AGENDA

A Regular Board Meeting for:
SAN ANTONIO HOUSING TRUST FOUNDATION
will be held at Municipal Plaza B Room
114 W Commerce St., San Antonio, TX 78205
and virtually via ZOOM:
https://us02web.zoom.us/j/87461241497?pwd=nvC1PYPqdwLfeGgosAEyp8Fz00KPNo.1
DIAL-IN NUMBER: 1-346-248-7799 MEETING ID: 874 6124 1497 PASSWORD: 419343
On Friday, July 15, 2022, beginning at 2:00 p.m. or immediately following the adjournment of the San Antonio Housing Trust Public Facility Corporation Board Meeting

NOTICE: *A quorum of the board of directors will be physically located at 114 W Commerce St., San Antonio, TX 78205 at 2:00 p.m. One or more of the Directors may attend this meeting by video conference pursuant to the requirements set forth in the Texas Open Meetings Act. An electronic copy of the agenda packet may be accessed at the San Antonio Housing Trust website under the CALENDAR/Board Meeting date page prior to the meeting.*

NOTICE: *This meeting of the Board, being held for the reasons listed below, is authorized in accordance with the Texas Government Code, Sections 551.001 - 551.146. Verification of Notice of Meeting and Agenda are on file in the Office of the Executive Director.*

1. Call to Order and Roll Call
2. Discussion and possible action to approve minutes of May 25, 2022
3. Public Comment – Interested speakers will have 3 minutes each to address the Board on agenda items or housing policy related matters.
4. Briefing and discussion on the Fiscal Year 2023 Budget Timeline.
5. Briefing and discussion regarding the 5-year Strategic Plan objectives.
6. Adjournment

Executive Session. The San Antonio Housing Trust reserves the right to adjourn into Executive Session at any time during the course of this meeting to discuss any of the matters listed on the posted agenda, above, as authorized by the Texas Government Code, Sections 551.071 (consultation with attorney), 551.072 (deliberations about real property), 551.073 (deliberations about gifts and donations), 551.074 (personnel matters), 551.076 (deliberations about security devices), and 551.087 (economic development). *ANY ITEM DISCUSSED IN EXECUTIVE SESSION MAY BE ACTED ON IN OPEN SESSION*

Attendance by Other Elected or Appointed Officials: It is possible that members City boards, commissions and/or committees may attend the open meeting in numbers that may constitute a quorum. Notice is hereby given that the meeting, to the extent required by law, is also noticed as a meeting of any other boards, commissions and/or committees of the City, whose members may be in attendance in numbers constituting a quorum. These members of other City boards, commissions, and/or committees may not deliberate or take action on items listed on the agenda. [Attorney General Opinion – No. GA-0957 (2012)].

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretative services must be made 48 hours prior to this meeting. Please contact Nicole Collazo, for concerns or requests, at (210) 735-2772 or FAX (210) 735-2112.

San Antonio Housing Trust Foundation
Agenda Item 2

This item includes the approval of minutes from the **June 17, 2022**, meeting.

SAN ANTONIO HOUSING TRUST FOUNDATION

2022 OFFICIAL MEETING MINUTES

DATE: Wednesday, May 25, 2022

TIME AND PLACE: The San Antonio Housing Trust Foundation met in session at 4:30 p.m., via Zoom and in person at 114 W Commerce St, San Antonio, TX 78205.

PRESENT: Antoinette Brumfield, Councilwoman Teri Castillo, Eric Cooper, Councilman John Courage, Jordan Ghawi, Councilman Jalen McKee-Rodriguez, Marinella Murillo, Jane Pacione, Councilwoman Adriana Rocha Garcia, Councilwoman Phyllis Viagran, and Mark Carmona.

ABSENT: Rachell Hathaway

STAFF/VISITORS PRESENT:
Pedro Alanis- Executive Director San Antonio Housing Trust Foundation INC.; Nicole Collazo- Director of Operations San Antonio Housing Trust Foundation INC.; Susan Snowden- Director of Finance San Antonio Housing Trust Foundation INC.; John Hernandez- Asset Manager San Antonio Housing Trust Foundation INC.; Lauren Bejaran- Sr. Administrative Assistant San Antonio Housing Trust Foundation INC.; Ruben Lizalde- D3; Edward Muniga- D4; Ileana Sandoval- D9; Jason Arechiga- NRP Group; Nick Walsh- NRP Group; Summer Greathouse- Attorney Bracewell; Clarissa M. Rodriguez- Attorney DNRBZ.

