

## AGENDA

### SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION

A MEETING OF THE OF THE SAN ANTONIO HOUSING TRUST  
PUBLIC FACILITY CORPORATION BOARD OF DIRECTORS WILL BE HELD VIA  
ZOOM LINK:

[HTTPS://US02WEB.ZOOM.US/J/87644819988?PWD=T05XDkM3BjNIWNlOCjBvRkZGWmgyZZ09](https://us02web.zoom.us/j/87644819988?pwd=T05XDkM3BjNIWNlOCjBvRkZGWmgyZZ09)

DIAL-IN NUMBER: 1-346-248-7799 MEETING ID: 876 4481 9988 PASSWORD:  
401553

ON TUESDAY, MARCH 30, 2021  
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 the **Echo East 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 Echo East Manager, LLC; and authorizing the financing for such transaction; and authorizing San Antonio Housing Trust Public Facility Corporation serve as the general contractor; and other matters in connection therewith.
4. Resolution authorizing **Longhorn Quarry II 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 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.
5. Consideration and possible action to approve a Resolution inducing the **Cosmopolitan Apartments**, a new 105-unit, PFC-structure affordable senior-housing project in partnership with Loopy Limited, located at 311 West Laurel in Council District 1.
6. Discussion and possible action regarding the election to accept rent instead of sales proceeds upon the sale of the **Salado at Red Berry** and authority to amend and restate the Lease Agreement.
7. Consideration and possible action to approve a TIRZ grant for the Red Berry trail system.

8. Consideration and possible action to approve the adoption of the Tenant Protection Policy.

**\*Executive Session**

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

**SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION  
BOARD MEMBERS:**

Council Member Roberto C. Trevino (District 1), Council Member Rebecca J. Viagran (District 3), Council Member Dr. Adriana Rocha Garcia (District 4), Council Member Shirley Gonzales (District 5), Council Member John Courage (District 9)

**San Antonio Housing Trust Public Facility Corporation**

**Agenda Memorandum**

**File Number \_\_\_\_\_**

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**Agenda Item Number: 1**

**Agenda Date: 3-30-2021**

**In Control: San Antonio Housing Trust Public Facility Corporation**

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**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 24, 2021 meeting.

**SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION**  
**OFFICIAL MEETING MINUTES**  
**February 24, 2021**

- The Public Facility Corporation met in session at 1:32 p.m, via Zoom
- The meeting was called to order by Councilwoman Viagran and the roll was called by Maria Bradley.

**PRESENT: Councilwoman Rebecca Viagran, Councilman Roberto Treviño, Councilwoman Adriana Rocha Garcia Councilwoman Shirley Gonzales, and Councilman John Courage**

**ABSENT:**

**Staff/Visitors Present:**

Pedro Alanis-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; Allison Beaver- NHSD; Mia Loseff- Texas Housers; Gilbert Piette-; Ryan Wilson-Franklin Company; Janna Cormier- JC Development; Brett Franklin- Franklin Companies; Benjamin Vergil- Texas Housers; Ruben Lizalde-D3; Monica Cruz-Resident

**1. Approval of minutes for January 26, 2021.**

**MINUTES COMMISSION ACTION:**

The motion was made by Councilwoman Rocha Garcia and seconded by Councilman Treviño for approval meeting minutes from January 26, 2021.

**AYES: 3**

**NAYS: 0**

**ABSTAIN: 0**

**THE MOTION CARRIED.**

**2. PUBLIC COMMENT-**

Monica Cruz- Concerned resident and Community Researcher wanted to correct the misinformation that Jim Plummer shared about the impact the PFC development has on school districts. She stated many of the PFC developments are not suitable for families with school aged children. The low-income families do not benefit from these projects because normally it is too expensive and not enough 3+ bedroom units. She gave in reasonings why she would like to stop the approval of PFC developments that utilized the 303.042 tax break.

**3. Consideration and possible action to approve a Resolution inducing the Arbors at West Avenue Apartments, including the execution of all documentation necessary to obtain the financing for such transaction; and authorizing all filings and agreements with Texas Department of Housing and Community Affairs in connection with applications for low-**

**income housing tax credits; and other matters in connection therewith.**

Pete Alanis stated nonprofit group Prospera is seeking a partnership 75-year lease with a PFC. This is a renovation project of 150 existing units, 84 units will be demolished and reconstructed. It is currently on tax exempt property in Council District 1. The new construction project will have unit mix of 1,2-, 3- and 4-bedroom units. It will provide 43 Section-8 units, 98 units for those tenants with income less than 50% of the AMI. 24 units for tenants with income less than 60% AMI and 69 units for tenants with income less than 80% of the AMI. This project will abide by the new tenant protection policy. The PFC will receive 25% of the developer fee and any deferred fee and 50% of the cash flow long term.

Councilman Treviño is in favor for this project.

Councilman John Courage and Councilwoman Gonzales arrived at 1:45pm

**COMMISSION ACTION:**

The motion was made by Councilman Treviño and seconded by Councilwoman Rocha Garcia to approve the non-binding inducement.

**AYES: 5**

**NAYS: 0**

**ABSTAIN: 0**

**The MOTION CARRIED.**

4. **Resolution concerning the Application of the ARDC San Pedro, Ltd. for the Four25 Apartments, a new 9% low-income Housing Tax credit project; including the execution of all documentation necessary to obtain the financing for such transaction; and authorizing all filings and agreements with Texas Department of Housing and Community Affairs in connection with application for low income housing tax credits; and other matters in connection therewith.**

Pete Alanis stated Franklin Development is seeking at 75-year lease with the PFC. This project will create 80 new units and will have 80 space parking garage, at no charge to tenants. The new construction project will include unit mix of 2- and 3-bedroom units. The new construction project will provide 16 units to tenants with income less than 30% AMI, 32 units with income less than 50% AMI and 32 units with income less than 60% AMI. This project will also include the new tenant protection policy.

Councilwoman Viagran wanted to confirm parking situation. If a family chose not to have a parking space will families not be charged for not using the parking. Pete replied that the garage is built as part of the financing project and he confirmed with the developer that no one will be charged for it.

**COMMISSION ACTION:**

The motion was made by Councilman Treviño and seconded by Councilman Courage to approval of item 4.

**AYES: 5**

**NAYS: 0**

**ABSTAIN: 0**

**THE MOTION CARRIED.****5. A briefing on proposed legislation regarding Public Facility Corporations**

Pete Alanis briefed the board members about the upcoming legislation bills that would affect Public Facility Corporations. Some SAHTPFC projects that are in the process of closing may also be impacted.

The proposed legislation bills:

SB 591-Paul Bettencourt ® & HB 1604- Jim Murphy

HB 1096- Gary Gates

HB 1286- Jon Rosenthal

HB 628- Jon Rosenthal

**NO ACTION NEEDED:**

Councilwoman Viagran adjourned the meeting. There being no further business, the meeting adjourned at 2:16pm

**San Antonio Housing Trust Public Facility Corporation**

**Agenda Memorandum**

**File Number \_\_\_\_\_**

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**Agenda Item Number: 2**

**Agenda Date: 3-30-2021**

**In Control: San Antonio Housing Trust Public Facility Corporation**

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**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** \_\_\_\_\_

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**Agenda Item Number:** 3

**Agenda Date:** 3-30-2021

**In Control:** San Antonio Housing Trust Public Facility Corporation

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**DEPARTMENT:** San Antonio Housing Trust Public Facility Corporation

**DEPARTMENT HEAD:** Pedro Alanis

**COUNCIL DISTRICTS IMPACTED:** District 2

**SUBJECT:**

Resolution authorizing the **Echo East 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 Echo East Manager, 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:**

This project by the George Gervin Foundation and Atlantic | Pacific Communities is the construction of a 192-unit multi-family apartment complex located at 301 Spriggsdale in District 2 (the "Project"). The development will serve tenants whose incomes are at or below 60% of AMI. Rents are projected to be within TDHCA maximum limits:

Unit Type	AMI	Units	Net Rent
1BR	60%	72	\$738
2BR	60%	96	\$887
3BR	60%	24	\$1,028

\*Net rents include utility allowance.



The Project is expected to cost approximately \$43,854,303 with up to \$20,000,000 in tax exempt bonds being issued as a requirement of the 4% LIHTC Program. The anticipated sources of funds are as follows: \$18,268,483 Tax Credit Equity, \$20,000,000 Tax Exempt Debt, \$2,550,000 in TIRZ funds, \$750,000 Bexar County Funds, and \$2,285,820 in deferred developer fee.

The PFC will create a single-member LLC, which will serve as the General Partner in a tax credit limited liability company partnership. Villas at Echo East, LP will act as a Limited Partner. The PFC will continue to own the land and lease it to the tax credit partnership. The PFC will also serve as the general contractor for the Project in order to allow for a sales tax exemption.

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

#### **ALTERNATIVES:**

If you do not approve the resolution, the 192 units will not be constructed.

#### **FISCAL IMPACT:**

No ad valorem property taxes have been paid as this property was previously owned by the City of San Antonio.

The revenues generated to the PFC/FC during the next 15-year period are estimated to be \$1.22 million:

- \$676,864 by receiving 12% of the total developer fee.
  - Non deferred fees of \$342,501 (pre-stabilization)
  - Deferred fees of \$334,363 expected between Year 1 and 13.
- \$78,902 by receiving 12% of Cash Flow between Year 13-15.
  - Cash flow will increase to 40% after initial sale around year 15.
- \$200,000 Bond Issuance Fee at closing
- \$92,160 Annual Bond Fees over 15 years

#### **RECOMMENDATION:**

Staff recommends approval of the attached Resolution authorizing the financial closing of the project.

#### **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 March 30, 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 ECHO EAST 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 ECHO EAST MANAGER GP, LLC AND ITS ADMISSION AS THE GENERAL PARTNER OF VILLAS AT ECHO EAST, 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 March 30, 2021.

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Pedro A. Alanis, Assistant Secretary

## RESOLUTION

RESOLUTION AUTHORIZING ECHO EAST 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 ECHO EAST MANAGER GP, LLC AND ITS ADMISSION AS THE GENERAL PARTNER OF VILLAS AT ECHO EAST, 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, Villas at Echo East, LP, a Texas limited partnership (the “Partnership”), and SAHT Echo East Manager, LLC, a Texas limited liability company and its general partner (the “General Partner”), have been formed to acquire and construct a 192-unit multifamily housing facility (the “Housing Facility”) to be located at 301 Spriggsdale Boulevard, San Antonio, Texas 78220 (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 Social Multifamily Mortgage-backed Tax-exempt Bonds (SOCIAL M-TEBS) (Echo East Apartments), Series 2021 A-1 (the “Series A-1 Bonds) and Multifamily Housing Revenue Bonds (Echo East Apartments), Series 2021 A-2 (the “Series A-2 Bonds” and, together with the Series A-1 Bonds, the “Bonds”) to finance the Project (the “Bond Financing”);

WHEREAS, the Issuer will issue the Bonds in an amount not to exceed \$20,000,000 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 of Trust, the Financing Agreement, the Bond Loan Note, the Regulatory Agreement and Declaration of Restrictive Covenants, 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 for the Project, the Partnership will also enter into a loan transaction with Wells Fargo Bank, National Association for a loan in an amount not to exceed \$30,500,000 (the “Construction Loan”);

WHEREAS, in connection with the Construction 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 Building Loan Agreement, a Construction Leasehold Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing, a Pledge and Security Agreement, a Pledge and Security Agreement, and other agreements, certificates and assignments (collectively, the “Construction Loan Documents”);

WHEREAS, in connection with the financing for the Project, the Partnership will also enter into a forward commitment transaction with Fannie Mae for a loan from Wells Fargo Multifamily Capital for permanent financing in an amount not to exceed \$18,500,000 (the “Permanent Loan”);

