

SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION
OFFICIAL MEETING MINUTES
September 26, 2018

- The Public Facility Corporation met in session at 11:07 A.M., Municipal Plaza “C” Room
- The meeting was called to order by Councilwoman Viagran and the roll was called by JD Hernandez.

PRESENT: Rebecca Viagran, Roberto Treviño, William “Cruz” Shaw, Rey Saldaña, Shirley Gonzales

ABSENT:

- **Staff/Visitors Present:**
 John Kenny, San Antonio Housing Trust Public Facility Corporation; JD Hernandez, San Antonio Housing Trust Foundation
 Nicole Collazo, San Antonio Housing Trust Foundation; Timothy Cone, NRP Group
 Veronica R Soto, COSA – NHSD; Debra Guerrero, NRP Group; Ben Olivo, SA Heron; Jean Latsha, Pedcor
 Jameene Williams, COSA – CAO; Mike Hogan, HRES; Steve Poppoon, HRES; Jay Podjensky, D1
 Pete Alanis, COSA – LCAO; Chrissy McCain – D1; Ian Benavidez, COSA; Michael Rodriguez, COSA
 Scott Zimmerer, CAO

1. Approval of minutes – July 18, 2018 Public Facility

Corporation Minutes COMMISSION ACTION:

The motion was made by Councilman Shaw and seconded by Councilman Treviño to approve the July 18, 2018 minutes as submitted.

AYES: 5

NAYS: 0

ABSTAIN: 0

THE MOTION CARRIED

2. Citizens to be heard – None

3. Briefing and possible Action On: Resolution authorizing a Memorandum of Understanding with Pedcor Development Associates, LLC for the development of Culebra Creek Apartments; and other matters in connection therewith.

This project and the next are both truly affordable projects set at 60% of Median income. This is set in District 6. The Councilman is in favor of this project and the next one. It was already authorized to go and seek volume cap for this project. Volume cap will be what will hold this project up. Mr. Plummer explained that so much Volume Cap is allocated to the State by Federal law and the State of Texas and its various agencies took a billion two of the Cap away which left a short fall. Have applied for Volume Cap and will not know if these projects will receive those funds till December.

Pedcor would like to move forward with the business deal and the Memorandum of Understanding outlines that business deal.

COMMISSION ACTION:

The motion was made by Councilwoman Gonzales and seconded by Councilman Shaw to approve attached MOU.

AYES: 5
NAYS: 0
ABSTAIN: 0

THE MOTION CARRIED

4. **Briefing and possible Action on: Resolution authorizing a Memorandum of Understanding with Pedcor Development Associates, LLC for the development of Mesa West Apartments; and other matters in connection therewith.**

Same structure as the previous project.

The motion was made by Councilwoman Gonzales and seconded by Councilman Shaw to approve attached Memorandum of Understanding

AYES: 5
NAYS: 0
ABSTAIN: 0

THE MOTION CARRIED

5. **Briefing and possible Action on: Resolution authorizing a Term Sheet with Provident Realty Advisors, Inc. for the development of Friedrich Lofts; and other matters in connection therewith**

There was a previous Memorandum of Understanding approved by this Board. The reason for bringing a new MOU to the board was because the Board had wanted to create more affordability into the 60% of medium income range into the project. It was determined that it would be possible to subsidize 14 units using the PFC \$250,000 closing fee and 25% admin fee. There is the option to use the 25% proceeds of rents to subsidize more units. These 14 units will be taken from the 50% of units at 80% of AMI. There are 347 units. Of those units 160 will be set aside for the 80% of AMI and 14 units will be set aside for the 60% of AMI.

The motion was made by Councilman Shaw and seconded by Councilman Saldaña to approve the revised term sheet with Provident Realty Associates, LLC for the development of Friedrich Lofts; and other matters in connection therewith.