1. **CALL TO ORDER AND ROLL CALL**: The meeting was called to order by Councilwoman Dr. Adriana Rocha Garcia and the roll was called by Lauren Bejaran.

2. **APPROVAL OF BOARD MEETING MINUTES FOR MAY 6, 2022.**
   Councilman Jalen McKee-Rodriguez motioned, and Councilman John Courage seconded for approval of the May 6, 2022, minutes with the noted corrections.
   AYES: 10
   NAYS:
   ABSTAINED:
   THE MOTION PASSED.

3. **CITIZENS TO BE HEARD-INTERESTED SPEAKERS WILL HAVE 3 MINUTES EACH TO ADDRESS THE BOARD ON AGENDA ITEMS OR HOUSING POLICY RELATED MATTERS; A TOTAL OF 15 MINUTES WILL BE PROVIDED.**
   NONE.
   NO ACTION WAS TAKEN.

4. **DISCUSSION AND POSSIBLE ACTION TO APPROVE A RESOLUTION TO AUTHORIZE EXECUTIVE DIRECTOR TO NEGOTIATE AND EXECUTE A PROFESSIONAL SERVICES AGREEMENT FOR ON CALL FINANCIAL ADVISORY SERVICES WITH STIFEL.**
   Pete Alanis briefed to the board about the request for proposals for Financial Advisory Services the San Antonio Housing Trust issued in February 2022. The RFP was advertised in the San Antonio Business Journal and invitations were sent to the City of San Antonio's Vendor List. The

Trust received one responsive proposal from Stifel Public Finance for Financial Advisor. The evaluation team of our three San Antonio Housing Trust Executive Team members and Margaret Villegas, the City of San Antonio Assistant Director of Finance, met on April 6, 2022, to discuss the proposals.

The Financial Advisor provides a high level of financial advice to optimize single and multi-family programs and transactions. Their roles include forwarding looking financial information and market data, transactional structuring, and financial options, and prepare reports summarizing the transaction. The Financial Advisor reviews Project Application packages and assist with due diligence and negotiating deal points, and reviews market studies, cash flow, and project modeling transactions. The SAHT needs a Financial Advisor for future PFC solely owned properties that require the expertise to structure deals and gain access into investment capital markets. Over time, this will expand the Trust's ability to understand risk and provide creative solutions to complex deal structures.

The Evaluation Team is recommending Stifel Public Finance for Financial Advisory Services. The Financial Advisor Team consists of Gary Machak- Manager Director, Barton Withrow, and Josh Karar. Stifel's Financial Advisor Team are very knowledgeable with public financing and housing sector. The team in the past has provided advice and expertise to the Texas Department of Housing and Community Affairs, Texas Veterans' Land Board, and Harris County Housing Finance Corporation among others. Financial Advisor Fees are capped on Multifamily and Single-family transactions. Multifamily transaction fees include a $4,000 application fee that can be paid through the development partners on the deal, $10,000 fee, plus $2.00 per bond. Fees are currently being negotiated and the SAHT is looking to review proposals case by case for these transactions. Single-family transactions are $1.50 per bond and are a minimum of $45,000. Structuring fees are subject to mutual agreement and consent.

The Finance and Audit Committee met on May 17, 2022, to discuss the selection made by the Evaluation Team, and are recommending authorizing the Executive Director to negotiate and execute professional services agreements for on-call Financial Advisory services with Stifel Public Finance.

Jordan Ghawi joined the meeting at 4:54 PM.

MINUTES COMMISSION ACTION:
Councilwoman Viagran motioned, and Councilwoman Castillo seconded to approve and authorize Executive Director to execute a professional services agreement for on call Financial Advisory services with Stifel.
AYES: 9
NAYS:
ABSTAINED: 1- Jordan Ghawi
THE MOTION PASSED.