WHEREAS, in connection with the Permanent Loan, the Partnership, the General Partner and/or SAHTPFC will be required to enter into certain agreements, including but not limited to, a Multifamily Note, a Multifamily Loan and Security Agreement (Non-Recourse), a Multifamily Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing together with a Joinder and Consent of Ground Lessor, an Assignment of Management Agreement, an Assignment of Collateral Agreements and Other Loan Documents, Tax Authorization Form, Insurance Certification, one or more Subordination Agreements, and other agreements, certificates and assignments (collectively, the “Permanent Loan Documents”);

WHEREAS, in order to provide additional funding for the Project, the City of San Antonio Tax Increment Reinvestment Zone No. 11 entered into the Echo East Amended and Restated Chapter 380 Agreement, identifying SAHTPFC and the George Gervin Youth Center, Inc. (the “GGYC”) as grantees of up to \$2,550,000 of grant financing (the “TIRZ Funds”) to be used for the construction of the Project;

WHEREAS, GGYC desires to lend the TIRZ Funds to the Partnership pursuant to a loan transaction in an approximate amount of \$2,550,000 (the “TIRZ Loan”);

WHEREAS, in connection with the TIRZ Loan, the Partnership, the General Partner and/or SAHTPFC will be required to enter into certain agreements, including but not limited to, a Subgrant Agreement, a Promissory Note, and a Leasehold Deed of Trust, Security Agreement and Fixture Filing together with a Joinder of Fee Owner, and other agreements, certificates and assignments (collectively, the “TIRZ Loan Documents”);

WHEREAS, the Bexar County Commissioners Court approved a reimbursement from Bexar County, Texas to GGYC for the costs of construction of the Project, in the amount of \$750,000 (the “County Grant”);

WHEREAS, GGYC desires to lend the proceeds of the County Grant and additional funds for the construction of the Project to the Partnership will pursuant to one or more additional loan transactions in an aggregate approximate amount of \$1,500,000 (the “Gervin Loans” and, together with the TIRZ Loan, the “Subordinate Loans”);

WHEREAS, in connection with the Gervin Loans, the Partnership, the General Partner and/or SAHTPFC will be required to enter into certain agreements, including but not limited to, promissory notes and leasehold deeds of trust, security agreements and fixture filings together with joinders of fee owner, and other agreements, certificates and assignments (collectively, the “Gervin

Loan Documents” and, together with the TIRZ Loan Document, the “Subordinate Loan Documents”);

WHEREAS, the Partnership will contribute approximately \$18,268,483 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 Construction Loan, the Permanent Loan, the Subordinate Loans and the Equity Financing and the terms of the Bond Documents, the HUD Documents, the Construction Loan Documents, the Permanent Loan Documents, the Subordinate 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 Construction Loan Documents, the Permanent Loan Documents, the Subordinate 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 Construction Loan, the Permanent Loan, the Subordinate Loans and the Equity Financing, to which the Partnership, the General Partner, and/or SAHTPFC is a party.

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

Section 4. The President, any Vice President, the Secretary, the Treasurer, and the Executive Director, or any of them, and, if required by the form of the document, the Secretary

and any Assistant Secretary, or any of them, of SAHTPFC are authorized and directed to modify, execute and deliver any of the documents to be signed by or consented to by SAHTPFC, and any and all certificates and other instruments necessary to carry out the intent thereof and hereof. The President, any Vice President, the Secretary, the Treasurer, the Executive Director, any assistant secretary or any of them, are authorized to negotiate and approve such changes in, or additions to, the terms of any of the documents, including amendments, renewals, and extensions, as such officers shall deem necessary or appropriate upon the advice of counsel to SAHTPFC, and approval of the terms of any of the documents by such officers and this Board shall be conclusively evidenced by the execution and delivery of such documents.

Section 5. The officers of this Board, or any of them, are authorized to take any and all action necessary to carry out and consummate the transactions described in or contemplated by the documents approved hereby or otherwise to give effect to the actions authorized hereby and the intent hereof.

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

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

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

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

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

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

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**San Antonio Housing Trust Public Facility Corporation**

**Agenda Memorandum**

**File Number** \_\_\_\_\_

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**Agenda Item Number:** 4

**Agenda Date:** 3-30-2021

**In Control:** San Antonio Housing Trust Public Facility Corporation

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**DEPARTMENT:** San Antonio Housing Trust Public Facility Corporation

**DEPARTMENT HEAD:** Pedro Alanis

**COUNCIL DISTRICTS IMPACTED:** District 10

**SUBJECT:** Resolution Approving the Longhorn Quarry II Apartments

**SUMMARY:**

Resolution authorizing **Longhorn Quarry II 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 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.

**BACKGROUND:**

This development by the Morgan Group and Bitterblue Inc. is a 355-unit multi-family new construction project located on approximately 14 acres of vacant land subject to an existing 100% property tax exemption for agricultural use, near the intersection of Thousand Oaks Drive and Wurzbach Parkway in Council District 10 (the "Project"). The Project is an affordable/market mixed-income structure with one, two and three-bedroom units. 36 (10%) units will be reserved for tenants whose income is less than 60% of the area median income adjusted by bedroom size ("AMI"); and 142 (40%) units are for tenants whose income is less than 80% of AMI. The remaining units will be market-rate units. The Project will be income capped at 33% and will be required to accept Section 8 vouchers. The unit leases will incorporate the Tenant Protection Policy if adopted by the PFC Board.

Unit Type	AMI	Units	Rent
1BR	60%	31	\$810
1BR	80%	129	\$1,080
1BR	Market	67	\$1,140 – 1,195
2BR	60%	4	\$972
2BR	80%	12	\$1,296
2BR	Market	94	\$1,375 – 1,460
3BR	60%	1	\$1,123
3BR	80%	1	\$1,498
3BR	Market	16	\$1,750

The Project will have a resort-style pool, state of the art fitness center and numerous other amenity features. It is located in an area with access to mass transit, neighborhood amenities, and recreational amenities, including a connection to nearby trails via a trailhead designed and constructed by Bitterblue.

The Project is expected to cost approximately \$56,769,249 with anticipated conventional debt financing of \$36,900,012 and approximately \$19,869,237 in private equity. The Project will be owned by the PFC and leased to a developer-affiliated entity for 99 years.

**ALTERNATIVES:**

If the PFC Board does not indicate approval to proceed, the affordable and market rate units will not be built and the property will remain as it is.

**FISCAL IMPACT:**

The 2020 ad valorem property tax is approximately \$52,500 per year on the 14-acre site, which equates to \$1,050,000 not paid over 20 years due to the property tax exemption.

The PFC is anticipated to receive an estimated \$2,146,193 over the same 20-year period as follows:

- \$250,000 origination fee at closing
- \$300,000 in annual fees over 20 years
- \$584,186 in lease payments beginning in year 10 at initial OZ capital event.
- \$1,012,007 or 1% of anticipated gross sale price at 2<sup>nd</sup> Sale, assumed in year 20.

**RECOMMENDATION:**

Staff recommends approval of the attached Resolution authorizing the financial closing of the project.

**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:

3. In accordance with its bylaws, the Board of Directors of SAHTPFC (the “Board”) held a meeting on March 30, 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 THE LONGHORN QUARRY II 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 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.

4. 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 March 30, 2021.

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Pedro A. Alanis, Assistant Secretary

RESOLUTION AUTHORIZING THE LONGHORN QUARRY II 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 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, Longhorn Quarry Asset B Venture, LP, a Texas limited partnership (the “Partnership”) has been formed to acquire and construct a 355-unit multifamily housing facility (the “Housing Facility”) to be located near the intersection of Thousand Oaks Drive and Wurzbach Parkway, 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) acquire the Land and own the Project and lease it to the Partnership pursuant to a Lease Agreement (the “Lease”), and (ii) 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 for a loan in the amount of approximately \$36,900,012 (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 \$19,869,237 of equity to construct the Project (the “Equity Financing”);

WHEREAS, in connection with the Equity Financing, the Partnership 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 serve as the general contractor and enter into any required construction contracts and ancillary documents including, without limitation, a Subcontract Agreement (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 and/or SAHTPFC is a party.

Section 3. The purchase of the Land, the lease of the Land pursuant to the Lease, 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 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 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 \_\_\_\_\_**

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**Agenda Item Number: 5**

**Agenda Date: 3-30-2021**

**In Control: San Antonio Housing Trust Public Facility Corporation**

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**DEPARTMENT: San Antonio Housing Trust Public Facility Corporation**

**DEPARTMENT HEAD: Pedro Alanis**

**COUNCIL DISTRICTS IMPACTED: District 1**

**SUBJECT: Inducement Resolution for the Cosmopolitan Apartments**

**SUMMARY:**

Consideration and possible action to approve a Resolution inducing the **Cosmopolitan Apartments**, a new 105-unit, PFC-structure affordable senior-housing project in partnership with Loopy Limited, located at 311 West Laurel in Council District 1.

**BACKGROUND:**

Loopy Limited is seeking a partnership through a 75-year lease with the San Antonio Housing Trust Public Facility Corporation to develop a new \$21.9 million, 105-unit new construction senior-housing project (the "Project"), whereby the PFC shall have ownership of the land with the equity partnership in the Project.

The unit mix will include 100 efficiency and 5 two-bedroom units, will have a 20-year Housing Assistance Program (HAP) contract extension with HUD which limits seniors to spending no more than 30% of their income on rent. HUD pays the difference between rent and what seniors can afford. HUD sets the rent based on a market study performed every 5 years since they pay the difference.

The unit leases will provide for inclusion of the Tenant Protection Policy if adopted by the PFC board, however, HUD requirements will take priority over SAHT provisions.

In order to help close the development funding gap, Loopy Limited has agreed to contribute 100% of developer fee to the project. The PFC shall receive a \$125,000 reduced origination fee at closing. The PFC will receive a \$15,000 reduced annual administrative fee, as well as 20% of annual net cash flow rent after the first sale, and 2% of gross sale proceeds at any future sale for the life of the lease.

The reduction in typical PFC revenues is due to the fact that this project is not receiving tax credit equity to reduce the amount of debt necessary for the project. The project will need to find an estimated addition \$1.5 million in gap financing to move forward.

The project is located in an area of high minority concentration of 72% and a lower income area with an annual median household income of \$29,345 per the City's Equity Matrix.

The project is located in SAISD, however no families with children will be served by the project. This project will remove approximately \$14,612 off the tax rolls per year, which is about a \$7,824 per year impact for SAISD, of which \$2,941 is the annual I/S tax amount offset.

The area does have a high concentration of older multi-family properties.

**ALTERNATIVES:**

If the San Antonio Housing Trust Public Facility Corporation Board does not indicate approval to proceed, the affordable units will not be built.

**FISCAL IMPACT:**

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

**RECOMMENDATION:**

Staff recommends approval of the Resolution.

**ATTACHMENT:**

Resolution

**COSMOPOLITAN APARTMENTS  
Inducement**

**CERTIFICATE FOR RESOLUTION**

The undersigned officer of the San Antonio Housing Trust Public Facility Corporation, a nonprofit public facility corporation created pursuant to the laws of the State of Texas (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 March 30, 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 INDUCING THE COSMOPOLITAN APARTMENTS IN  
PARTNERSHIP WITH LOOPY LIMITED, TO BE LOCATED ON A  
TRACT OF LAND LOCATED AT 311 WEST LAUREL; AND  
AUTHORIZING THE NEGOTIATION AND EXECUTION OF A TERM  
SHEET; 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 March 30, 2021.

