

**SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION**  
**OFFICIAL MEETING MINUTES**  
**July 18, 2018**

- The Public Facility Corporation met in session at 2:00 PM., The Gallery at 115 Plaza De Armas, Ste. 102
- The meeting was called to order by Councilwoman Viagran and the roll was called by JD Hernandez.

**PRESENT: Rebecca Viagran, Roberto Treviño, Rey Saldaña,**

**ABSENT: William “Cruz” Shaw, Shirley Gonzales**

- **Staff/Visitors Present:**

John Kenny, San Antonio Housing Trust Public Facility Corporation  
 JD Hernandez, San Antonio Housing Trust Public Facility Corporation  
 Nicole Collazo, San Antonio Housing Trust Public Facility Corporation  
 James Plummer, Bracewell LLP  
 Cynthia Cancienne, Citizen  
 Philip Cancienne, Citizen  
 Richard Webner, Express News  
 Marcus Peoples, District 2  
 Sydell Brooks, District 2  
 Ashley Farrimon, Kautman Killer  
 E Guzman, CAO  
 Jay Podjenski, District 1  
 Rebecca Podowski, COSA  
 Veronica Soto, COSA  
 Gene Rodriquez, District 5  
 Alma Lozano, CAO  
 Raul Olveda, District 4

**1. Approval of minutes – June 19, 2018 Public Facility Corporation Minutes**

**COMMISSION ACTION:**

The motion was made by Councilman Treviño and seconded by Councilman Saldaña to approve the June 19, 2018 minutes as submitted.

**AYES: 3**

**NAYS: 0**

**ABSTAIN: 0**

**THE MOTION CARRIED**

**2. Citizens to be heard –**

There were two citizens to be heard. Cynthia Cancienne and Philip Cancienne. They are concerned about the sale of The Upton at Longhorn Quarry. Some of the questions that were asked were what the City standard was for affordable housing, why this would be a good deal for the City, and who the parties were that are involved in the sale of this property.

**3. Briefing and possible Action On: Resolution authorizing Lord Road 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 Lord Road GP, LLC and authorizing the financing for such transaction; and authorizing San Antonio Housing Trust Public Facility Corporation to become the general contractor; and other matters in connection therewith.**

Mr. James Plummer gave an overview of the Lord Road Apartments, which have been briefed before. The PFC will receive 45% of Cash Flow and 40% of Developer Fees. It is anticipated that this deal will close in the beginning of August. Rent is restricted to 5 units at 50% and 319 units at 60%.

**COMMISSION ACTION:**

The motion was made by Councilman Saldaña and seconded by Councilman Treviño to authorize the Final Resolution authorizing Lord Road Apartments to transact all necessary documents and closings.

**AYES: 3**

**NAYS: 3**

**ABSTAIN: 0**

**THE MOTION CARRIED****4. Briefing and possible Action on: regarding the Red Berry Project and the use of corporate funds prior to TIF reimbursements to pay under a Construction Management Agreement between the Corporation and Casey Development.**

Mr. Plummer explained that to continue to move forward with the Red Berry Project the board is recommended to approve the use of corporate funds prior to TIF reimbursements. This is due to TIF not advancing funds prior. The City has agreed to provide approx. \$500,000 to the PFC to use for this project. Mr. Plummer is anticipating this amount to be sufficient to cover these costs but would like to have a buffer of funds in case the improvements were ahead of schedule or TIF is behind in reimbursements.

The motion was made by Councilman Treviño and seconded by Councilman Saldaña to approve the use of corporate funds prior to TIF reimbursements.

**AYES: 3**

**NAYS: 0**

**ABSTAIN: 0**

**THE MOTION CARRIED****5. Briefing and possible Action on: regarding the election to accept rent instead of sales proceeds upon the sale of the Upton at Longhorn Quarry and authority to amend and restate the Lease Agreement.**

NRP and its investors have indicated that they would like to put this Property up for sale. It has not been sold, or even put on the market at this time. This discussion was just to get some direction from the Board on if they would like to take an upfront payment or elect to take rent payments instead.

The reasoning behind the sale of the project is due to getting a premium on the sales price when there are still vacancies that the new buyer can raise rents on. The investors also believe that we are at the top of the real estate market within San Antonio.

If the PFC elects to take the cash payment, they would receive 10% of the profit on the sale and own the buildings but would no longer receive any cash flow payments. There is a built-in provision that states that if the PFC Board does not like the proceeds from the sale of the property, they can elect to take 5% of the cash flow from the property for the 75-year term of the lease.

The motion was made by Councilman Treviño and seconded by Councilman Saldaña to move forward with taking rents and revise the lease agreement in conjunction with having a certified appraisal done to determine an appropriate value of the property.

**AYES: 3**

**NAYS: 0**

**ABSTAIN: 0**

**THE MOTION CARRIED****6. Briefing and possible Action on: regarding the policy governing use of corporate funds for grants and loan to support affordable housing**

Mr. Plummer informs the Board that there is approximately \$3 million combined in the PFC/FC accounts. He is very confident in receiving another \$2 million in funds within the next year due to multiple closings. He cautions the Board that this is not the norm and can and will change going forward. This is the reason he cautions the Board on committing any large amounts of funds over a long period of time to any one project. Mr. Plummer has suggested that the PFC and the FC set aside one years' worth of operating expenses to prepare for any down turn in the real estate market.

Veronica Soto explained that COSA uses the definition of affordable housing based on the HUD definition. HUD is attempting to change this definition to include a deeper affordability level for renters. She also went into the report of the funds that have been expended as of this time, which all funds have been expended. They are anticipating next year that the CDBG and HOME Grants are to receive \$8 million from Federal grants to help subsidize multiple programs.

**Adjournment**

Councilwoman Viagran adjourned at 3:22 P.M.