

**SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION
OFFICIAL MEETING MINUTES**

Date: Wednesday, January 12, 2022

- The Public Facility Corporation met in session at 11:30 a.m., via Zoom and in person at 114 W. Commerce Street, San Antonio, Texas, 78205
- The meeting was called to order by Councilwoman Dr. Adriana Rocha Garcia and the roll was called by Nicole Collazo.

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

ABSENT: None

Staff/Visitors Present:

Pedro Alanis-Executive Director San Antonio Housing Trust Public Facility Corporation; Nicole Collazo-Director of Operations San Antonio Housing Trust Public Facility Corporation; John Hernandez – Sr. Asset Manager San Antonio Housing Trust Public Facility Corporation; Lauren Bejaran- Sr. Administrative Assistant; Susan Snowden Director of Finance Darkhorse CPA, Edward Muniga- D4; Ileana Sandoval-D9; Rebecca Flores, Monica Cruz, Minyu Pan, Margartia Arciniega Interpreter SEFLA, Summer Greathouse Attorney Bracewell, Jordan Guerra Martin-Funk, Jim Plummer Bond Counsel Bracewell, Mitchell Parton SABJ, Jay Johnson Cohen Esrey, Sonya Shifflett-Bly Cohen Esrey, Laura Cano Cohen Esrey, Adolfo, Jon Atlas Cohen Esrey, Jack Brenton – Cohen Esrey,

1. APPROVAL OF MINUTES

Councilman Courage motioned and Councilwoman Viagran seconded for approval of the minutes with the correction from December 7, 2021.

AYES: 5

NAYS:

ABSTAINED:

THE MOTION PASSED.

2. CITIZENS TO BE HEARD

NONE.

3. CONSIDERATION AND POSSIBLE ACTION TO APPROVE A RESOLUTION AUTHORIZING THE CROSSWINDS APARTMENT HOMES TRANSACTION (F/K/A CROSSWINDS APARTMENTS), INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; AUTHORIZING THE PURCHASE OF THE LAND FOR THE TRANSACTION AND THE LEASE OF SUCH LAND FOR THE TRANSACTION; AND AUTHORIZING THE ACQUISITION OF THE MEMBERSHIP INTEREST IN SAHT CROSSWINDS GP, LLC; AND AUTHORIZING THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION TO ENTER INTO A JOINT VENTURE AGREEMENT TO SERVE AS THE GENERAL CONTRACTOR; AND OTHER MATTERS IN CONNECTION THEREWITH.

Pete Alanis briefed to the board about Crosswinds Apartment Homes being a 75-76 million-dollar Pedcor development project with 312 units that are participating in a 4% LIHTC program. The project will consist of 312 units at 60%, 50% and 30% AMI, that will be covered by the Tennant Protection Policy, and will be accepting section 8 vouchers. The Public Facility Corporation is expected to receive a return from the project in \$1 million dollars from developer fees in 1 to 3 years of construction and \$2.3 million dollars in deferred development fees in 4 to 18 years. 50% of net cash flow will be returned after development fees are paid and 50% of net proceeds will be earned if there is a capital event. The project will require \$45 million in bond issuance through the Finance Corporation, receiving 1% at \$450,000 in 1 year and \$140,400 in Annual Bond Fees in 18 years.

Councilman Courage stated he recommends the project to the board and advised Pete Alanis to speak to District 10 on the matter due to the project possibly being in their district.

Councilwoman Rocha Garcia confirmed that the Councilman Perry of District 10 is in favor of the project.

Councilwoman Viagran asked if this project would not take out of the tax roles with farming or renting the land for the project. Pete Alanis advised Councilwoman Viagran that the project is going to be constructed on undeveloped agricultural land.

Councilman McKee-Rodriguez joined the meeting at 11:38 AM.

MINUTES COMMISSION ACTION:

Councilwoman Viagran motioned and seconded by Councilwoman Castillo to authorize the Crosswinds Apartment Homes transaction.

AYES: 5

NAYS:

ABSTAINED:

THE MOTION PASSED.

4. CONSIDERATION AND POSSIBLE ACTION TO APPROVE A RESOLUTION AUTHORIZING THE LOMA VISTA LOFTS APARTMENTS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; AUTHORIZING THE PURCHASE OF THE LAND FOR THE TRANSACTION AND THE LEASE OF SUCH LAND FOR THE TRANSACTION; AND AUTHORIZING THE ACQUISITION OF THE MEMBERSHIP INTEREST IN SAHT LOMA VISTA GP, LLC; AND AUTHORIZING THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING SAN ANTONIO HOUSING TRUST PUBLIC FACILITY.