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Pedro A. Alanis, Assistant Secretary

**RESOLUTION INDUCING THE COSMOPOLITAN APARTMENTS IN PARTNERSHIP WITH LOOPY LIMITED, TO BE LOCATED ON A TRACT OF LAND LOCATED AT 311 WEST LAUREL; AND AUTHORIZING THE NEGOTIATION AND EXECUTION OF A TERM SHEET; 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, Loopy Limited (together, the “User”), has requested that (i) the PFC finance the acquisition, construction, and equipping of a proposed 105-unit multifamily senior housing facility to be located on a tract of land located at 311 West Laurel and to be known as the Cosmopolitan Apartments (the “Project”);

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

WHEREAS, SAHTPFC and the User or an affiliate or affiliates thereof will define their mutual relationship in a Term Sheet (the “Term Sheet”);

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

WHEREAS, the User has requested authorization to make all filings necessary to obtain and maintain equity and debt financing for the Project; 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 negotiation and execution by the President, Vice President, Secretary, Treasurer, Executive Director, or Assistant Secretary of the Board of a Term Sheet setting forth the details of the Project.

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

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

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

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

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

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**San Antonio Housing Trust Public Facility Corporation**

**Agenda Memorandum**

**File Number \_\_\_\_\_**

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**Agenda Item Number: 6**

**Agenda Date: 3-30-2021**

**In Control: San Antonio Housing Trust Public Facility Corporation**

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**DEPARTMENT: San Antonio Housing Trust Public Facility Corporation**

**DEPARTMENT HEAD: Pedro Alanis**

**COUNCIL DISTRICTS IMPACTED: District 2**

**SUBJECT:**

Discussion and possible action regarding the election to accept rent instead of sale proceeds upon the sale of **Salado at Red Berry** and authorization to amend and restate the lease agreement.

**BACKGROUND:**

Salado at Red Berry is a PFC transaction authorized in 2018. The project has been constructed and has stabilized leasing. The NRP group notified the PFC regarding a sale of their partnership.

The PFC shall continue to own the project subject to the conditions in the lease and the project will remain tax exempt. As a result of the received capital event notification, per the terms of our Partnership Agreement, the PFC can elect to either accept a percentage of sales proceeds or receive a percentage of net operating income (less debt service) and annual fees for the remaining term of the lease. The Property is expected to sell for at least \$62 million.

**ISSUE:**

The Capital Event Notice in the Partnership Agreement triggers an action by the PFC Board. In the event of an opportunity to amend and restate the partnership agreement, the PFC will require insertion of the Tenant Protection Policy.

**FISCAL IMPACT:**

If the PFC agrees to accept a cash out option, we will receive 10% share of available proceeds after debt and equity are repaid. The expected capital event would yield an estimated \$2,549,719 at the time of sale for the PFC.

If the PFC elects to receive 10% of the cash flow and annual fees from the Property for the remaining 73 years in the lease, year 1 cash flow is estimated to be \$105,875 plus a \$25,000 annual fee. I have estimated cash flow to increase over time steadily by assuming a 2% revenue increase and a 3% operating expense increase. This projected amount is \$32 million over the remaining 73-year lease. The net present value of the cash flow option in today's dollars is \$5.79 million.

If the board takes no action, the capital event will move forward with a default cash out option for the PFC.

**RECOMMENDATION:**

Staff recommends electing to receive long term rental stream of 10% of net cash flow and annual fees.

**ATTACHMENT:**

Resolution

## CERTIFICATE FOR RESOLUTION

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

1. In accordance with the bylaws of the Corporation, the Board of Directors of the Corporation (the "Board") held a meeting on March 30, 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

**CONSENT TO THE SALE OF THE LEASEHOLD INTEREST IN THE SALADO AT RED BERRY PROJECT; ELECTION TO ACCEPT CASH FLOW RENT IN LIEU OF SALES PROCEEDS; AUTHORIZATION TO EXECUTE AN AMENDED AND RESTATED LEASE AGREEMENT; 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 Corporation.

SIGNED AND SEALED March 30, 2021.

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Pedro A. Alanis, Assistant Secretary

**CONSENT TO THE SALE OF THE LEASEHOLD INTEREST IN THE SALADO AT RED BERRY PROJECT; ELECTION TO ACCEPT CASH FLOW RENT IN LIEU OF SALES PROCEEDS; AUTHORIZATION TO EXECUTE AN AMENDED AND RESTATED LEASE AGREEMENT; AND OTHER MATTERS IN CONNECTION THEREWITH**

WHEREAS, the Corporation authorized the Salado at Red Berry project (the “Project”) on September 26, 2018;

WHEREAS, construction of the Project is complete and the developer, the NRP Group, has decided to sell the partnership that leases the project (the “Sale”);

WHEREAS, in connection with the Sale, the Corporation has the option to either (i) accept Sale proceeds or (ii) to elect a PFC LLC Withdrawal (as defined in the Lease Agreement for the Project) and thereafter to receive cash flow rent for the full term of the lease (the “PFC Withdrawal” and, together with the sale, the “Transactions”);

WHEREAS, the Board has reviewed and considered the foregoing options and desires to consent to the Transactions.

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

Section 1. The Transactions are hereby authorized and approved.

Section 2. The President, any Vice President, the Secretary, the Treasurer, the Executive Director, or any of them, are hereby authorized to execute any and all documentation required to effect the Transactions including, but not limited to, an Amended and Restated Lease Agreement.

Section 3. 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 4. 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 5. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 6. 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 \_\_\_\_\_**

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**Agenda Item Number: 7**

**Agenda Date: 3-30-2021**

**In Control: San Antonio Housing Trust Public Facility Corporation**

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**DEPARTMENT: San Antonio Housing Trust Public Facility Corporation**

**DEPARTMENT HEAD: Pedro Alanis**

**COUNCIL DISTRICTS IMPACTED: District 2**

**SUMMARY:**

Consideration and possible action to amend to the Red Berry Estate Master Development Agreement reflecting the additional grant award of \$1.2 million from the Inner City TIRZ #11.

**BACKGROUND:**

In October 2017, the San Antonio Housing Trust Public Facility Corporation (PFC) entered into a Master Development Agreement with the City of San Antonio and the Inner City TIRZ #11, to both facilitate the redevelopment of the Red Berry Estate and manage the construction of public improvements which included the Salado Creek Hike and Bike Trail System extension, Red Berry Lake restoration, and other infrastructure improvements.

To date, the PFC has substantially completed the public infrastructure improvements such as installation of new roads, utilities, required TXDOT improvements, substantial lake restoration, TCEQ required dam improvements, installed the trail head and upper trail that overlooks the Red Berry Lake with the TIRZ public improvement investment of \$1,816,290, CDBG funds of \$1,480,931, and ICIF funding of \$540,579.

**ISSUE:**

The lower Hike and Bike Trail and bridge connection over Salado Creek was not completed due to a necessary re-design of the trail and pedestrian crossing across the Salado Creek. In numerous consultations with the City Arborist, Parks and Recreation, Stormwater Division and City Management, the prior Salado Creek crossing location had

several issues related to small flood impacts on a neighboring non-City owned property, including tree impacts, and the incorporation of concrete features that were not desirable. In coordination with the City teams, we are proposing a re-alignment of the Trail through the southern edge of the Pecan Orchard from the existing Trailhead to cross near the Willow Springs Golf Course instead of across from the KOA campgrounds. Attached is the preliminary path that is being considered.

The location of the new re-aligned trail is on now RK Group owned land. The RK Group has pledged they will work to provide the necessary easements at no cost as long as they can retain legal access to the Pecan Orchard property. In addition, the approximately 70-year-old water well pump located at 827 Richland Road, which services the Red Berry Lake, requires a complete replacement. The total cost for completion of the work is \$1.2 million.

On March 15, the Inner City TIRZ Board has unanimously approved providing the needed \$1.2 million grant to the PFC to complete the work. Once the work is complete, the PFC shall convey all the trails, trailhead, lake, water well, and land back to the City.

**ALTERNATIVES:**

If this award is not accepted, the improvements will not be completed.

**FISCAL IMPACT:**

The PFC shall continue to float the funding necessary to payout contractors and seek reimbursement from the TIRZ.

**RECOMMENDATION:**

Staff recommends acceptance of the \$1.2 million grant from the Inner City TIRZ and amending the Red Berry Estate Master Development Agreement reflecting the additional grant award.

**ATTACHMENTS:**

Resolution



## CERTIFICATE FOR RESOLUTION

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

1. In accordance with the bylaws of the Corporation, the Board of Directors of the Corporation (the "Board") held a meeting on March 30, 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 CONSENTING TO THE RECEIPT OF A TIRZ GRANT FOR THE RED BERRY TRAIL SYSTEM; 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 Corporation.

SIGNED AND SEALED March 30, 2021.

\_\_\_\_\_  
Pedro A. Alanis, Assistant Secretary

**RESOLUTION CONSENTING TO THE RECEIPT OF A TIRZ GRANT  
FOR THE RED BERRY TRAIL SYSTEM; AND OTHER MATTERS IN  
CONNECTION THEREWITH**

WHEREAS, in October 2017, the Corporation entered into a Master Development Agreement with the City of San Antonio and the Inner City Tax Increment Reinvestment Zone #11 (the “TIRZ”) to facilitate the redevelopment of the Red Berry Estate and manage the construction of certain public improvements, including the Salado Creek Hike and Bike Trail System extension (the “Trail System”);

WHEREAS, additional funds are needed to complete the Trail System;

WHEREAS; the board of directors of the TIRZ has approved a grant to the Corporation for the completion of the Trail System in the approximate amount of \$1,200,000 (the “TIRZ Grant”); and

WHEREAS, the Corporation desires to accept the TIRZ grant and to complete work on the Trail System.

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

Section 1. The Corporation hereby accepts the TIRZ grant.

Section 2. The President, any Vice President, the Secretary, the Treasurer, the Executive Director, or any of them, are hereby authorized to execute any and all documentation required in connection with the TIRZ Grant including, without limitation, any amendments to existing documents or additional documents needed to accept the TIRZ Grant.

Section 3. 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 4. 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 5. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 6. 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 \_\_\_\_\_**

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**Agenda Item Number: 8**

**Agenda Date: 3-30-2021**

**In Control: San Antonio Housing Trust Public Facility Corporation**

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**DEPARTMENT: San Antonio Housing Trust Public Facility Corporation**

**DEPARTMENT HEAD: Pedro Alanis**

**COUNCIL DISTRICTS IMPACTED: Citywide**

**SUBJECT:**

Consideration and possible action to approve the adoption of the Tenant Protection Policy.

**SUMMARY:**

In January, the board was presented with a proposed Tenant Protection Policy for use in future San Antonio Housing Trust multi-family projects, including those projects seeking a tax exemption partnership or bond issuances through SAHT entities.

Various state and local laws govern the landlord/tenant relationship and SAHT has not previously implemented its own formalized set of policies to provide the tenants that reside in its properties any additional rights or protections. Because developers receive substantial benefits through SAHT's participation in their projects, SAHT seeks improved opportunities to reduce tenant displacements, remove barriers to those seeking affordable housing, and improve tenant experiences by establishing a formal Tenant Protection Policy.

The Executive Director has engaged a public process to seek input and participation with developers, property managers, housing advocate stakeholders, City of San Antonio, San Antonio Housing Authority, City of Austin, San Antonio Housing Commission, and others to inform a Final Tenant Protection Policy. Attached is a Summary of the Public Comments and Feedback we received throughout our intensive process.

