

AGENDA

SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION

A MEETING OF THE OF THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION BOARD OF DIRECTORS WILL BE HELD AT
114 W. COMMERCE STREET, SAN ANTONIO, TEXAS 78205 (B ROOM)
AND VIA ZOOM:

<https://us02web.zoom.us/j/84779302984?pwd=WIRKdIIISY2dJME55Z25INU9RTGVoz09>

DIAL-IN NUMBER: 1-346-248-7799 MEETING ID: 847-7930-2984 PASSWORD: 415663

**ON MONDAY, OCTOBER 25, 2021
AT 10:30 A.M. TO CONSIDER THE FOLLOWING MATTERS:**

Briefing and Possible Action on:

1. Approval of minutes
2. Public Comment
3. Presentation and possible action to approve a professional services agreement with a third-party compliance auditor
4. Resolution authorizing (i) the **Lofts at Creekview** (f/k/a East Commerce 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; authorizing the creation of a single-member limited liability company; and authorizing the financing for the project; authorizing the San Antonio Housing Trust Public Facility Corporation to serve as the general contractor; and other matters in connection therewith; and (ii) San Antonio Housing Trust Public Facility Corporation Senior Bonds (Lofts at Creekview) Series 2021 A-1 and San Antonio Housing Trust Public Facility Corporation Subordinate Bonds (Lofts at Creekview) Series 2021 A-2; and (iii) other matters in connection therewith
5. Presentation and possible action to approve the audited financial statements for the fiscal year ending September 30, 2020

***Executive Session**

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

SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION

BOARD MEMBERS:

Council Member Jalen McKee-Rodriguez (District 2), Council Member Phyllis Viagran (District 3), Council Member Dr. Adriana Rocha Garcia (District 4), Council Member Teri Castillo (District 5), Council Member John Courage (District 9)

**San Antonio Housing Trust Public Facility Corporation
Agenda Item #1**

This item includes the approval of minutes from the October 1, 2021 meeting.

**SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION
OFFICIAL MEETING MINUTES
Friday, October 1, 2021**

The Public Facility Corporation met in session at 10:33 a.m., via Zoom and in person at 100 Military Plaza, San Antonio, Texas, 78205

The meeting was called to order by Councilman Courage and the roll was called by Maria Bradley.

PRESENT: Councilman Jalen McKee-Rodriguez, Councilwoman Phyllis Viagran, Councilwoman Adriana Rocha Garcia, Councilwoman Teri Castillo, and Councilman John Courage

ABSENT:

Staff/Visitors Present:

Pedro Alanis-Executive Director San Antonio Housing Trust Public Facility Corporation; Nicole Collazo- Director of Operations San Antonio Housing Trust Public Facility Corporation; JD Hernandez –Sr. Asset Manager San Antonio Housing Trust Public Facility Corporation; Maria Bradley – Sr. Administrative Assistant; Edward Mungia- District 4; Teresa Myers- Mayors Office, Marc De La Fuente, Auditor- Gregory and Crutchfield, LLC.

1. APPROVAL OF MINUTES

Councilwoman Rocha Garcia motioned and seconded by Councilwoman Viagran for the approval of the minutes from August 20, 2021, and September 20, 2021.

AYES: 5

NAYS:

ABSTAINED:

THE MOTION PASSED.

2. CITIZENS TO BE HEARD

NONE.

3. CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE PUBLIC FACILITY CORPORATION'S ANNUAL BUDGET AND TO AUTHORIZE THE EXPENDITURES CONTAINED THEREIN

Pete Alanis gave an overview of all 4 entities. Overall, the 4 entities have a \$28.34 billion budget. \$1.4 million are for administrative costs which includes the Executive Director salary as well as other professional services. Each year the SAHT entities adopts a new fiscal year budget starting October 1st to ending September 30th. Our fiscal year aligns with

the City's fiscal year. The Housing Trust Fund is estimated to have about \$260,000 in unreserved cash in the beginning of the year along with a ten-million-dollar corpus. Over the course of the year there are some old loan revenues of about \$345,000 being repaid and transferred back into the Trust account. The interest on the accounts will be earned roughly about \$34,000.