5. **DISCUSSION AND POSSIBLE ACTION TO APPROVE A RESOLUTION TO AUTHORIZE EXECUTIVE DIRECTOR TO NEGOTIATE AND EXECUTE PROFESSIONAL SERVICES AGREEMENTS FOR ON CALL BOND UNDERWRITER SERVICES WITH STIFEL AND FRAZER AND LANIER.**
Pete Alanis briefed to the board about the request for proposals for Bond Underwriter Services the San Antonio Housing Trust issues in February 2022. SAHT received two responsive proposals

from Stifel Public Finance and Frazer and Lanier for Bond Underwriter. On April 6, 2022, the evaluation team of our three SA Housing Trust Executive Team members, and Margaret Villegas, City of San Antonio's Assistant Director of Finance met to discuss the proposals.

The Bond Underwriter is responsible for finalizing the financing plan, developing offering documents, preparing any rating agencies and investor presentations, marketing the bond to investors, and pricing the bonds and close the transaction. The tax-exempt bonds are brought to market through an underwriting process by specialized, and regulated, municipal securities dealers. Bond underwriters work very closely with the Bond Trustee; a bank that holds the bonds and proceeds once the bonds are sold. The Bond Trustee is also responsible for issuing payments for the PFC/FC projects. The Bond Counsel is responsible for the legal aspects of delivering the bonds. Pete mentioned to the board that the Bond Underwriter cannot act as a Financial Underwriter. Therefore, the SA Housing Trust is requesting to hire both Bond Underwriter and Financial Underwriter. The Trust requires a Bond Underwriter for the projects that are financed with Tax Exempt Bonds or Essential Bonds. The SAHT needs a top firm with nationwide access to bond capital markets to find bond investors to purchase our Tax Exempt and Essential Bonds.

The Evaluation Team recommends selecting Stifel Public Finance and Frazer Lanier for Bond Underwriting Services. Stifel is a leading full-service investment bank with highly skilled national public finance practice with a highly experienced Project Development and Finance Team. The Bond Underwriting Team for Stifel includes Matt Levin out of Dallas and Laura Radcliff out of St. Louis. The Trust has worked with Stifel's Bond Underwriting Team on the Lofts at Creekview Project, to issue Essential Bonds for the project. The Bond Underwriting Fees that Stifel initially proposed the rate of $8.50 per $1,000 of issued bonds. The rate is currently being negotiated by the SAHT. Pete stated the Bond Underwriting Team will be paid at closing through the transaction project. No money will be expended from General Operating expenses. Frazer Lanier provided investment banking services to both public and private clients by serving as underwriter and placement agent of tax-exempt and taxable bonds. They are a full-service municipal underwriter fully engaged in structuring, financial analysis, documentation, marketing, and sale of bonds. Frazer Lanier's Bond Underwriting Team specializes in tax-exempt and taxable bond financings for a variety of industries and municipalities, as well as high levels of experience in financing of 4% LIHTC Bonds. The Bond Underwriting fees are $5.00 per $1,000 of issued bonds and those fees will be paid at closing through the transaction project.

The Finance and Audit Committee met on May 17, 2022, to discuss the selection made by the Evaluation Team, and are recommending authorizing the Executive Director to negotiate and execute professional services agreements for on-call Bond Underwriting services with Stifel Public Finance and with Frazer and Lanier.

Councilman Courage asked Pete Alanis about the circumstances around hiring the same company for both Bond Underwriter and Financial Advisor. Pete stated the same company cannot act as both Bond Underwriter and Financial Advisor on the same project. The Bond Underwriter cannot act in a Financial Advising compacity. Therefore, the SAHT must hire two separate Bond Underwriter Companies to work on different projects at the same time. Councilman Courage asked who the Financial Underwriter would be if the Trust uses Stifel as Bond Underwriter. Pete stated TCAM would be our Financial Underwriter if Stifel is used as our Bond Underwriter.

Councilman McKee-Rodriguez asked Pete if conflict could arise with the nature of using a Financial Advisor and Bond Underwriter when purchasing and/or structuring bonds. Pete replied by stating that the purpose of having a Financial Advisor along with the Bond Underwriter is to

provide expert advice. The Trust has been using Bond Underwriters for years for projects. Now the Trust must release RFPs for competitive bids. This process would help select someone who is very knowledgeable in that role that the Trust is seeking to fill. Pete assured Councilman McKee-Rodriguez that the two proposals SAHT received are from very proficient individuals that will only help the organization work efficiently.