The changes made to the proposed policy initially released in January are summarized as follows:

- Clarified that bilingual grievance and tenant selection policies should be posted online.
- Prohibits an owner from denying a victim of domestic violence, dating violence, sexual assault, or stalking.
- Prohibits an owner from requiring applicants participating in federal rental assistance programs to demonstrate income of more than 2.5 times household share of rent.
- Requires owners provide a written notice stating the reason for denying an application and maintain a log.
- Ensures tenants have written explanation for an owner terminating or non-renewing a lease.
- Clarifies Fair Housing marketing requirements.
- Establishes City's definitions and criteria regarding URA.
- Ensures tenants have access to account of payments and charges.
- Ensure tenants can request & receive redacted copies of reasons for terminations or non-renewal.
- In the case of a repair, owners are excluded to providing an upfront scope of work and cost of repair in the case of an emergency.
- Owner is required to provide at least two estimates, if a repair cost being charged to the tenant exceeds \$999.
- Establishes a 5-day cap on info exchanged between tenant and owner on repairs.
- Establishes a dispute process for repair work.
- Provides an owner with Good Cause for non-renewal if reasonable payment plans obligations are not met.
- Allows an owner to recover attorney fees, court fees, in addition to repair costs.
- Allows owner to have exceptions to certain tenant rights for drug activity, violent conduct, or other serious criminal activity.
- Ensures tenant relocation assistance for involuntary moves for remainder of lease or of 12 months.
- Establishes 10 days Owner to inform & 10 days Tenant to respond for Right to Return to unit.
- States Owner shall not take, hold, or sell personal property without written notice & a court decision.
- Allows serious or repeated violations to be good cause for termination or non-renewal.
- Allows owner to bifurcate lease of victim of domestic violence, dating violence, sexual assault, or stalking (rather than just opt for termination)

#### **ALTERNATIVES:**

The Board may elect to approve, amend, or not approve the attached Final Policy.

**RECOMMENDATION:**

Staff recommends approval of the Tenant Protection Policy

**ATTACHMENTS:**

1. Tenant Protection Policy Resolution
2. Tenant Protection Policy
3. Summary of Public Comments

# **ATTACHMENT 1**

## **TENANT PROTECTION POLICY RESOLUTION**

## **CERTIFICATE FOR RESOLUTION**

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

1. In accordance with the bylaws of the Corporation, the Board of Directors of the Corporation (the "Board") held a meeting on March 30, 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 ADOPTING A TENANT PROTECTION POLICY 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 Corporation.

SIGNED AND SEALED March 30, 2021.

\_\_\_\_\_  
Pedro A. Alanis, Assistant Secretary

**RESOLUTION ADOPTING A TENANT PROTECTION POLICY AND OTHER MATTERS IN CONNECTION THEREWITH**

WHEREAS, on January 26, 2021 at a duly called and noticed meeting, the Executive Director presented the Board of the Corporation with a proposed set of tenant rights and protections for use in future San Antonio Housing Trust multifamily housing projects (the “Tenant Protection Policy”);

WHEREAS, the Executive Director subsequently presented the proposed Tenant Protection Policy to the San Antonio Housing Commission in addition to submitting it for public comment for a period of 45 days;

WHEREAS, the public comment period has closed and appropriate feedback has been incorporated into the Tenant Protection Policy; and

WHEREAS, the Board has reviewed and considered the final Tenant Protection Policy and desires to adopt the Tenant Protection Policy by formal written resolution.

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

Section 1. The adoption of the Tenant Protection Policy in the form as presented to and reviewed by the Board is hereby confirmed.

Section 2. The Executive Director shall have the authority to amend the Tenant Protection Policy as needed to further affordable housing or to comply with federal, state or local law.

Section 3. 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 4. 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 5. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 6. This Resolution shall be in force and effect from and after its passage.

\* \* \*



## **ATTACHMENT 2**

### **TENANT PROTECTION POLICY**

# San Antonio Housing Trust Multifamily Program

## Resident/Tenant Protection Policy

Effective March 30, 2021

## Resident/Tenant Protections Policy Statement

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For Resident Leases of San Antonio Housing Trust owned, partnered, or otherwise financially assisted developments, the property owner/manager (the "Owner") shall follow provisions in this policy and in the **Lease Addendum (Exhibit A)**. This lease addendum shall be incorporated into all tenant/resident ("Tenant") leases at the property and shall be executed by the property management or owner's designee and the Tenant. A copy of the lease and lease addendum shall be provided to the Tenant in the language in which the lease was negotiated. The San Antonio Housing Trust entity shall ensure any agreements with the Owner recognize that all tenants are protected as third-party beneficiaries of our agreements. These policies have been negotiated by the San Antonio Housing Trust for the benefit of the Tenants and are expected to be enforced by the Tenants directly against the Owner. The San Antonio Housing Trust is not obligated to enforce these rights on behalf of any tenant but may enforce against the Owner all resident policy and lease addendum provisions during the partnership or affordability period.

## Resident/Tenant Selection Policies

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### **Written Procedures**

For San Antonio Housing Trust owned, partnered, or otherwise financially assisted developments, the Owner must provide written Resident/Tenant selection policies and grievance procedures to San Antonio Housing Trust. Written tenant/resident selection policies and grievance procedures shall comply with applicable local, state, and federal laws. Resident/tenant selection policies and grievance procedures shall be posted both online and in the leasing office or in another easily and publicly accessible location. Resident/tenant selection policies and grievance procedures shall be available in both English and in Spanish. These Resident/Tenant policies and grievance procedures must be provided to Resident/Tenant applicants upon inquiry or request and shall be available to the public upon request. San Antonio Housing Trust does not approve Resident/Tenant policies and grievance procedures, however if SAHT staff becomes aware that a Resident/Tenant policies and grievance procedure fails to comply with the SAHT Resident/Tenant Protection policy, SAHT may require a modification by the Owner.

### **Source of Income Protection**

Lease Applicants shall not be denied the ability to rent a residential unit based on the renter's source of income such as Section 8 Housing Choice Vouchers, Section 8 Veterans Affairs Supportive Housing, other rental vouchers, child support, spousal maintenance, social security and supplemental security income, retirement income, emergency assistance or other public or legal forms of income.

### **Lease Applicant Denials**

Eviction history shall not be considered in reviewing lease applications if eviction proceedings resulted in a dismissal or judgment for the applicant. Further eviction history shall not be considered in reviewing lease applications if:

- an eviction was settled with no judgement more than 12 months before a submitted Tenant application; or
- judgement against an applicant was more than 36 months before application.

Non-payment of rent evictions from the date of the 1<sup>st</sup> City of San Antonio's Declaration of Public Health regarding COVID-19 on March 13, 2020 through the end of the Declaration of Public Health Emergency shall not be considered in reviewing lease applications.

Applicants shall not be denied solely based on insufficient rental history.

Applicants shall not be denied solely based on credit history.

No applicant can be denied because they are a victim of domestic violence, dating violence, sexual assault, or stalking.

Owner is prohibited from requiring applicants participating in the Section 8, HOME TBRA, or other federal rental assistance program to demonstrate a monthly income of more than 2.5 times the household's share of the monthly rent or \$2,500 annually.

Within seven days after the determination is made to deny an application, Owner must provide any

rejected or ineligible applicant that completed the application process a written notification of the grounds for rejection. The written notification must include the specific reason for the denial and reference the specific leasing criteria upon which the denial is based.

Owner must keep a log, subject to review by the San Antonio Housing Trust, of all denied applicants that completed the application process to include basic household demographic and rental assistance information, and the specific reason for which an applicant was denied.

### **Fair Housing Marketing**

For San Antonio Housing Trust owned, partnered, or otherwise financially assisted multifamily developments, the Owner must adopt procedures that affirmatively use fair housing marketing practices in soliciting tenants in determining eligibility and concluding all transactions. Each property owner must affirmatively further fair housing consistent with requirements set forth in 24 CFR 92.351(a)(2) including:

- Informing potential resident/tenants about Federal Fair Housing Laws including the use of the Equal Housing Opportunity Logo or slogan in advertising for vacant units;
- Describing owner requirements and practices to carry out affirmative marketing procedures and requirements (e.g., use of commercial media, use of community contacts, use of the Equal Housing Opportunity logotype or slogan, and display of fair housing poster);
- Soliciting applications from persons in the housing market who are least likely to apply without special outreach (e.g., through the use of community organizations, places of worship, employment centers, fair housing groups, or housing counseling agencies);
- Providing listing of unit vacancies *eligible* for Section 8 program through GoSection8.com or other such listing service; and
- Making available a description of actions taken to affirmatively market the program and further fair housing for review by the San Antonio Housing Trust.

In addition, an owner shall state that they accept Section 8 vouchers on the project's website. Owner shall complete and maintain, the most recent HUD approved Affirmative Marketing Plan (**Exhibit B**) upon financial closing of the project and make the plan available to the San Antonio Housing Trust within 5 business days of the request. If found to be non-compliant with this section, the SAHT may issue corrective actions including requiring more extensive outreach efforts to achieve the occupancy goals or other penalties/sanctions.

### **Non-Discrimination Ordinance**

For San Antonio Housing Trust owned, partnered, or otherwise financially assisted developments, the Owner must comply with the City of San Antonio's Non-Discrimination Ordinance (**Exhibit C**).

### **Relocation Policy**

The San Antonio Housing Trust shall adopt the City of San Antonio's adopted definitions and criteria regarding the *Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970* and HUD Handbook 1378 (**Exhibit D**) for projects seeking San Antonio Housing Trust ownership, partnership, or otherwise financial assistance in acquiring, rehabilitating, demolishing, or developing multifamily developments. For a property that is occupied at the time of the SAHT application, a tenant relocation plan shall be submitted prior to final project approval. The tenant relocation plan has to follow the *Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970* and HUD Handbook 1378 (Exhibit D).

# Attachment A

Lease Addendum

# San Antonio Housing Trust Lease Addendum

**Effective March 30, 2021**

## **Tenant's Right to Access Tenant Files**

Owner agrees that a Tenant is entitled to review and be provided a copy of any of the rental application and lease addendums, in addition to the lease, if requested within 3 business days of the request.

Owner agrees that a Tenant is entitled to review and be provided with a copy any of account of tenant payments and charges.

Owner agrees that a Tenant is entitled to a written explanation of an Owner's reasoning for terminating or non-renewing a tenancy, except where the cause for terminating or non-renewal is due to violent conduct, illegal drug activity, or other criminal activity that poses an immediate threat or imminent danger to the safety of staff or other residents.

Owner agrees, upon request, to provide copies of documents related to the Owner's reasoning for terminating or non-renewal of tenancy. Owner may redact documents if Owner reasonably believes a redaction is necessary to protect the health and safety of staff or other residents. Owner may not redact any document signed by the Tenant.

## **Repairs and Remedies**

In instances where Owner seeks to charge Tenant for repairs made to the Tenants unit, a Tenant may request and Owner must provide, an estimate of the scope of work and related costs prior to the work being performed, with the exception of an emergency repair that poses an immediate threat or imminent danger to the safety of staff or other residents. If the estimated cost of the repair exceeds \$999, Owner shall procure at least two cost estimates.

At the Tenant's request, Owner must provide Tenant with an invoice or summary of the cost of the repairs to the Tenant's unit or otherwise charged to the Tenant within five (5) days of the request.

Tenant has a right to dispute the scope of work and/or cost of the repair in writing. Such "Notice of Dispute" shall specify the nature of the dispute and be provided to the Owner within five (5) days following receipt of the invoice or summary of cost of the repairs. Within five (5) days of the Tenant providing the Notice of Dispute, Owner shall provide Tenant with a written explanation and reasonable evidence addressing the concerns in the Notice of Dispute.

In the case in which the Tenant is unable to pay for repairs caused by the Tenant, Owner may provide a reasonable payment plan to be reimbursed for the cost of the repair through the end of the lease period. Any payments made by the Tenant shall not supersede the rental payment. Failure to comply with agreed upon reasonable payment plan for repairs shall constitute good cause non-renewal, but not termination.

If Tenant fails to pay the cost of repairs with agreed upon payment plan, Owner agrees that repair related damages shall be limited to the actual costs of the performed repair work, reasonable attorney's fees, and/or courts costs.

If the Owner files a lawsuit to recover damages prior to a tenant move-out, the Tenant may take up to 30 days from the date the judgment is entered to pay the damages awarded by the court, otherwise nonpayment is considered good cause for termination or non-renewal.

This section does not apply to a lawsuit to evict for drug activity, violent conduct, or other serious criminal activity that poses an immediate threat or imminent danger to the safety of staff or other residents.

