounts of, interest rates on the Bonds, maturity dates of the Bonds, and the final redemption dates and prices for the Bonds. The proceeds of the Bonds are hereby authorized to be utilized as set forth herein and in the Financing Agreement and the Construction Fund Agreement.

Section 4. The Issuer hereby approves the filing of any request with the Texas Bond Review Board to obtain necessary volume cap for the transaction in order to be able to issue the amount of bonds authorized herein.

Section 5. The Issuer hereby confirms the selection of Bracewell LLP as Bond Counsel.

Section 6. The Issuer hereby approves the selection of United Fidelity Bank, fsb, and/or International City Bank, N.A. as the purchaser under the Financing Agreement.

Section 7. The President, the Vice President, the Secretary, the Treasurer, the Executive Director, each Assistant Secretary, or any of them, are hereby authorized to execute and deliver to the Purchaser the written request of the Issuer for the authentication and delivery of the Bonds by the Purchaser in accordance with the Financing Agreement.

Section 8. All action and resolutions, not inconsistent with provisions of this Resolution heretofore taken by this Board of Directors and the officers of the Issuer directed toward the financing of the Project and the issuance of the Bonds shall be and the same hereby is extended, ratified, approved, and confirmed. The officers of this Board, or any of them, are authorized to take any and all action necessary to carry out and consummate the transactions described in or contemplated by the instruments approved hereby or otherwise to give effect to the actions authorized hereby and the intent hereof.

Section 9. The Board of Directors confirms $100,800 as the amount currently constituting low and moderate income in the City of San Antonio, Texas (the "City"), adjusted as set forth in the Regulatory Agreement, is hereby approved.

Section 10. The Board of Directors has expressly determined and hereby confirms that the issuance of the Bonds to assist in the financing of the Project will promote the public purposes set forth in Section 394.002 of the Act and will accomplish a valid public purpose of the Issuer by assisting persons of low and moderate income in the City to obtain decent, safe, and sanitary housing at affordable prices, thereby helping to relieve unemployment, to preserve and increase the tax base of the City, and to reduce public expenditures for crime prevention and control, public health, welfare, and safety and for other valid public purposes. No bonds may be issued unless the San Antonio Housing Trust Public Facility Corporation controls the general partner of the Borrower.

Section 11. The Bonds and the interest thereon shall be limited obligations of the Issuer payable solely from the revenues, funds, and assets pledged under the Financing Agreement to secure payment of the Bonds, and under no circumstances shall the Bonds be payable from any other revenues, funds, assets, or income of the Issuer.

Section 12. The Bonds shall not constitute an indebtedness, liability, general, special, or moral obligation or a pledge or loan of the faith or credit or taxing power, within the meaning of any constitutional or statutory provision whatsoever, of the United States of America or any agency or instrumentality thereof, the State of Texas, the City, or any other political subdivision or governmental unit.

Section 13. After the Bonds are issued, this Resolution shall be and remain irrepealable until the Bonds or interest thereon shall have been fully paid or provision for payment shall have been made pursuant to the Financing Agreement.

Section 14. If any section, paragraph, clause, or provision of this Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution. In case any obligation of the Issuer authorized or established by this Resolution or the Bonds is held to be in violation of law as applied to any person or in any circumstance, such obligation shall be deemed to be the obligation of the Issuer to the fullest extent permitted by law.

Section 15. The recitals of this Resolution are hereby found to be true and are incorporated herein for all purposes.

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