MINUTES COMMISSION ACTION:
Councilwoman Viagran motioned, and Jane Paccione seconded to approve and authorize Executive Director to execute a professional services agreement for on call Bond Underwriter services with Stifel and Frazer and Lanier.
AYES: 9
NAYS:
ABSTAINED: 1- Jordan Ghawi
THE MOTION PASSED.

6. **DISCUSSION AND POSSIBLE ACTION TO APPROVE A RESOLUTION AMENDING THE FY 2022 OPERATING BUDGET.**

Pete Alanis briefed to the board about the prior SAHT Foundation Board adopting the Annual Operating Budget back on September 23, 2021, for the FY 2022 beginning October 1st and ending September 30th. The budget proposed focuses solely on the operational needs of the Trust. Programmatic priorities, goals, and accomplishments were deferred until the new re-aligned board had the opportunity to weigh in as part of the new 5-year strategic planning process. Staff has reconciled revenues and expenses through the first seven months ending April 30, 2022. The Trust is currently at 44% expended through 58% of the year. After reviewing the needs of Foundation operations, Pete Alanis recommended a mid- year 7+5 budget revision to the Finance and Audit Committee. Overall, the budget adjustment does not recommend an increase or decrease in the total budgeted amount for operations. Instead, the proposal provides an adjustment to various budget categories, such as Contractual Services and Personal Services, to meet the needs of the organization more accurately.

The budget adjustments include: a mid-year cost of living adjustment payout for three salary staff members, a 5% COLA with a total of $4,000; reclassifies a portion of salaries to contractual services for CFO Services which are outsourced; reflects adjustments to include a Director of Development position; increases the budget for additional accounting, audit, and legal related work; keeps funding available for future consulting/ advisory needs. The Foundation is expected to receive 2.8 million dollars in revenues this year, plus an additional 1 million in expenditures. The Foundation also has a projected increase in expected revenue due to the Exchange Building Sale. The Public Facility Corporation had an initial revenue forecast of 8.7 million, however the PFC currently is forecasted to earn approximately $7.83 million. This is $915,000 lower than the initial forecast primarily due to the $840,000 Culebra Creek payout being pushed to 1st Quarter 2023. The Finance Corporation initially forecasted $121,000 in revenues. The revised forecast is expected to earn approximately $735,000, $613,000 higher than initial forecast primarily due to $643,000 in bond issuance fees earned from Arbors and Crosswinds. The San Antonio Trust Fund is anticipated to earn $25,000 higher than the initial $10 million forecasted due to higher than projected interest or investment income.

The Finance and Audit Committee met on May 17, 2022, and recommended moving the budget adjustment to the Board for consideration. The Finance and Audit committee recommends approving a resolution to adopt Mid-Year FY 2022 Operating budget.

Councilman Courage recommended an amendment to the recommendation to approve the Mid-Year 2022 Operating Budget, by changing the wording on the recommendation. Courage recommended changing the terms "One time bonus pay-out" to staff members, it should state "a one-time Mid-Year salary adjustment based on increase of cost of living at 5%". Councilman McKee-Rodriguez accepted the amendment.

Eric Cooper asked Pete if the pay-out would be a one-time payment or an increase that would have residual consequences to the FY Budget. Madam Chair Rocha Garcia stated the adjusted salary increase is a onetime COLA payout. Pete stated that the COLA is not a permanent salary increase. The payout is a 5-year COLA that will be put into one payment. Staff will discuss salary adjustments based on the cost of living at the beginning of the new fiscal year. Councilman McKee- Rodriguez stated the wording should be a "One-time payout reflecting the COLA". Pete stated the payout is called "A one-time mid-year COLA". Councilman McKee-Rodriguez accepted the amendment.

Marinella Murillo stated that the acronym COLA, for cost-of-living adjustment, is wording frequently used by the Social Security Administration and other Federal Agencies to describe a one-time payment that is than permanently instated. Marinella recommended using another term besides COLA. Madam Chair asked Pete if the wording should be changed again. Pete stated it can be called a one-time salary adjustment. Attorney Clarissa Rodriguez clarified to the board that it is one-time payment that the SAHT Staff is receiving with the appropriate deductions and will be considered a part of the staff's salary. Clarissa recommended calling the payment a "one-time payout" or "one-time payment" instead of salary adjustment because the SAHT Staff's salaries are not being adjusted. Their salaries are not increasing or decreasing based on the payment they will be receiving. Councilman McKee-Rodriguez accepted the amendment to state "one-time payment".