The Foundation board met on September 23, 2021 to approve \$3.8 million operating budget. This is due to personnel services, insurances and adding 2 new positions and a 2% cost of living increase adjustment.

The Public Facility Corporation and Finance Corporation will provide 25% of the revenues to the Foundation. It is anticipated to receive about \$2.21 million. By the end of the fiscal year 2021 the Finance Corporation is anticipated to have \$1.18 million in cash.

MINUTES COMMISSION ACTION:

Councilwoman Viagran motioned, and Councilwoman Rocha Garcia seconded to approve the annual budget for the Public Facility Corporation and Finance Corporation.

AYES: 5

NAYS:

ABSTAINED:

THE MOTION PASSED.

4. PRESENTATION AND POSSIBLE ACTION TO APPROVE THE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING DECEMBER 31,2020

Pete Alanis introduced Marc De La Fuente, a certified Public Accountant with Gregory and Crutchfield, LLC.

Marc stated that the financial statements were presented fairly. He briefed on the Public Facility Corporation financial position.

MINUTES COMMISSION ACTION:

Councilman Courage motioned and Councilwoman Viagran recommends postponing the final approval until the next board meeting to give the board time to review the audit packet.

AYES: 5

NAYS:

ABSTAINED:

THE MOTION PASSED.

5. Resolution concerning the application of ACG Cattleman Square Lofts, LP relating to the proposed financing of up to \$25,000,000 of the costs of the acquisition, construction, and equipping of the Cattleman Square Lofts Apartments, to be located at approximately 811 West Houston Street; and other matters in connection therewith

Pete Alanis briefed on the Cattleman Square project a 138-unit income mix multifamily, tax credit project in District 5. All units will be rented to families whose incomes are average at or below 60% of median family income. About 15% of the units will be reserved for residents making below 30% of the median income. The project doesn't have a current bond reservation, a new resolution is needed to authorize to refile 2022 or 2023 application for the project to move forward. In addition, it now requires a greater bond financing due to increases in construction costs.

MINUTES COMMISSION ACTION:

Councilwoman Castillo motioned and seconded by Councilwoman Rocha Garcia approve the Resolution.

AYES: 5

NAYS:

ABSTAINED:

THE MOTION PASSED.

- 6. Resolution concerning the application of Prospera Housing Community Services and Versa Development, LLC relating to the proposed financing of up to \$35,000,000 of the costs of the acquisition, rehabilitation, construction and equipping of the County Club Village Apartments, to be located at approximately 3500 Magic Drive; and other matters in connection therewith**

Pete Alanis briefed on the Country Club Village Apartments a 269-unit senior housing, tax credit project in District 5. The project is for profit and non-profit development. The non-profit owns the Country Club Village which will rehabilitate 82 existing units to senior housing. They are partnering with Versa Development, LLC to expand and construct 187 additional units. They aren't seeking tax exemption PFC partnership since they are working with Prospera who is a nonprofit organization that helps with 50% tax exemption.

MINUTES COMMISSION ACTION:

Councilwoman Viagran motioned, and Councilman McKee-Rodriguez seconded to approve the Resolution.

AYES: 5

NAYS:

ABSTAINED:

THE MOTION PASSED.

- 7. Consideration and possible action approving a Resolution for a Loan Modification for the Brookwood Senior Apartments to lower the interest rate from 4.05% to an estimated 3.25% thus increasing the net cash flow return to the PFC**

Pete Alanis briefed on the 197-unit project called the Brookwood Senior Apartments located in District 6. The partnership is receiving 40% of developer fee. The original mortgage was \$24 million and had an interest rate of 4.05% now that the market is lower now and the rate will be lower down to around 3.05%. HUD allows a one-time modification and would like to take advantage and can paying off a developer fee earlier.

MINUTES COMMISSION ACTION:

Councilwoman Rocha Garcia motioned, and Councilman McKee-Rodriguez seconded to approve the loan modification.

AYES: 5

NAYS:

ABSTAINED:

THE MOTION PASSED.

Councilman Courage adjourned the meeting. There being no further business, the meeting adjourned at 11:19am.

