

SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION
OFFICIAL MEETING MINUTES
July 29, 2020

- The Public Facility Corporation met in session at 10:00a.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 Dr. Adriana Rocha Garcia, and Councilwoman Shirley Gonzales

ABSENT:

Staff/Visitors Present:

Pedro Alanis- Interim Executive Director San Antonio Housing Trust Public Facility Corporation; Nicole Collazo- Assistant Director San Antonio Housing Trust Public Facility Corporation; JD Hernandez – Asset Manager San Antonio Housing Trust Public Facility Corporation; Sharon Jennings-Contract Officer San Antonio Housing Trust Public Facility Corporation; Maria Bradley - Administrative Assistant, San Antonio Housing Trust Public Facility Corporation; James Plummer-Bracewell LLP; Summer Greathouse-Bracewell LLC; Allison Shea, NHSD; Mitchell Parton, San Antonio Business Journal; Martza Carmiol, Creative Communications;

1. Approval of minutes for July 15, 2020.

MINUTES COMMISSION ACTION:

The motion was made by Councilwoman Dr. Adriana Rocha and seconded by Councilman Roberto Treviño to approve the minutes from June 15, 2020.

AYES: 3

NAYS: 0

ABSTAIN: 0

The MOTION CARRIED.

2. PUBLIC COMMENT-

NONE.

3. Resolution authorizing Greenline North Apartments transaction (formerly known as City Base 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 City Base 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 stated that this item is for final approval of the resolution for Greenline North Apartments transaction. This is a Franklin Development project with 292 multi-family units. This is a 4% tax credit project located on South New Braunfels in District 3. All units are 2-3 bedrooms with income average of 60% AMI or below. The range of incomes will be 30% - 80% AMIs. The project is expected to cost \$51.4 million dollars with \$33 million in tax exempt bonds. Anticipated

final sources of funds are \$30 million first lien debt, \$16.7 in tax credit equity, \$4.1 City of San Antonio Affordable Housing bond grant, and \$526,000 in deferred developer fees. Important to note that over the course of 20 years the Public Facility Corporation and the Finance Corporation combined will receive approximately \$8.2 million dollars in developer fees, cash flow revenues and bond fees. The City will be repaid the \$4.1 million funding which will be expected to be repaid in year 10.

Staff is recommending approval of the resolution for Greenline North Apartments transaction. Councilwoman Viagran mentioned that this project is part of the bond project and is in support of this project.

COMMISSION ACTION:

The motion was made by Councilwoman Dr. Adriana Rocha and seconded by Councilman Roberto Treviño to approve Resolution authorizing Greenline North Apartments transaction.

AYES: 4

NAYS: 0

ABSTAIN: 0

The MOTION CARRIED.

- 4. Resolution authorizing Preserve at Billy Mitchell Apartments transaction (formerly known as Preserve at the Port), 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 Port San Antonio Preserve GP, 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**

Pete Alanis briefed on the Preserved at Billy Mitchell Apartments project. Pete clarified that the development group for this project is Integrated Realty Group not Steele Development group as stated in the memo. This project is an acquisition and rehabilitation of 384 multi-family units located on Gilmore Avenue in District 5. The development is going to serve tenants ranging from 30%-70% AMI. The Developer has agreed to provide basic internet access for residents at the 30%-50% AMI levels and will be seeking discount services for those tenants at 70% AMI. They will be providing washer/dryer in each unit. The Developer also agreed to contribute \$500,000 fund to maintain rents at those rent levels for two years post rehabilitation.

This project had applied to be a tax credit project; however, the tax credit program denied their application. The denial was due to schools that were low performing. The project lost about a month in the process on how to work with Developer to find financing solution. In doing so, the property will accept section 8 vouchers and cap tenant underwriting limits at 30% of household income. In addition, the Developer will provide moving assistance. There is an August 30th deadline when the bond will expire on the project which means the property much close on financing in 30 days. The property has acquired additional equity partners, tax credit equity and PACE equity through Greenworks Lending. However, there is still a chance the project will not be able to meet the deadline to close. Seeking approval to allow, Pete Alanis, Interim Executive Director, to authorize terms to move forward with execution of the transaction. The bonds will be brought to City Council for approval next month. Staff is working with the developers and the partners to start creating and drafting all the necessary documents.

The fiscal impact is about \$7.5 million over 15-year period. The estimated tax amount on the project is about \$3.5 million over the 15-year period. The project will be providing additional revenues than the tax amount.

Staff is recommending approval of resolution authorizing Preserve at Billy Mitchell transaction. Councilwoman Gonzales asked about the status of the Historic tax credits. Pete replied that the project does meet all the qualifications for Historic tax credits. Staff does anticipate that the project will receive those Historic tax credit equity on this project. Councilwoman Gonzales stated that she would like to see more rehabilitation projects in the area and in the city. She is in support of this project.