AYES: 5
NAYS: 0
ABSTAIN: 0

THE MOTION CARRIED

6. **Briefing and possible Action on: Resolution authorizing Red Berry 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 Red Berry LP, 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.**

Final authorization of the financing and documentation for this project. The City has conveyed land to the PFC, and in turn, the PFC will lease the land to a partnership that will go out and raise the debt and equity for this project.

Mr. Plummer is in the process of negotiating a 15% interest in the project. The numbers are not looking like they will support this number, so as a compromise, the PFC will receive a 10% interest of proceeds or a 10% cash flow rent.

Councilman Saldaña asked for clarification on the 30% - 35% max rent of the 80% AMI.

Half of the 330 units in this project will be set aside for individuals making 80% of the Area Median Income in that area and the rents will be set to 30% of that AMI number, regardless of what the tenant's actual income is. For example, the AMI is set to approximately \$43,000. The rent will be set to 30% of that \$43,000 or \$1,075 per month. This is just an example, not real numbers.

Councilman Treviño asked about the reason behind the difficulties of accepting a project with more affordability in them.

Mr. Plummer stated that for this project it is comparable within the area.

The motion was made by Councilman Shaw and seconded by Councilman Treviño to approve the attached Resolution.

AYES: 5

NAYS: 0

ABSTAIN: 0

THE MOTION CARRIED

7. **Briefing and possible Action on:** Discussion and possible action regarding the policy governing use of corporate funds for grants and loan to support affordable housing;
- **Briefing on financials, and**
 - **Consideration of City of San Antonio request for a \$2,000,000 grant for their programs.**

This agenda item is also on the Finance agenda and the reasoning behind that is to have the flexibility to use funds from both the PFC and the FC, which ever makes more sense. The current balance in the PFC as of August 31, 2018 is \$3,227,620. There is \$1.7 M set aside for the Red Berry improvements. This is refundable, but with timing issues, it was all set aside. With the expected revenue from various projects, it comes out to be \$1.7 M and the expenses are expected to be \$440 thousand. It is expected to recoup all Red Berry funds by the end of February which will bring the PFC balance to an estimated \$3.2 M.

The FC beginning balance as of August 31, 2018 is \$1.2 M. There is not any significant income for this corporation throughout the remainder of the year. Projected balance as of March 2019 is \$422,876.

Councilwoman Viagran started a discussion that there was a \$2M budget out of City funds for the White Roof Program, but nothing for the Home repair program. Last year, the PFC/FC did grant NHSD \$250,000 to the Minor Repair program. Mrs. Soto explained that the board could make a motion to have the flexibility to use portions of the \$2M that was asked for the White Roof Program for the Minor Repair.

Mr. Kenny voiced concern from the San Antonio Housing Trust Foundation Board members on how the program was being run in the last round of funds. Mr. Michael Rodriguez explained that there will be a new procurement process for the contractors. This will allow a more direct oversight on costs and manageable on a per roof basis. It was suggested that someone from the Housing Trust be on the selection committee as a citizen. Mr. Rodriguez will investigate this further. Mr. Plummer mention that if the board does approve the \$2M request, that it will not be given in one lump sum, but as a draw down system.

Councilwoman Viagran again brought up the point of the Minor Repair program and how it can be utilized within the scope of this request. Mrs. Soto mentioned that with the city funds and this grant request, the program is going city wide, and not just for districts 1-5. Councilman Shaw voiced some concern on the speed and volume that splitting these funds between the two programs would have with going city wide. He requested projections on both programs to see where the need would be greatest and how to allocate funds more efficiently. Mrs. Soto would be able to provide this data at next PFC meeting.

The motion was made by Councilwoman Gonzales and seconded by Councilman Shaw to approve the City of San Antonio's request to make \$2 Million available for both programs, Under One Roof and Minor Repair Program, and that the funding will come out of the PFC and FC with the right to designate specific percentages to each program and to designated council districts based upon the expenditures which occur at the earliest of 3 months or \$500,000

AYES: 4
NAYS: 0
ABSTAIN: 0

THE MOTION CARRIED

Adjournment

There being no further business, the meeting adjourned at 12:21 PM by Councilwoman Viagran