**San Antonio Housing Trust Public Facility Corporation
Agenda Item #2**

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

San Antonio Housing Trust Public Facility Corporation
Agenda Item #3

Presentation and possible action to approve a professional services agreement with a third-party compliance auditor

SUMMARY:

On August 30, 2021, staff solicited RFPs from third party compliance audit firms, for provision of certain professional services, including:

- Development of site-specific compliance plans
- Performance of annual compliance audit
- Provision of corrective or resolution services
- Collection of compliance or regulatory agency certifications
- Provision of an annual report on each project, which summarizes annual actions

Two qualified firms submitted responses to the RFPs: Karen A. Graham Consulting and AJ Johnson Consulting.

FISCAL IMPACT:

These services will cost approximately \$92,000 in year 1 and \$79,000 in year 2.

RECOMMENDATION:

Staff recommends authorizing the execution of a professional services agreement with Karen A. Graham Consulting, LLC

**San Antonio Housing Trust Public Facility Corporation
Agenda Item #4**

Resolution authorizing the Lofts at Creekview 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; authorizing the creation of a single-member limited liability company; and authorizing the financing for the project; authorizing the San Antonio Housing Trust Public Facility Corporation to serve as the general contractor; and other matters in connection therewith; and San Antonio Housing Trust Public Facility Corporation Senior Bonds (Lofts at Creekview) Series 2021 A-1 and San Antonio Housing Trust Public Facility Corporation Subordinate Bonds (Lofts at Creekview) Series 2021 A-2; and other matters in connection therewith.

SUMMARY:

San Antonio Housing Trust Public Facility Corporation is seeking to enter a transaction with Cohen-Esrey Development Group to develop a new \$56.5 million, 301-unit multi-family new construction project, whereby the PFC shall have outright ownership of the project and control of all operations and tenant services and shall issue tax-exempt bonds in the amount not to exceed \$60,000,000 to finance the acquisition, construction and equipping of such project. The bonds will have a term of no more than 40 years and an interest rate not to exceed 5.5% for the Senior Bonds and 7.5% for the Subordinate Bonds. However, the project shall establish \$3.49 million debt service reserve fund to reduce the risk of payment default. The PFC will enter into a Development Agreement with Cohen-Esrey pursuant to which Cohen-Esrey will develop and build the project.

The apartments are anticipated to include covered parking, a playground, pool, elevators, and courtyard gardens. The unit mix will include efficiency, one, two and three-bedroom units and shall initially provide 15 units for tenants whose income is less than 50% of the area median income (“AMI”); 31 units for tenants whose income is less than 60% of AMI; and 105 units for tenants whose income is less than 80% of AMI. The remaining units will be market-rate units.

Unit Type	AMI	Units	Rent
0BR	50%	1	\$648
0BR	60%	4	\$767
0BR	80%	10	\$950
0BR	Mkt	17	\$950
1BR	50%	8	\$695
1BR	60%	15	\$834
1BR	80%	53	\$1,112
1BR	Mkt	74	\$1,225
2BR	50%	5	\$833
2BR	60%	10	\$1,000

2BR	80%	37	\$1,334
2BR	Mkt	52	\$1,450
3BR	50%	1	\$963
3BR	60%	2	\$1,156
3BR	80%	5	\$1,542
3BR	Mkt	7	\$1,725

Available administrative fees and cash flow could also be used to expand tenant services, although at closing the project will establish a \$450,000 Tenant Assistance Fund to assist existing residents. The equity earned at the initial refinancing period can also be used to buy down targeted AMI units, fund additional tenant services, or fund other SAHT PFC Activities.

The East Commerce Apartments project is located in the San Antonio Independent School District and would be serviced by 2019 Overall C-rated Sam Houston High School; 2019 Overall D-rated Davis Middle School; and 2019 Overall C-rated Cameron Elementary School. All three schools have above 91% economically disadvantaged students.

The area is located within the SA Tomorrow Fort Sam Houston Regional Center and just east of the Eastside Community Plan Area. The area is beginning to establish several multi-family rental units in the area including three other SA Housing Trust PFC assisted projects, including the Salado at Red Berry, a stabilized mixed income community; Alsbury Farms, a tax credit project currently coming online in 2021; and the Villas at Echo East. The project is also near the SAHT Foundation supported Roseville Apartments. The site is also near the Carver Library and Wheatley Heights Sports Complex as well as the Salado Creek Trail system.