COMMISSION ACTION:

The motion was made by Councilwoman Gonzales and seconded by Councilwoman Dr. Rocha Garcia for approval the Resolution authorizing Preserve at Billy Mitchell transaction.

AYES: 4

NAYS: 0

ABSTAIN: 0

The MOTION CARRIED.

5. Consideration and possible action to appoint Pedro Alanis as an Assistant Secretary of San Antonio Housing Trust Public Facility Corporation.

Pete Alanis informed the board that he was selected as the lone finalist for the permanent Executive Director position. The Foundation board will be meeting on August 12, 2020 for final approval to hire Pete as the permanent Executive Director. Staff is requesting the Public Facility Corporation to appoint Pete Alanis as an Assistant Secretary so that he can have authorize to executive documents on behalf of the corporation.

COMMISSION ACTION:

The motion was made by Councilwoman Gonzales and seconded by Councilman Treviño to approve action to appoint Pedro Alanis as an Assistant Secretary of the San Antonio Housing Trust Public Facility Corporation.

AYES: 4

NAYS: 0

ABSTAIN:

The MOTION CARRIED.

6. Assistant Secretary's Report - A briefing on financials, progress of projects or grant expenditures, personnel matters and other activities which do not require Board action.

Pete Alanis briefed about the Corporation's financials. During the third quarter April thru June the Corporation received \$405,000 in revenues. To date the Corporation has earned a total of \$2.4 million. Staff anticipated revenues for the fiscal year to be \$3.1 million dollars. The Corporation is on track to meeting the anticipated revenues goal in the fourth quarter. For the Finance

Corporation, during the third quarter earned \$343,000. To date the Finance Corporation has earned close to \$600,000 in revenues. Staff forecasted \$85,290. The Finance Corporation is well ahead of the forecast. Overall, both corporations are about 93% of where staff forecasted revenues to be. Pete also gave an update on the corporations' cash balances. The Public Facility Corporation has a cash balance of \$356,057. The Finance Corporation has a cash balance of \$744,314. The Foundation has a cash balance of \$1.6 million. The Trust has a cash balance of \$1.37 million on top of the \$10 million reserve. The total cash balance of all corporations is \$4.1 million.

Risk Mitigation update is as follows. The Trust as a whole contributed about \$5 million towards the City of San Antonio Emergency Housing Assistance program. Charitable Foundations through United Way and San Antonio Area Foundation have contributed \$110,725. The Foundation received a \$25,000 Wells Fargo grant for the Risk Mitigation program. Also, received an individual direct donation in the amount of \$5,000 dollars. Total Risk Mitigation support in the amount of \$5,140,725 dollars. To date the Risk Mitigation program and the City of San Antonio Emergency Housing program have expended \$5,114,884. The Risk Mitigation remaining balance is \$25,840 dollars. Total households assisted to date are 1,933 at an average assistance of \$2,646 per request. San Antonio Housing Authority is anticipated to contribute \$200,000 to the Risk Mitigation fund by next month.

Councilwoman Viagran asked what balance will increase by \$200,000. Pete replied that the San Antonio Housing Authority has a memorandum of understanding to contribute a total of \$350,000 towards the EHAP. \$200,000 of that will be deposited into the SAHT Risk Mitigation program to quickly deploy increasing the \$25,840 balance to \$225,840. Councilwoman Viagran also asked if of the 1,933 households, are they single request per household or does this number include multiple requests for a household. Pete responded that the requests are unique request per household. Councilwoman Dr. Rocha Garcia commented that the breakdown of the households is very helpful. Councilman Treviño stated that the investments are proven to be very helpful as we try to reinvest back into the community.

Pete Alanis gave an update on the projects that are expected to close through the end of the year. Pan American, Park at 3830 and Luna Flats have closed. Friedrich Land closing is scheduled to close at the end of the month on July 31, 2020. The S. Flores Lofts is expected to close by mid-August. The West end Lofts, Greenline and Preserve at Billy Mitchell are expected to close by end of August. Several other projects are in the pipeline, which include Canyon Pass in September, Northview in October, and Echo East in December.

Pete stated that the NALCAB assessment provided some recommendations regarding the use of professional services and process of selecting those services. Request for Qualifications have been issued for Asset Management and Underwriting services and for Legal services. Response are due on August 5, 2020 and August 12, 2020. Staff will be working with both boards to create an Ad Hoc Committee to evaluate and review staff recommendations of the RFQ responses.

NO ACTION WAS TAKEN.

Councilwoman Viagran adjourned the meeting. There being no further business, the meeting adjourned at 10:37a.m.