

SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION
OFFICIAL MEETING MINUTES
August 28, 2019

- The Public Facility Corporation met in session at 12:34 P.M., The Plaza De Armas Gallery, 115 Plaza De Armas Street, San Antonio, Texas 78205
- The meeting was called to order by Councilwoman Viagran and the roll was called by JD Hernandez.

PRESENT: Rebecca Viagran, Roberto Treviño, John Courage, Shirley Gonzales

ABSENT: Adriana Rocha Garcia,

- **Staff/Visitors Present:**

Nicole Collazo, San Antonio Housing Trust Public Facility Corporation; JD Hernandez, San Antonio Housing Trust Public Facility Corporation; Rich Acosta, My City Is My Home; Debra Guerrero, The NRP Group; Levar Martin, NALCAB; Allison Shea, COSA; Jennifer Buston, NHSD; Jay Podjenski, D1; Vero Soto, NHSD; Paul Moore, Steel Properties

1. Approval of minutes – May 22, 2019 Public Facility Corporation

Minutes COMMISSION ACTION:

The motion was made by Councilman Treviño and seconded by Councilwoman Gonzales to approve the May 22, 2019 minutes as submitted.

AYES: 4

NAYS: 0

ABSTAIN: 0

THE MOTION CARRIED

2. Citizens to be heard – 1

Mr. Rich Acosta with My City is My Home addressed the Board regarding the need for Section 8 housing vouchers within the affordability properties.

3. Briefing and possible Action On: Resolution authorizing the Mesa West 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 Mesa West 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.

SAHT FC Board approved the bond transaction back in April, and City Council approved in May. At the time, Mr. Plummer didn't have a partnership agreement prepared to bring forth, which he is at this meeting. The transaction is now ready to close mid-September with all financing in place. Councilman Courage asked what the breakdown of the rentals were going to be. All units will be 100% at 60% and all be tax credit rents. The following is a rent breakdown:

Efficiency: \$745

1 Bedroom: \$798

2 Bedroom: \$958

3 Bedroom: \$1,107

Councilman Courage has suggested getting a rent breakdown at the competed construction part to compare with what was projected when the projected closed. Councilwoman Viagran agreed and added on how that impacts the PFC investments.

COMMISSION ACTION:

The motion was made by Councilwoman Shirley Gonzales and seconded by Councilman Roberto Treviño to approve the operating side of this transaction to move forward.

AYES: 4

NAYS: 0

ABSTAIN: 0

THE MOTION CARRIED

4. Briefing and possible Action On: Resolution inducing the Parkdale Apartments transaction, 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 low income housing tax credits;

and approving a memorandum of understanding for such -transaction and other matters in connection therewith.

This item, in conjunction with Item 5, are both inducement resolutions. These resolutions are non-binding. This is a City project due to the fact that the City made it a part of the 2017 Neighborhood Improvement Bond Transactions. Mr. Plummer suggested at the last board meeting that the current Board have a City GO Project where the issuing fee on the bonds would go back into this GO fund. There are two major advantages to doing this. 1. As the City goes out for future bond transactions, there is a show of getting a return on the investment in the GO Program. 2. Mr. Plummer thinks that this will lock the City into a position where they can tell a potential RFP respondent that if you do a transaction utilizing the PFC, then there is already a negotiated position on revenue sharing as apposed to working with another entity.

COMMISSION ACTION:

The motion was made by Councilwoman Shirley Gonzales and seconded by Councilman John Courage to approve the inducement resolution.

AYES: 4
NAYS: 0
ABSTAIN: 0

THE MOTION CARRIED

- 5. Briefing and possible Action On: Resolution inducing the Steele Pan American, LLC transaction, 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 low income housing tax credits; and approving a memorandum of understanding for such transaction and other matters in connection therewith.**

This is the first rehab property that is coming before the Board for approval. It is complete section 8 property with 90% of the residents earning 30% of income and below.

The unique thing about this project is that the PFC will not get the Bargain Purchase Price at the end of the 15 year period and only get 25% of the sale proceeds instead of 50%.