ALTERNATIVES:

If you do not approve the resolution, the units will not be built, and the vacant property will remain as it is.

FISCAL IMPACT:

The 2020 ad valorem property tax was approximately \$22,842 on the two existing vacant parcels, which equates to an un-trended \$274,104 not paid over 12 years due to the property tax exemption.

Over the same 12-year period, the financial interest for the SAHT PFC is estimated to total \$17,414,325 as follows:

- \$331,085 Annual Administrative Fees
- \$17,083,240 in Equity (assuming Year 12 Refi)

RECOMMENDATION:

Staff recommends approval of the attached Resolution authorizing the Lofts at Creekview 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 October 25, 2021, (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 (I) LOFTS AT CREEKVIEW TRANSACTION (F/K/A EAST COMMERCE 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 CREATION OF A SINGLE-MEMBER LIMITED LIABILITY COMPANY; AND AUTHORIZING THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION TO SERVE AS THE GENERAL CONTRACTOR; AND (II) SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION SENIOR BONDS (LOFTS AT CREEKVIEW) SERIES 2021 A-1 AND SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION SUBORDINATE BONDS (LOFTS AT CREEKVIEW) SERIES 2021 A-2; AND (III) 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 October 25, 2021.

Pedro A. Alanis, Assistant Secretary

RESOLUTION

RESOLUTION AUTHORIZING (I) LOFTS AT CREEKVIEW TRANSACTION (F/K/A EAST COMMERCE 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 CREATION OF A SINGLE-MEMBER LIMITED LIABILITY COMPANY; AND AUTHORIZING THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION TO SERVE AS THE GENERAL CONTRACTOR; AND (II) SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION SENIOR BONDS (LOFTS AT CREEKVIEW) SERIES 2021 A-1 AND SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION SUBORDINATE BONDS (LOFTS AT CREEKVIEW) SERIES 2021 A-2; AND (III) OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the San Antonio Housing Trust Public Facility 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 all in order to alleviate a shortage of workforce housing within San Antonio, Texas, and to lend the proceeds of such bonds to a single-member limited liability company to be formed by the Issuer (the “LLC”) and to refund such bonds;

WHEREAS, the Issuer has been requested to issue its “Senior Bonds (Lofts at Creekview) Series 2021 A-1” (the “Series A-1 Bonds”) and its “Subordinate Bonds (Lofts at Creekview) Series 2021 A-2” (the “Series A-2 Bonds”) in the aggregate principal amount not to exceed \$60,000,000 (the Series A-1 Bonds and the Series A-2 Bonds together, the “Bonds”), the proceeds of which will be used to finance the cost of acquiring, constructing, and equipping a proposed approximately 301-unit multifamily apartment facility to be known as the Lofts at Creekview, to be located at approximately 3623 East Commerce, San Antonio, Texas (the “Project”);

WHEREAS, the Issuer desires to issue the Bonds pursuant to an Indenture of Trust (the “Indenture”) between the Issuer and a trustee to be selected by the Assistant Secretary (the “Trustee”) and, if necessary or advisable, to loan (or otherwise make available) the proceeds thereof to the LLC pursuant to a Loan Agreement (the “Loan Agreement”) among the Issuer, the Trustee, and the LLC, all subject to the terms of a Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”) among the Issuer, the Borrower and the Trustee;

WHEREAS, the Bonds will be purchased by an underwriter to be selected by the Assistant Secretary (the “Underwriter”);

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

WHEREAS, the Issuer will be presented with a various offering documents (collectively, the “Offering Documents”), including without limitation a limited offering memorandum (the “LOM”), a Bond Purchase Agreement (the “Purchase Agreement”), and a Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) setting forth certain terms and conditions upon which Preston Hollow Capital, LLC or an affiliate (the “Purchaser”) will purchase the Bonds and the Issuer will sell the Bonds to the Purchaser;

WHEREAS, the Indenture, Loan Agreement, Regulatory Agreement, Note, Assignments, the Offering Documents, the LOM, Purchase Agreement and Continuing Disclosure Agreement are referred to herein as the “Bond Documents”;