Owner shall address and remediate any condition that materially affects the physical health or safety of an ordinary tenant within seven (7) days from the receipt of notice to the Owner. If Owner is unable to resolve the issue within the (7) day period, Owner shall provide temporary accommodations in accordance with the Relocation Assistance provisions, below until such time as the conditions materially affecting the physical health or safety of an ordinary tenant has been remediated. Any condition causing an imminent threat or danger to the occupants shall result in the Owner providing a good faith effort to provide Relocation Assistance within 24 hours from receipt of notice to the Owner, in accordance with relocation assistance provision below.

#### **Relocation Assistance**

Owner agrees to provide any relocation assistance to Tenant for the lessor of 12 months or for the remainder of the existing lease, if the Tenant must involuntarily vacate the unit, unless the Tenant must vacate due to the Tenant damaging the unit. If the Tenant intentionally damages the unit to the degree that the Tenant must involuntarily vacate the unit, no relocation assistance is required to be provided. Rental assistance shall include actual moving expenses such as movers and material costs, utility connection fees, non-refundable deposits, application fees, storage, and increases in rent at a comparable unit during the relocation period. A comparable unit shall be representative of, and equal to, or better than, the displacement dwelling including the same number of bedrooms and equivalent square footage. In the event of force majeure (fire, hurricane, flood, freeze or similar act of nature) leaves the property without an available comparable unit in the property, the Owner will utilize good faith efforts to relocate the tenant to a comparable unit in a comparable property, however, if Owner is unable to do so, Tenant shall have the right to terminate the lease.

#### **Tenant's Right to Return**

If the Tenant is temporarily and involuntarily relocated, Owner agrees to provide the Tenant a written notice providing the opportunity to return to the original leased unit within 10 days after the unit is occupiable. Once a written notice informing the Tenant the original unit is available the Tenant is allowed at least 10 days to decide to return to the unit. If the tenant was relocated off property, the Tenant must meet any applicable State or Federal qualification, re-certification, and/or requirements prior to returning to unit. If this section conflicts with State or Federal provisions, such as waiting lists, the State or Federal provisions shall take precedent.

#### **Right to Personal Property**

Owner shall not take, hold, or sell personal property of the Tenant or household members without written notice to the Tenant and a court decision on the rights of the parties except when the property remains in the unit after the Tenant has moved out of the unit and the property is disposed of in accordance with State law.



## **Grounds for Termination**

Owner may not terminate the tenancy or refuse to renew the lease of a Tenant except for:

- Tenant willfully and voluntarily seeks to end the lease term in accordance with the lease agreement.
- Serious or repeated violations of the terms and conditions of the Lease Agreement that add up to good cause; or
- Violations of applicable Federal, State, or local laws; or
- Completion of tenancy period for transitional housing; or
- Permanent uninhabitability of the Property, except where such uninhabitability is caused by the actions or inactions of the Owner.

## **Domestic Violence**

A tenant cannot be evicted because tenant is a victim of domestic violence, dating violence, sexual assault, or stalking. Owner may bifurcate a lease to terminate the tenancy of an individual who is a tenant or lawful occupant and engages in criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking against another lawful occupant living in the Complex.

## **Notice of Termination or Non-Renewal**

To terminate or non-renew the lease, Owner shall serve written notice upon the Tenant specifying the grounds for the termination or nonrenewal at least 30 days before the effective date of the termination or nonrenewal, unless either is based on violent conduct, illegal drug activity, or other criminal activity that poses an immediate threat or imminent danger to the safety of staff or other residents. The owner is also exempt from issuing this notice if a Notice of Termination or Non-Renewal has been previously issued during the preceding 6-month period. The *Notice to Terminate or Non-renewal* shall be served on the Tenant by either: (1) both first class mail and either certified or registered mail; or (2) by personal delivery to the Tenant or a household member eighteen years or older; or (3) affixing the *Notice to Terminate or Non-renewal* to the inside of the Main Entry Door of the unit and sending a copy by mail.

## **Notice of Opportunity to Discuss**

The Owner shall provide written *Notice of Opportunity to Discuss* with the Notice of Termination or Non-Renewal or seven days prior to a 3-Day Notice to Vacate to inform Tenant of their right to discuss the proposed termination or non-renewal of tenancy, unless either is based on violent conduct, illegal drug activity, or other criminal activity that poses an immediate threat or imminent danger to the safety of staff or other residents. The *Notice of Opportunity to Discuss* shall be served on the Tenant by either: (1) both first class mail and either certified or registered mail; or (2) by personal delivery to the Tenant or a household member eighteen years or older; or (3) affixing the *Notice of Opportunity to Discuss* to the inside of the Main Entry Door of the unit and sending a copy by mail.

- The *Notice of Opportunity to Discuss* must give Tenant at least ten days from the date they receive the notice to request a meeting with the Owner.
- If the Tenant makes a timely request, the Owner agrees to meet with the Tenant and to discuss the proposed termination or nonrenewal and provide Tenant with an opportunity to correct actions that triggered the 30-Day *Notice to Terminate or Non-renewal*.
- Owner shall provide Tenant with the opportunity to enter into a financial payment plan if the Notice of Termination or Non-Renewal is due to an alleged non-payment of rent. Owner shall ensure the application of monies to cure late rent apply to outstanding rent before being applied to late payments. Owner shall also accept digital payments as well as cashier's check and money order payments.

- If the Tenant corrects the actions that triggered the Notice to Terminate or Non-Renewal, including by entering into a financial payment plan, the corrected action(s) may not serve as ground(s) for termination or eviction.

### **Notice to Vacate**

The Notice to Vacate shall be served on the Tenant by either: (1) both first class mail and either certified or registered mail; or (2) by personal delivery to the Tenant or a household member eighteen years or older; or (3) affixing the Notice to Vacate to the inside of the Main Entry Door of the unit and sending a copy by mail. Owners shall provide a City of San Antonio Notice of Tenant Rights in English and Spanish with any issued Notice to Vacate.

### **Failure to Provide Notice**

Except for a termination or non-renewal for which a *Notice to Terminate or Non-renewal* or *Notice of Opportunity to Discuss* is not required, the Owner agrees that providing the Notice of Termination or Non-Renewal, Notice of Opportunity to Discuss, and a Notice to Vacate are conditions precedent to filing a forcible entry and detainer lawsuit. The Owner agrees that it is the burden of the Owner to show, as an element of its eviction case, that all applicable notice procedures were followed, and that termination of tenancy is not effective unless notice procedures are followed correctly as described above.

### **Entry into Unit**

Owner, Owner's representative, or maintenance staff may enter the unit during reasonable times for any reasonable business purposes including but not limited annual inspections, preventative care, etc. after providing at least twenty-four- (24) hours' notice and a reasonable window of time for entry, except:

- If Tenant agrees in a separate written addendum to the lease agreement, which states in large bold type that the Tenant is not required to sign or agree, the Owner may enter the unit without 24-hours' notice if Owner is entering for purposes of making a repair request by Tenant; or
- If the Owner believes, in good faith, that an emergency condition exists that creates serious property damage or an imminent danger to the Tenant, a member of the Tenant's household, or another unit on the property.

If a Tenant or a member of the Tenant's household who is 18 years of age or older is not present in the unit at the time of entry, the Owner must provide written documentation in the unit that states the purpose of entry, the time of entry, and who entered. The Owner also agrees to avoid entering the unit so frequently as to seriously disturb the Tenant's peaceful enjoyment of the unit.

This section does not require the Owner to provide specific notice before entering the Tenant's unit to post any notice including a Notice to Vacate, as authorized by the Texas Property Code or notice to cure a default.

### **Right to Organize**

Owner agrees each tenant may conduct activities on the Property related to establishing or operating a tenant organization, including hosting a tenant organizer at the property.

- If requested, the Owner agrees to meet with Tenant and a member of a tenant organization during regular business hours to discuss matters related to the Tenant's unit or the Property as a whole.

- The Owner may not retaliate against a Tenant or Tenant's guests because the Tenant or the Tenant's guest established, attempted to establish, or participated in a tenant organization. Such retaliatory behavior may include but is not limited to utility shutoff, towing, lockouts, and unlawful entry into unit.

Tenant and other residents of such property shall be entitled to access common areas of the property for tenant organization activities; and the Owner may not impose fees or rules that are not otherwise applicable to non-organizational activities.

*This lease addendum is not to and shall not be interpreted to prohibit a Tenant or tenant organization from requesting, advocating for, or negotiating additional tenant protections and policies; or from Owner adopting additional tenant protections and policies.*

### **Other Tenant and Owner Policies**

The Tenant understands that the unit leased under the Lease Agreement has received subsidies or financial consideration from the San Antonio Housing Trust and that, as a condition of these subsidies or financial consideration, the Tenant is required and hereby agrees to provide Owner with any information and sign such releases which are necessary to allow Owner to verify the Tenant's income and otherwise comply with San Antonio Housing Trust policies.

The Tenant agrees to provide Owner accurate and complete information regarding the Tenant's income and to do so by the date specified in Owner's request. The Tenant understands that the intentional failure to supply accurate and complete information regarding Tenant's income shall constitute a serious lease violation and good cause. All Tenant files shall be available for inspection by all applicable federal, state, and local agencies, including the San Antonio Housing Trust. The Tenant hereby consents to release of all such information by Owner to governmental agencies, including the San Antonio Housing Trust.

Owner agrees to provide Tenant a copy of the Lease Agreement and Addendums in the language in which the lease was negotiated. Owner also agrees to provide Tenant a copy of any other rules or policies issued by Owner that govern the Tenant's conduct at the Property.

Owner agrees to attach a copy of the Lease Agreement and all Lease Addendums to any petition filed in an eviction proceeding against the Tenant. Owner agrees that Owner's failure to provide a copy of the leases or any addendum to the Court shall be cause for dismissal without prejudice of any eviction lawsuit filed by the Owner.

This Addendum is deemed to have been made in compliance with all applicable State and local laws, and if any section or part is not lawful, only that section or part shall be void, and the balance of the Addendum shall remain in full force and effect.

***The San Antonio Housing Trust does not determine if an Owner has good cause or if a resident has violated their lease terms. Tenants may contact the Texas Rio Grande Legal Aide at [www.trla.org](http://www.trla.org) or access other legal help through [www.texaslawhelp.org](http://www.texaslawhelp.org).***

\_\_\_\_\_  
Tenant Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Owner's Representative Signature

\_\_\_\_\_  
Date

THIS TENANT PROTECTION LEASE ADDENDUM MUST BE ATTACHED TO EACH LEASE AND RETAINED WITH TENANT LEASE RECORDS. A COPY OF THIS TENANT PROTECTION LEASE ADDENDUM MUST BE PROVIDED TO TENANT AFTER SIGNING

# Attachment B

HUD Affirmative Fair Housing  
Marketing Plan

# Attachment C

City of San Antonio  
Non-Discrimination Ordinance

# Attachment D

City of San Antonio Relocation Policy  
&

U.S. Department of Housing and Urban Development  
Handbook 1378

# **ATTACHMENT 3**

## **SUMMARY OF PUBLIC COMMENTS**



# Tenant Policy Feedback Summary

## Initial Policy Provisions

### Source of Income Protection Policy

1. Need more clarity on the qualifying of voucher holders.
2. Seems to contradict PFC Rent/Income requirements
3. Seems to conflict with TDHCA AMI compliance numbers.
4. Set a maximum of 5 Section 8 units.
5. Nothing in this paragraph shall require Owner to keep any unit vacant for Section 8 residents or prohibit an Owner from having income-to-rent requirements as long as the income-to-rent requirements apply to the Tenant's portion of rent to be paid.
6. Language too broad. What happens if someone brings a voucher at a lower rent?
7. Tenant min income to rent requirements not as critical of an issue as credit requirements.
8. Advocates can help educate property managers about using Section 8 program. Not very cumbersome for landlords.
9. "Tenant must also not place minimum income-to-rent requirements serve as an applicant underwriting barrier for Section 8 voucher holders". Should it be: " Owners must also not place minimum income-to-rent requirements serve as an applicant underwriting barrier for Section 8 voucher holders" right?
10. To apply to any government funded apartment with alternative source of income like section 8 - San Antonio, and any government entity for that matter, should not be doing business with those that want our tax funds but not accept our tax-funded programs. This denial of housing can be seen as a direct violation of Fair Housing Act, though it does not state source of income as being protected specifically it states that those that are protected under it like Race, Age and Disability is protected against the Refusal to rent or sell, and minorities, seniors and disabled person make up the majority of those that use government housing support resources should then be protected under the Fair Housing Act.
11. Consider including emergency assistance.
12. Do not want property managers evict or not offer lease renewal based on income, we should be explicit about that.
13. Doesn't read correctly to me. "Tenant must also not place minimum income-to-rent requirements serve as an applicant underwriting barrier for vouchers."?
14. Allow Section 8 vouchers does not result in actually people served w/ Section 8 vouchers. SAHA's Section 8 subsidy is too low to use the voucher despite the fact they are qualified.