COMMISSION ACTION:

The motion was made by Councilwoman Shirley Gonzales and seconded by Councilman John Courage to approve the inducement resolution

AYES: 4
NAYS: 0
ABSTAIN: 0

THE MOTION CARRIED

- 6. Briefing and possible Action On: Consideration and possible action approving the sale of the Crockett Street Project also known as the Baldwin Apartments and the amendment of the lease associated therewith.**

The Investor partner is buying the rest of the portion of the project and NRP will retain 5% interest. The reason Mr. Plummer brought this to the board's attention is due to an option the board must take. The two options are 1. Take 10% of the proceeds after debt and equity. 2. Take a rental stream.

COMMISSION ACTION:

The motion was made by Councilwoman Shirley Gonzales and seconded by Councilwoman Viagran to approve the taking a rental stream instead of taking 10% of the proceeds after debt and equity. Councilman Treviño is hesitant to agree to this without having Council District 2 representative to consult with.

AYES: 2
NAYS: 2
ABSTAIN: 0

THE MOTION FAILED

- 7. Briefing and possible Action On: Consideration and possible action regarding adding 9 units at 30% median income to both the St. John's and Brookwood Projects.**

Lori Houston briefed board on lowering 9 units to the 30% AMI level in both St. John's and Brookwood projects. This was brought about due to 210 DG being in default of the CCHIP agreement after the sale of the property meant to develop the Vitre Apartments.

COMMISSION ACTION:

The motion was made by Councilwoman Shirley Gonzales and seconded by Councilman John Courage to approve the structure as a forgivable loan to SAHTPFC in order to avoid paying federal income tax on the amount forgiven each year.

AYES: 4
NAYS: 0
ABSTAIN: 0

THE MOTION CARRIED

- 8. Briefing and possible Action On: Consideration and possible action regarding a grant request by the City for \$2,000,000 to fund the City's Under One Roof Program.**

City to request \$2 million from the SAHT PFC.

COMMISSION ACTION:

The motion was made by Councilman Roberto Treviño and seconded by Councilman John Courage to the Cities request for \$2 Million for Under One Roof Program

AYES: 4
NAYS: 0
ABSTAIN: 0

THE MOTION CARRIED

- 9. Briefing and possible Action On: Consideration and possible action regarding the proposal by the City to implement a loaned executive program, as the temporary Executive Director/CEO of the San Antonio Housing Trust.**

The City of San Antonio is offering to lend the Trust an Interim Executive Director for a period of 6 months with an option of extending that for another 6 months. This individual will have the authority to develop monitoring, company policy, and developing procurement policies, amongst other duties. There was a concern from Councilwomen Viagran that this position does not interfere with the governance structure being separate from the government portion.

COMMISSION ACTION:

The motion was made by Councilman Roberto Treviño and seconded by Councilwoman Shirley Gonzales to approve the temporary Executive Director/CEO for the San Antonio Housing Trust

AYES: 4
NAYS: 0
ABSTAIN: 0

THE MOTION CARRIED

- 10. Briefing and possible Action On: Administrative briefing and update, which may include briefings on financials, progress of projects or grant expenditures, personnel matters and other activities which do not require Board action, specifically including:**
- **Briefing on the SAHT**
 - **Assessment Briefing on financials**
 - **Discussion of policy**

Mr. Poyo gave a briefing on the San Antonio Housing Trust Assessment. He focused on the main recommendations that came from the report. First, was the governance structure. The main goal was to have a greater coordination between the Housing Trust and the rest of the City. The suggestion of restructuring the two boards into one to include the five council members, six other members to include three community reps and three industry experts with one non-voting delegate from the City manager's office. Second was housing policy in general, not just within the Trust. The City needs to adopt a Housing Policy which in turn will guide the Trust in a general direction. Third, there needs to be some specific underwriting for the Trust.

Councilman Courage asked how Mr. Poyo saw the relationship between the different housing authorities among the City and elsewhere. Mr. Poyo suggested a policy for the different entities to work together and not in competition with each other.

COMMISSION ACTION:

No motion

AYES:
NAYS:

THE MOTION CARRIED

Adjournment

Councilwoman Viagran adjourned the meeting. There being no further business, the meeting adjourned at 2:04 PM.