Pete briefed to the board on the Loma Vista Lofts being an estimated \$40.3 million dollar partnership project between Cohen-Esrey and San Antonio Hope Center. The San Antonio Hope Center owns the land that the project will be constructed on and will plan on using the funds from Cohen-Esrey's purchase to provide necessary services for the community. The Loma Vista Lofts is a new construction project with 212 units at 60% AMI with 4% LITHC equity and conventional debt. The capital stack for the project includes: \$18.9 million in debt, \$18.3 million in LIHTC Equity, \$2 million in deferred fees, and \$1 million in a CDBG grant.

The PFC and Cohen-Esrey established an Affordable Rental Fund that will use the revenues that are earned from the project to buy down the 60% AMI units, to 50% and 30% AMI. The PFC is expected to return in the 18 years of construction, \$639,000 in developer fees (Year 1-2), \$200,000 in closing fees, \$660,000 in deferred developer fees (Years 2-10), \$783,000 in net cash flow (years 10-15). The PFC will use the deferred development fees and cash flow over time to continue to buy down the units from 60 to 50% AMI. The PFC Bargain purchase right will give the PFC the option to buy the project at year 15 and take ownership of the cost of the outstanding debt of 15 to 16 million dollars. Pete recommended to the board the Loma Vista Apartment project be approved along with the Affordable Rental Fund.

Councilwoman Viagran asked Pete Alanis when the Public Facility Corporation and Finance Corporation will have the funds in the affordable rental fund to start offering the 50% and 30% AMI units. Pete Alanis stated that the affordable rental fund will begin with \$300,000 in developer fees that will be earned between years 1 and 2 of construction.

Councilwoman Viagran asked Pete Alanis who will be able to contribute to the affordable rental fund. Pete Alanis advised that anyone could donate the money, and, in the future, the board can discuss possibly using Public Facility Corporation funds for the fund.

Councilman Courage suggested that the PFC should build up capital for future partnerships by using PFC funds coming from projects to ensure more affordable housing units are being provided to the community.

Councilman McKee-Rodriguez asked Pete Alanis if the PFC has created an affordability rental fund in the past. Pete Alanis stated that the PFC in the past, has a similar fund called the "Affordable Concession Plan" where the PFC was able to buy down 80% to 60% AMI units. Pete recommended having the funds upfront to buy down units permanently due to the Affordable Rental Fund running out funds in the future.

Councilwoman Rocha Garcia asked Pete Alanis about the San Antonio Hope Center Services' Coordinator being the same individual who is going to provide client services to the residents at Loma Vista. Jay Johnson with Cohen Esrey answered Councilwoman Rocha Garcia's question, by stating there will be an appointed representative on site that will provide client services for the residents. Councilwoman Rocha Garcia recommended showing the Loma Vista Apartments with the residential services be a model to showcase to the community.

MINUTES COMMISSION ACTION:

Councilwoman Castillo motioned and seconded by Councilman McKee-Rodriguez to authorize the Loma Vista and the Affordable Rental Fund transaction.

AYES: 5

NAYS:

ABSTAINED:

THE MOTION PASSED.

5. RESOLUTION AUTHORIZING THE ADOPTION OF THE AMENDMENTS TO THE CORPORATION'S CERTIFICATE OF FORMATION AND BYLAWS, IN THE FORMS APPROVED BY THE SAN ANTONIO CITY COUNCIL.

Pete Alanis advised the board that the San Antonio City Council approved the Public Facilities Corporation's certificate of formation and bylaws for the governance realignment process of the Board. Pete recommended to the board to adopt the Certificate of Formation and bylaws that were approved by City Council.

MINUTES COMMISSION ACTION:

Councilwoman Viagran motioned and seconded by Councilman Courage to approve the adoption of the amendments to the corporation's certificate of formation and bylaws, in the forms approved by the San Antonio City Council.

AYES: 5

NAYS:

ABSTAINED:

THE MOTION PASSED.

Councilwoman Rocha Garcia adjourned the meeting. There being no further business, the meeting adjourned at 12:02 p.m.