### Affirmative Marketing Policy

1. More restrictive than Section 8/LIHTC deals. Can we comply with standard LIHTC marketing guidelines via an Affirmative Fair Housing Marketing Plan? Tracking and compliance concerns.

2. Add sentence: "Nothing in this paragraph shall require the Owner to fill more than 5 units at the Property with tenants participating in the Section 8 program or keep any units vacant for Section 8 residents."
3. Could this include participation in PLACE?

### **Tenant's Right to Access Files**

1. Consider striking "and to review.... signed by tenant."
- 2.. Need the right to see Landlord Ledger, to see payments. This helps in conflicts when landlord and tenant disagree on when payment or if payment was given.

### **Tenant's Right to a Healthy Home**

1. Can 7 days become 30 days due to work schedules and limitations on site visit time.
2. Consider the severity/nature of condition and availability of materials/labors/utilities.
3. Seven days from notification seems quick. If there is a disagreement on the problem in the unit, it would not allow enough time to remediate. For example, if contractors are booked for a week then we could face punishment. Our main concern is that items is that many of these issues take time. We would recommend a minimum of 14 days.
4. "Remediation of Hazardous Health Concerns", 7 days seems long? I understand if there are some legal reasons for these 7 days, but what if the sink is leaking and it is starting to flood the house? Or the hot water goes out? If the A/C goes out during 100 plus weather or heater when freezing? Is there an emergency contingency that override the 7 days and cause for immediate 24-hour response?
5. What is process for Owner to rebut 7-day presumption? Maybe in writing before the 7-day window has elapsed?

### **Tenant Relocation Assistance**

1. On 42 months, the provision is not in place on LITHC. Damaging in rare instance it occurs.
2. If the AMI is low it is impossible to carry someone for 42-months that's 3 1/2 years which is too long.
3. Consider removing entire clause.
4. Language overly broad. If the property were to go through some sort of disaster, then we would have to pay for everyone in the building relocating and if we were unable to rebuild the property, we would have to pay each resident 42 months of rent. We feel that this is excessive. Obviously, we would do everything in our power to help residents find new housing but paying for rent that extended time could be detrimental to our investors and our company. Recommend limiting the scope of the payment assistance.
5. Consider food budget for people temporarily displaced during the day. Lunches available in the leasing office so if people could not access their units, they could have food.

### **Tenant's Right to Return to Unit**

1. Right to return add with conditions.
2. Last sentence strike "another"

3. This is typical language; however, will we have to wait for past residents to re-lease the unit or have to wait for their current lease to expire?
4. "Right to Return" - feels like there should be something in there about paying a comparable amount in rent for the comparable unit. If LLs give tenants option to return but the rent is way high, of course they won't really be getting a choice.

### **Eviction Notices and Rights**

5. This is going above and beyond our NOTR ordinance by requiring the NOTR to be delivered with any NTV. Give 311 and Code a heads up.

### **Owner's Grounds for Lease Termination**

1. What if damages are incurred by the Tenant.
2. In the past on different properties, there have been tenants that have had bad housekeeping, pests etc. that have hindered other residents. We would usually evict this resident as it is harming other residents. However, the language in this does not allow and goes beyond the law. We would like to see this removed.

### **Tenant's Right to Cure and Payment Options**

1. Consider limiting cure to "nonpayment of rent".
2. Consider no more than 2 times in six-month period.
3. We typically give notice to vacate and cure in the same notice. The extra ten days only complicates the sensitive issue.
4. "Right to Cure" should be longer. I do not see how 10 days can help out, to me it feels like the minimum right to cure would be 30. Maybe 20? Also, on Right to Cure, very important that they keep the provision about applying late money to late rent before it goes to late fees.
5. Should there be limit on number of times Owner expected to take late payments/make accommodations within a lease period?

### **Owner's Entry into Unit**

1. Consider including and emergency that creates "property damage" as well as imminent danger.
2. Add "below" to location of emergency.
3. "This section does not require the Owner to provide specific notice before entering the Tenant's unit to post any notice including a Notice to Vacate, as authorized by the Texas Property Code or a notice to cure a default."
4. "Entry into Unit" notice should be extended from 24-hours to 72 hours. If this is a proposed lease provision, it should be clear that if the landlord violates the provision, the landlord is in default under the lease, and the tenant may terminate the lease or sue for trespass.
5. Redundant at the start of the paragraph
6. Add below to "unit located on either side or above the Tenant's unit"

### **Tenant's Right to Organize**

1. Too Vague. Tenants already have ability to gather with Facebook groups/social media.
2. While typically harmless, we are afraid that demands of residents may not be in the best interest of the property. Want to remove language.
3. Apartment Manager will keep external organizational entities from meeting onsite. Organization is not an affirmative right. People still experience retaliation even though law sets a low bar.
4. "Right to Organize" the time variable of 6 months to an indefinite period should be mentioned and added. It is worth providing a couple examples of retaliatory behavior such as utility shutoff, towing, and unlawful entry into unit. Also, what should be mentioned are the consequences that could be issued if an owner does violate a tenant right to organize.
5. Consider defining retaliation to make it clear what will not be tolerated.

### **Cost of Repairs**

1. Tenants have right to challenge today. What does process look like? Are there criteria to follow to prove cost? Too vague.
2. Add sentence "Notwithstanding the foregoing, the Owner shall have no obligation to provide the Tenant notice of estimated costs to make a repair prior to making the repair if the repair is: (i) an emergency repair; (ii) outside the unit; or (iii) needed to prevent harm to person or property."
3. The "Cost of Repairs" and "Remedy for Damages for Repair Costs" items deprive tenants of their rights. The default is that the landlord is responsible for repairing conditions which materially affect the health and safety of a tenant. Further, this conflicts with Property Code § 92.006, which provides detailed requirements for waiving the landlord's duty to repair.

### **Remedy for Damages for Cost of Repairs**

1. Confusing, need to better understand the intent.
2. Tenant needs to pay for the damages.
3. Consider using security deposit in accordance w/ lease and applicable law.
4. Make not applicable to "Non-Payment of Rent."
5. Add sentence "or other violations of the Lease Agreement. Nothing in this paragraph shall prohibit an Owner from seeking recovery of all amounts due by the Tenant pursuant to the Lease Agreement including, but not limited to, reporting outstanding amounts to the appropriate credit agencies, and seeking collection of amounts due."
6. Goal is to ensure Tenants are not evicted due to a repair cost that is prioritized at time of payment over rent.

### **Other Comments**

1. Consider an Eviction Lookback Period
2. Keep in Addendum Form but needs to be readable to average tenant.

3. State in Lease Agreement that tenants are 3rd party beneficiaries.
4. What is the penalty for the property management company if certain rules are broken?
5. The right for the tenant to be informed about rent increase at least 60 day prior, though their lease is ending, and the landlord has the right to increase the rent, know 60 days prior that rent will increase.
6. Application Fee Protection - Tenant will not be charged risk fees or extra non-refundable admin on top of the application fee. What we found is that if the tenant has low credit, they will get charged a non-refundable risk fee and we found apartments charging \$150 admin fee to process their application which they also have to pay the normal application fee normally \$60 or less.
7. Did a maximum allowable annual rent increase (for example, rents cannot increase more than 5% from one year to the next) come up as something to include in this policy? To me that seems like an important missing piece.
8. We are in complete support to pass the proposed tenant protection policy. Furthermore, upon passing this, we would like SAHT to formally propose/recommend that San Antonio should apply these protections to all tax-incentive multi-family developments San Antonio approves to include SAHA. This is not a landlord vs tenant issue, but a civil rights issue.

# **Proposed Policy Feedback**

## **General Comments**

1. The addendum in its current form were to be adopted and only applied to new construction projects, those projects would most likely be adversely impacted with loss of loan proceeds due to higher expenses as well as additional compliance restrictions.
2. Can we send in a standard set for PFC deals to get pre-approved as a boiler plate moving forward? Want to make sure we are all on the same page.
3. Incorporating a lease addendum into all leases impedes the attraction and production of affordable housing.
4. No Tangible Data demonstrates a problem exists to require a new policy.
5. Many measures contradict existing law.
6. SAAA can aid the SAHT in structuring policy.
7. SAHT omitted expertise of housing providers from onset of this policy.
8. New requirements place additional costs/liability/instability to developer & lender.
9. Risk of confusion for renters and operators and expensive to both.
10. The policy should include a Maximum Allowable Annual Rent Increase requirement for all units receiving public support from the PFC/FC (bonds or tax exemptions or other), whether the units are rented at market rate or are "affordable". The maximum allowable annual rent increase should cap the annual percent increase in rent for a tenant in an occupied unit renewing their lease. One model to follow is the LA County rent stabilization ordinance, which caps rent increases to changes in the Consumer Price Index, which currently means rents cannot increase more than 3% from one year to the next. More on this ordinance can be found at the following link: <https://dcba.lacounty.gov/rentstabilization-ordinance/>. A policy of this kind would ensure that tenants of buildings owned or supported by the PFC/FC are not burdened by large increases in their rent from one year to the next, which could impact their ability to stay securely and affordably housed.
11. First, we want to thank the staff for allowing us the opportunity to comment on this policy and for taking the time to meet with us and discuss it. ... These comments come from our position as the property manager for these developments, as the party responsible for answering to our lenders and equity providers, and as the organization taking on the financial risk in the development. We care deeply for the residents that live in our...units; we also face the sometimes-harsh reality that not everyone is qualified to live in our communities. This reality keeps those qualified residents safe; it keeps the property in good condition; and it ensures the financial viability of the project so that we as a company can continue to provide affordable housing in communities ... in San Antonio. We understand that this proposed policy is intended to help the City of San Antonio address a larger anti-displacement effort, and we have great respect for that cause. We are also aware that, unfortunately, there are some property managers who have not lived up to their responsibilities to their tenants or their partners. We believe that those owners and operators should be held accountable. However, we believe that our residents also have a responsibility to their landlords, to pay their rent and follow rules that protect both their neighbors and our assets. When these rules are broken and there is little to no recourse, operators are put in a position where they cannot successfully serve those residents that are following the rules, including those potential residents who might still be searching for a decent, safe, affordable place to live. Finally, we know that you are aware of the difficulties we face when trying to garner community support for these developments. We need to be able to tell our potential neighbors that we can maintain our property, that we have the ability to select quality tenants. We are confident that the tenant selection criteria and house rules that we currently have in place are fair, follow the law, and are in compliance with regulating agencies such as TDHCA and HUD. More importantly, we believe that they protect

both our residents and us...We hope you will reconsider some of the proposed policies that, while intended to serve low-income households, could actually harm them by impacting our ability to effectively manage the communities where they live.