WHEREAS, the Issuer is authorized to issue the Bonds pursuant to the Texas Public Facility Corporation Act, Chapter 303, 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, the Issuer has agreed to (i) serve as the sole member of the LLC in connection with the financing of the Project, (ii) acquire the Land (the “Property Acquisition”, either (a) in the name of the LLC, or (b) in its own name and, if necessary or advisable, lease it to the LLC pursuant to a Lease (the “Lease”), (iii) serve as the general contractor for the Project and (iv) hire a third-party management company to operate the Project upon its completion;

WHEREAS, the Issuer shall cause Cohen-Esrey Development Group, LLC (“Cohen Esrey”), or an affiliate, to serve as the developer of the Project pursuant to a development agreement among the Issuer and Cohen Esrey (the “Development Agreement”);

WHEREAS, in connection with serving as the general contractor for the Project, the Issuer may enter into various contracts relating to the construction of the Project, including without limitation a construction contract (any such documents, the “Construction Documents”);

WHEREAS, in connection with hiring the Property Manager, the Issuer and/or the LLC may enter into a property management agreement (the “Management Agreement”);

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;

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;

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 Project may be constructed;

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 Bonds and the terms of the Bond Documents, the Construction Loan Documents, the Development Agreement and the Management Agreement 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 and directed to execute (to the extent required to be executed or acknowledged by the Issuer or the LLC) any and all documentation required for the financing and construction of the Project, including, but not limited to, the Bond Documents, the Construction Documents, the Development Agreement, the Management Agreement, 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 Assistant Secretary is authorized to select the Trustee and the Underwriter.

Section 4. The purchase of the Land, the lease of the Land, the creation of the LLC by SAHTPFC and its participation in the Project, 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 5. 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 6. The Bonds, in the aggregate principal amount of not to exceed \$60,000,000, with an interest rate (not including applicable premium) not to exceed 5.5% with respect to the Series A-1 Bonds and 7.5% with respect to the Series A-2 Bonds, as set forth in the Indenture, and with a maturity date not to exceed a term of forty years from the date of such Bonds, in substantially the form and substance set forth in the Indenture, 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, without the necessity of the seal of the Issuer. Authentication of the Bonds upon the terms and conditions and in the manner described in the Indenture 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 Indenture, 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 Indenture and the Financing Agreement.

Section 7. The Board 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 in the Act. No bonds may be issued unless the San Antonio Housing Trust Public Facility Corporation owns the Project or is the sole member of the owner of the Project.

Section 8. 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 9. The Issuer hereby confirms the selection of Bracewell LLP as Bond Counsel.

Section 10. 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 Indenture.

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 Indenture 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 State of Texas, the City, or any other political subdivision or governmental unit.

Section 13. 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 14. 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 15. 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 16. 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 17. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 18. This Resolution shall be in force and effect from and after its passage.

San Antonio Housing Trust Public Facility Corporation
Agenda Item #5

Presentation and possible action to approve the audited financial statements for the fiscal year ending September 30, 2020

SUMMARY:

In October 2019, Gregory & Crutchfield, LLC was selected to conduct independent audits for the San Antonio Housing Trust Foundation, Finance Corporation, and Public Facility Corporation for a two-year period.

The purpose of a financial statement audit is to add credibility to the reported financial position and performance of an organization. The auditor seeks to gain an understanding of the environment in which the audited entities operate and assess whether there may be risks that could impact the financial statements. The auditor typically assesses the effectiveness of internal controls by concentrating on proper authorization, safeguarding assets, and segregation of duties.

Additionally, in FY 2020, the PFC reached federal expenditure thresholds due to our expenditure of CDBG funds in the redevelopment of the Red Berry Estate Lake, trail and trailhead, which required a "Single Audit". A Single Audit is an organization-wide financial statement and federal awards audit of a non-federal entity that expends \$750,000 or more in federal funds in one year. It is intended to provide assurance to the Federal Government that a non-federal entity has adequate internal controls in place and is generally in compliance with program requirements.

FISCAL IMPACT:

In FY 2020, the PFC had total net assets of \$4,534,016. The corporation decreased net assets by \$519,233 from FY 2019.

RECOMMENDATION:

On September 21, 2021, Gregory & Crutchfield, LLC issued an **Unqualified Report** for both the Financial Statements and the Federal Awards, which means both are presented fairly in all material aspects. Staff recommends acceptance and approval of the annual audit