12. For the Departments written policies and procedure requirements, among this is the Tenant Selection Criteria (TSC) is found... For specific requirements related to the 811 program Tenant Selection Criteria requirements, please see the HUD 4350.3. Please see Chapter 4, Waiting List and Tenant Selection and Chapter 6, Lease Requirements and Leasing Activities. Among the leasing requirements chapter, the house rules requirements are outlined in this chapter as well. We have an approved 811 program TSC that any owner can use in conjunction with their regular (TSC) and use it as an attachment. The link to the TSC for the 811 programs down the page to the heading Section 811 PRA.

### **Written Procedures**

1. Requested the lease addendum be an "example" with similar content.
2. Request to add "This policy is subject to change in response to updated laws, regulations, and market conditions, etc..."
3. Ensure this policy was not "flexible".
4. Ensure a grievance process is identified.
5. Need to understand how this would be complied with.

### **Source of Income Protection**

1. The definition uses the term "solely" so we want to clarify we can consider amount of income, eviction history, rent history, and credit. We have scoring system that considers all these factors although there are thresholds in each that will result in denial.
2. Removed "Based" and Solely.

### **Applicant Denials**

1. Concerned this is too short of a window. Most groups default to 5-7 years here with an eviction or Landlord Tenant Debt with decisions overturned with proof of payment/etc. Management can accommodate/set up screening parameters by asset as needed.
2. "demonstrate a history of successful rent payment" - How is this supposed to work? This seems a little sticky and we may need some more parameters here.
3. State Eviction History "Can" instead of "Shall Not", "Even" if eviction proceedings resulted in a dismissal or judgement for applicant.
4. Important to consider eviction history, particularly if it was for conduct; judgement for an applicant might still reveal multiple lease violations which should be considered; current policy looks back 2 years; poor rental history will result in a higher deposit or bond.
5. Should be able to deny on one and not the other if the applicant scores in a manner we cannot approve. (referring to deleting "Applicants shall not be denied solely based on insufficient rental or credit history.
6. Our current policy does not calculate based on 3x tenants share of rent but on rent burden. We allow a larger rent burden to benefit applicants.

7. Disagree with the contention that previous rental history cannot be used as a determining factor in approving a lease. Even if the proceedings resulted in dismissal or judgement for the applicant, rental history is a proven tool in helping to approve qualified applicants.
8. Strongly disagree that an applicant cannot be denied based on credit history.
9. Strongly disagree that an applicant cannot be denied based on 3X income – this standard is attempting to show whether or not applicant can pay rent. Burdening a resident with rent that is more than 33% of income puts the family in jeopardy of not having the ability to pay for other household needs such as food, fuel, clothing, medical, etc. However, this comment does give landlord ability to consider past history in achieving such rents, so we are OK with this so long as ultimate decision rests with the Owner and Guarantor.
10. Remove “solely” for insufficient rental history and credit history.
11. Lease application denials due to evictions are not permitted. This is not an acceptable requirement, does not specify non-payment evictions only, contradicts that we can evict for compliance and criminal reasons, but we would have to accept people for the same offenses.
12. Cannot deny due to income. The way this is worded it will open up fair housing issues at every approval.

### **Fair Housing Marketing**

1. More restrictive than LIHTC. Why treat these units any different or more restrictive? Listing specific vacancies is also problematic and not advised by Landlord Tenant Attorney from a deceptive Trade practice standpoint due to timing and inaccuracies resulting in claims. Recommend we market our communities on ILS providers catering to Low-income tenants like Go Section 8 & utilize standard AFHMP. From an owner and management perspective I would find it hard to rationalize more restrictive measures for PFC than LIHTC.
2. May need to see some more details? What does this look like? For example, on LIHTC we know what the penalties are, what would they be here?
3. Add bullet “submitting a description of actions taken to affirmatively market the program and further fair housing for review by SAHT staff.

### **Non-Discrimination Ordinance**

#### **No Comments**

### **Right to Access Files**

1. Can providing copies be sufficient? We don't want to hand over originals.
2. Introduces potential risks to personal safety of residents as well as property staff. For example, permitting the tenant to have a copy of the documents related to the owner's reasoning for terminating or non-renewal of tenancy creates new rules for non-renewal. Further, such disclosures pose safety concerns for other residents or staff who provide written statements, videos, and/or text messages documenting a resident participated in a lease violation and is therefore subject to nonrenewal or lease termination.
3. "Rental Application, the Lease Agreement, and/or addendums" is an existing right by Texas Property Code, 92.024.



4. "Account of Tenant payments and charges", This is an existing right by Texas Property Code, 92.104; This is an existing requirement by TAA Lease Agreement, paragraph 41.4.
5. A Redaction is all that's needed to protect health and safety of others cited in documents.
6. Consider requiring a written explanation of an owners reasoning for termination or non-renewal.

### **Repairs, Remedies, and Right to Live in a Healthy Unit**

1. This seems a little far reaching and way more than LIHTC requires to my knowledge. See LT note above as well. For repairs under \$1,000 (which would be most tenant repairs) we do not require 3 bids nor do most. So if they have a \$300 damage I have to call 2 vendors and go with the cheapest one? Ownership groups are not going to be OK with the lowest bidder rule either. None of this address working completed in house and actually drives us to use vendors and increase the cost to the tenant as a result.
2. On "Owner Files Lawsuit" on day 31 if not paid do we have the ability to proceed with eviction?
3. "does not apply to a lawsuit to evict for drug activity, serious (OR, not AND) violent criminal activity...."
4. "remediation of hazardous" - Texas' Habitability Statute in Subchapter B of Chapter 92 of the Texas Property Code should be the standard regardless of the issue (mold and beyond), which is the baseline for our policy and the TAA lease. And again, what is "hazardous?" What if the "mold" is de minimis or caused by the tenant? Seems too far reaching for items that are out of our hands in many cases.
5. We provide estimates for very large expenses that we would bid anyway. We recommend removing "and prior to making the repair, the Owner gives the Tenant written notice that includes the estimated costs." from first sentence.
6. Getting bids could slow down repairs and lowest isn't always the best bid. We are agreed that tenant can dispute. Does this suggest we are required to get bids before getting repairs done or just if there is a dispute, we should get bids to determine reasonableness? (Delete "this may be evidenced by...")
7. Add prior to "if payment plan"...." in the case in which tenant is unable to pay for repairs caused by the tenant, owner may offer a payment plan".
8. Delete paragraph "Failure to comply...."
9. Delete "And Tenant may take up to 30 days from the date the judgement is entered to pay the damages awarded by the court. - We need clarification since owner would not be suing an existing tenant. Only way owner would file suit is if tenant didn't pay for repairs and they have vacated unit (since lease wouldn't be renewed). If tenant is still in unit and owner sued them (if that's possible), then what happens after 30 more days of non-payment?"
10. Replace "provide temporary accommodations in accordance with temporary relocation...." with: "work with Tenant to find suitable remedies, including possible relocation to another unit. If a suitable remedy cannot be agreed upon, Tenant may be entitled to exercise remedies under §92.056 and §92.0561 of the Texas Property Code.
11. Consider adding "except no such estimate need be given in the case of an emergency repair" regarding written notice that includes estimate of cost.
12. Consider adding more context "by written notice" (Notice of Dispute) from tenant specifying the nature of the dispute and owner provides written explanation and reasonable evidence of repairs.

13. Establish a \$1000 threshold for requiring procurement of two cost estimates.
14. if tenant fails to pay in payment plan, owner can apply security deposit with the lease agreement.
15. in the case of mold, it must be demonstrated that the tenant has properly notified landlord before the 7 days begins.
16. Concerned with loss of AC and Heat due to a repair need in extreme heat or cold as triggering part of temporary relocation.
17. Concerned about use of security deposits for items owner should be responsible for... "wear and tear".
18. "If Tenant fails to pay the cost of repairs with agreed upon payment plan, the Owner may either withhold a portion of or all of the Tenant's security deposit upon move-out or ... etc." - There are current existing protections and procedures regarding the Security Deposit and what it may be used for in paragraph 40 of the TAA Lease Agreement. Security Deposits will not cover major damages and stipulations are in place to only charge for actual damage.
19. "Owner shall address and remediate hazardous health conditions, including but not limited to mold in indoor areas, within seven (7) days from the confirmation of the condition by the Owner... etc." - This is an existing protection required by Texas Property Code, 92.052
20. To get their health and safety repairs done in a timely manner, without the protections that his document is asking to establish, tenants can ask for repairs all they want, but the landlord can easily dismiss the request, leaving the only recourse to attempt to break the lease for failure of the landlord to meet the obligation of the lease, but that only works if 1, the tenants can even find another home or 2 the landlords allows the tenant to break the lease and more without recourse. The tenant would more than likely have to go to court in order to break the lease with the legal barriers to do this is weighted in favor of the landlord. This protection again creates an equal process.
21. This section dictates how we choose bids and sharing information with the Tenant.

### **Relocation Assistance**

1. State code requires us to let them out of their contract for these situations- not sure how we as an owner could be responsible for relocation costs here when we are not earning rent and incurring costs, etc. due to the loss. For example, if we have a fire that effects an entire building (ex-24 units) ownership is liable for \$7,200 of costs per unit that insurance will not cover? That is nearly \$175K of cost. We are evaluating additional insurance coverages here, but a standard policy will not cover this expense. With that being said, this would simply be an additional expense for the property to bare.
2. Add "For the Remainder of the existing lease" regarding returning to unit as same property if temp relocated.
3. Delete entire section. - Relocation applies to occupied developments undergoing substantial rehab and using federal funds. costs are substantial and not appropriate to a repair scenario. Property code referenced 92056/92.0561 gives significant remedy if owner does not act in good faith.
4. Replace Permanent Relocation with: "Owner agrees In the event that a Low Income Tenant, is displaced for a period of 12 consecutive months or longer, due to causes other than damages to the unit as a result of the intentional or negligent acts of the Tenant, to the extent required by the URA, the Owner shall provide rental assistance to the Tenant, including payment in the amount necessary to enable the Tenant to lease or rent a comparable dwelling, (as defined by the URA) in the same or similar apartment community. In addition, pursuant to the URA, Tenants may be eligible for a rental assistance payment to supplement the costs of leasing a comparable replacement dwelling in the same apartment community based on the difference, if any, between the cost of the monthly rent and utilities of the displacement dwelling and a comparable decent, safe, and sanitary replacement dwelling in the

same apartment community, as well as reasonable out-of-pocket expenses as described above. But in no event shall Owner, as part of providing rental assistance to displaced residents, be required to expend more than \$15,000 for up to 42 months in any 12-month period.

5. We disagree with landlord having to come out of pocket to cover a residents' rents elsewhere. What would be the source of such funds? Has lender and equity provider underwritten such expenses? If SAHT forces such an operating expense, it would impact initial loan proceeds as well as property's ability to meet lender required debt service requirements. Entire section on Tenant's relocation and right to return seems to mirror HUD requirements for relocation -which ONLY apply to properties being rehabilitated. In these cases, HUD issues tenant protection vouchers for such expenses and/or there are capitalized as an underwritten cost.

6. Are lost wages included as part of temporary relocation costs?

7. The relocation provisions and right to relocation assistance should not be included in this proposed policy. Relocation assistance should be limited to the cost of moving.

8. There are zero acceptable parts of this requirement. This turns the landlord into an insurance company and opens up numerous issues with the entire process of repairs, reasonable requests, comparable dwelling, and so on.

### **Right to Return to Unit**

1. Spell out more here. Ex: If we provide them notice that the unit is ready or will be ready, they have 14 days to confirm their interest/etc. Looking for more parameters- similar to those present in 811 contracts/etc.

2. Need clarification as to what would cause this scenario. would right continue up to 1 year if offered but they initially wanted to stay in unit?

3. In first sentence consider adding "due to causes other than damages to the unit as a result of the intentional or negligent acts of the Tenant".

4. Consider adding: "In the event of force majeure (fire, hurricane, flood, freeze or similar act of nature) leaves the property without an available comparable unit in the property, the Owner will utilize good faith efforts to relocate the tenant to a comparable unit in a comparable property, however, if Owner is able to do so, Tenant shall have the right to terminate the lease."

5. Consider adding at the end: "or the end of Tenant's Lease Agreement at the Property, whichever is earlier. Tenant shall not have the right to return if Tenant is in default or otherwise not in good standing under the terms of the lease. In the event that the Tenant is temporarily relocated for renovations or repairs at the Property due to damages to the unit resulting from the intentional or negligent acts of the Tenant, Owner shall have no duty to pay for relocation and no obligation to allow Tenant to return."

6. A resident may not be able to return to their original unit if their income changes, new criminal records emerge, other fair housing disqualification occurs, or there is conflict with the HUD waitlist procedures. Additionally, affordable units must be treated as a new move-in because of the certification process required by HUD, which this flawed proposal fails to recognize.

### **Right to Personal Property**

1. Add "or the parties' lease contract." after "state law"

2. Add "the Lease Agreement or applicable"

3. "Owner shall not take, hold, or sell personal property of the Tenant or household members without written notice to the Tenant and a court decision etc.." - This proposal contradicts current law concerning personal property. The current lawful requirements can be found in the Texas Property Code, 54.041-54.042. The resident is fully informed of the requirements in paragraph 14 and subsections of the TAA Lease Agreement. The TAA Lease Agreement paragraph 41 also goes into detail about personal property in cases of surrender and abandonment.

### **Right to an Eviction Process**

1. This is currently only required by ordinance for non-payment of rent evictions and the failure to deliver solely results in a fine and does not affect an eviction or create a defense.
2. This is an existing right that is being carried out by rental housing providers. All evictions are filed in a court.

### **Grounds for Termination**

1. Insert the word "minor" after the word "repeated" so that multiple minor violations may add up to "good cause."
2. "TENANCY" - This also needs to be clarified as to whether "termination of the tenancy" includes the effect of the provisions of a Notice to Vacate; if this is solely for termination at the end of a lease term or non-renewal, that should be more clearly articulated.
3. OK with this in general but need to understand relocation policy in general.
4. Any violation of the lease should be grounds for termination, hence the terms of the lease. What is the intent of redefining what from the lease constitutes termination?
5. Owner may not terminate the tenancy or refuse to renew the lease of a Tenant except for ... etc.", - This proposal is currently protected in the TAA Lease Contract Addendum for Units Participating in Government Regulated Affordable Housing
6. Remove "temporary uninhabitability of property" from exemption grounds to terminate.

### **30 Day Notice**

1. NTVs in Texas may be three day, subject to the three different interpretations of the CARES Act NTV requirements. Need to retain three-day rights of notice for imminent danger or other serious violation.
2. No issues with this.
3. "For" Termination (First sentence)
4. Remove "serious" and change term to "violent conduct."
5. Change name to 30-Day Notice of Termination or Non-Renewal
6. Change to issued once in preceding 6-month period.
7. Change 18 to 16; Add "or (3) affixing the Notice to Vacate to the inside of the Main Entry Door.
8. The proposed age of the household member contradicts current Texas Property Code. All lawful procedures for serving a notice of termination or non-renewal are required by the Texas Property Code 24.005. In paragraph 30 of the TAA Lease Agreement, the owner must give the same amount of notice as the tenant must give to the owner. If a number of days is not filled, 30-days is the default.

9. Add inside Main Entry Door of Unit

10. Consider sending a copy by regular mail in addition to posting inside the door. Maintain 18 years of age for in person notices.

11. Nothing will get accomplished with the notice requirements and we would be stuck for tenants we do not want for months.

### **10 Day Notice of Opportunity**

1. An "opportunity to cure" a non-monetary default is extremely problematic and should not be allowed.

2. No issues with this.

3. Change to "10-Day Notice of Opportunity to Cure" "right to cure any alleged violation of the lease".

4. Change 18 to 16; Add "or (3) affixing the Notice to Vacate to the inside of the Main Entry Door.

5. Remove "The Notice of Opportunity to Discuss must give Tenant at least ten days from the date of the notice to request a meeting with the Owner." and remove "Tenant fails to make a timely request for a meeting, the ten-day opportunity to cure period begins on the date the notice to terminate or nonrenewal was received by the Tenant."

6. replace with this statement "if alleged violation is due to a non-payment of rent, Owner shall provide tenant with opportunity to enter into a reasonable financial plan acceptable to owner."

7. add: "Notwithstanding the foregoing Notice of Opportunity to Cure, Owner shall have no obligation to provide such notice and opportunity more than two times in any six-month period."

8. do not understand this concept – if the lease has been violated, then the landlord follows the term of the existing lease.

9. If the Tenant corrects the actions that triggered the 30-Day Notice to Terminate or Non-renewal, including by entering into a financial payment plan, the corrected action(s) may not serve as ground(s) for termination or eviction.

### **3 Day Notice to Vacate**

1. This changes the existing rights under our Texas NTV statute and in my opinion is statutorily pre-empted or a taking under the Constitution as it is changing the legislative requirements.

2. No issues with this.

3. Grammatical changes: replace "Dispute" with Violation; state correct name of 30-day notice; and Change 18 to 16; Add "or (3) affixing the Notice to Vacate to the inside of the Main Entry Door."

4. The proposed age of the household member contradicts current Texas Property Code. All lawful procedures for serving a notice a notice to vacate are required by Texas Property Code 24.005.

### **Failure to Provide Notice**

1. Very onerous to require all three notices merely to obtain possession.

2. Referring to "termination of tenancy is not effective unless notice procedure is followed correctly", this should not be part of the burden of proof of the landlord.
3. Why would we waive any right to appeal?
4. Add "or non-renewal"; add based on "violent conduct or serious criminal activity."
5. Grammatical changes and state correct name of 30-day notice.
6. Delete "The Owner agrees that it is the burden of the Owner to show, as an element of its eviction case, that all applicable notice procedures were followed, and that termination of tenancy is not effective unless notice procedure is followed correctly. The Owner waives the right to appeal to a dismissal of the forcible entry and detainer lawsuit for a failure to comply with the notice procedures."
7. Failure to provide notice, the lease already has provisions to notify tenant.
8. The Owner agrees that it is the burden of the Owner to show, as an element of its eviction case, that all applicable notice procedures were followed, and that termination of tenancy is not effective unless notice procedure is followed correctly. The Court system currently requires owners or representatives of the owner to show that notices were served correctly for the eviction case to proceed.

### **Entry into Unit**

1. clarify by adding "reasonable business purposes including but not limited annual inspections, preventative care, etc. after providing to the Tenant..."
2. Add "Creates Property Damage or an imminent danger."
3. Change 18 to 16.
4. Remove: "If the Owner violates the provision, owner is in default of the lease and may terminate lease."
5. Add that in case of imminent damage to any units, Owner may enter unit.
6. "Owner, Owner's representative, or maintenance staff may enter the unit during reasonable times for any reasonable business purposes after providing to the Tenant at least twenty-four- (24) hours' notice, a reasonable window of time for entry...etc." - This protection exists in paragraph 28 of the TAA Lease Agreement.
7. Add a tenant may agree in a separate written addendum to the lease agreement, which states in large bold type that the Tenant is not required to sign or agree that owner may enter unit without 24 hours' notice.
8. Remove property damage as consideration for entry into unit.

### **Right to Organize**

1. Delete "or tenants' guest" with respect to retaliating. Our clubhouse policy states that use is for private events, not public events.
2. Delete "or tenants' guest" with respect to retaliating.

3. Replace 3rd bullet to say, "Tenant and other residents of such property shall be entitled to access common areas of the property for tenant organization activities, however the Owner may not impose fees or rules that are not otherwise applicable to non-organizational activities."

4. The Right to Organize is currently required by the Texas Property Code 92.331. Tenants can meet in common areas if common area is still accessible and usable by other residents.

5. This is an American right, something that should already be protected under the first amendment of the Constitution, freedom of speech. If tenants do not have the right to organize where they reside that is a hindrance to free speech, in addition to this, if organizing and then can face unprotected retaliation, again this is in violation of the tenants right under the first amendment of the constitution.

6. it seems likely that Owners would argue they cannot negotiate additional protections since it would "conflict" with this lease addendum. State language that the San Antonio Housing Trust Multifamily Program Tenant Resident/Tenant Protections Policy and this Lease Addendum are not intended to and shall not be interpreted to prohibit a Tenant or a tenant organization from requesting, advocating for, or negotiating additional tenant protections and policies; or owner from adopting additional tenant protections and policies.

### **Other Tenant and Owner Policies**

1. Referring to "Tenant understands that the intentional failure to supply..." - "Intentional" should be deleted and the provision of false information should be "good cause" for termination.

2. This is onerous and unacceptable and is not required under current state law.

3. Delete - "Owner agrees to provide Tenant a copy of the Lease Agreement and Addendums in the language in which the lease was negotiated. Owner also agrees to provide Tenant a copy of any other rules or policies issued by Owner that govern the Tenant's conduct at the Property. Owner agrees to attach a copy of the Lease Agreement and all Lease Addendums to any petition filed in an eviction proceeding against the Tenant. Owner agrees that Owner's failure to provide a copy of the leases or any addendum to the Tenant or to the Court shall be cause for dismissal without prejudice of any eviction lawsuit filed by the Owner."

4. Proposals are covered by the Supplemental Rental Application for Units Under Government Regulated Affordable Housing Programs and the Lease Contract Addendum for Units Participating in Government-Regulated Affordable Housing Programs

5. Include *intentional* failure to supply....



7525 Babcock Road • San Antonio, TX • 78249 • 210.692.7797 • Fax 210.692.7277 • [www.saaaonline.org](http://www.saaaonline.org)

Dear Mr. Pete Alanis, Executive Director; members of the San Antonio Housing Trust; and San Antonio Housing Trust Public Facility Corporation,

The San Antonio Apartment Association maintains its opposition to the San Antonio Housing Trust's (SAHT) Multifamily Program Tenant Protections Policy proposal, including its Final Draft version which was made public on March 19<sup>th</sup>, that would require San Antonio Housing Trust-owned, -partnered, or otherwise -financially assisted developments to follow and incorporate a lease addendum into all resident leases at the property, as well as oppose other policies that impede the attraction and production of affordable housing projects.

We in the rental housing industry continue to believe affordable housing is a priority issue for our community and industry. Based on the realities experienced by our members, we strongly caution that this proposal will *not* have its intended outcome of helping the city attain more affordable housing and will in fact hinder, not help, local housing providers develop much-needed new housing.

The March 19<sup>th</sup> Final Draft includes changes, deletions, and new language, for which given less than a week is simply not enough time to thoroughly review and respond with constructive feedback for the SAHT. Further, because the public was told that comments to the Final Draft may be submitted before March 26<sup>th</sup>, SAAA will have to wait to see what changes and new language may appear on the revised Final Draft that will be made public on March 26<sup>th</sup>, before sharing concerns and feedback with the SAHT. As developers and operators of rental housing, San Antonio Apartment Association members can provide experience and expertise to aid the SAHT in structuring policy that can achieve the goal we all want: attainable housing for all.

If policy renders a project economically infeasible and new housing fails to materialize, San Antonio not only loses out on much-needed affordable units, it also loses out on housing in general. We do not want to see less rental housing being built in San Antonio, which is why our association opposes the March 19<sup>th</sup> Final Draft of the San Antonio Housing Trust's Multifamily Program Tenant Protections Policy proposal.

The affordable housing industry is complex and difficult to maneuver which is why there is no single cure-all answer to providing affordable housing. We offer our concern to this body and our members continue to offer their expertise and knowledge on the subject matter and as a resource for the SAHT.

Respectfully,

The San Antonio Apartment Association