Eric Cooper asked Pete a question regarding the over and under required operating reserve. Eric stated that the account balances that were provided back on February 5, 2022, at the SAHT Board Retreat forecasted the amount of $1.2 million and over. Eric asked if the amount of $1.2 million is required for the operating reserve or is there a certain required amount the Trust must have in the operating reserve account. Pete stated SAHT has a 50% reserve requirement on the adopted budget. If there is a projected revenue increase, by the end of the year, the amount is going to be available cash that will not be dedicated to operating reserves. It is allocated, uncommitted cash that is accounted for the Trust's net assets. The funds are then available for any future RFAs, or RFPs, for funds that can be provided to help with charitable housing ventures and initiatives. The more money the Foundation earns will not change the operating reserve account. However, it will make more money available for the development of more programs.

Eric Cooper asked if there is at least $1.4 million in the operating reserve account that justifies the $2.8 million dollar budget. He asked if the forecasted surplus of $1.2 million dollars will be added to the existing reserve amount of $1.4 million. Pete turned the floor over to Susan Snowden, Director of Finance for the San Antonio Housing Trust Foundation INC., to explain the over and under required operating reserve and how the amount equates to the $1.24 million in the account. Susan recommended to create separate documents to show the cash in the operating reserve and the revenues in the operating reserves. Eric Cooper agreed with Susan's recommendation and stated he needed more clarification on what is in the operating reserve at the time of the forecasted amount.

MINUTES COMMISSION ACTION:
Councilman McKee- Rodriguez motioned, and Councilwoman Viagran seconded to approve a resolution to approve a resolution to adopt Mid-Year FY 2022 Operating Budget.
AYES: 10
NAYS:
ABSTAINED:
THE MOTION PASSED.

7. **DISCUSSION AND POSSIBLE ACTION TO APPROVE A RESOLUTION AUTHORIZING MORTGAGE FORGIVENESS FOR SIX SINGLE-FAMILY LOANS OWNED BY THE SAN ANTONIO HOUSING TRUST FOUNDATION, INC.**

Pete Alanis briefed to the board about the residents of San Antonio facing housing instabilities due to the lingering effects of COVID-19. The increase on property taxes and inflation are impacting the older adult community in San Antonio who live on fixed incomes. The San Antonio Housing Trust has been servicing 10 residential loans since 1995 for low-income residents who are retirees. SAHT Director of Operations Nicole Collazo, and board member Antoinette Brumfield, met with 8 out of the 10 residential clients individually to assess and document their financial standing and hardships. Staff is forgiving 6 loans due to hardship factors and is working on recommendations for the remaining 4 loans in our portfolio. Pete turned the floor over to Antoinette Brumfield to discuss the process of forgiving the 6 residential loans

Antoinette Brumfield stated to the board about the meetings her and Nicole had with the residential clients. Antoinette and Nicole explained that they used her loan process of gathering tax returns, paystubs, and bank statements to see if loan forgiveness would benefit the buyer. The financial research showed that each residential client would benefit greatly if their loans were forgiven. Nicole Collazo thanked Antoinette Brumfield for her assistance with the residential client loan forgiveness recommendation for the board. Nicole stated that the residential clients are currently at an average of 22%-61% AMI. The loan forgiveness would help greatly in providing for their families.

Madam Chair Rocha Garcia asked Pete if he had anything else to contribute to the discussion. Pete stated that the Finance and Audit Committee agreed with the staff recommendation authorizing a resolution to provide loan forgiveness. Pete stated that staff recognized the hardships that the clients are going through and ultimately want to help them and their families. The properties average about $15,000- $16,000 each, roughly the same amount when comparing to a single unit in one of the SAHT's multifamily projects. The Finance and Audit Committee recommends to the Foundation Board authorizing a resolution to provide loan forgiveness for 6 loans totaling approximately $96,000.

Madam Chair Rocha Garcia recommended to Pete and Nicole to possibly set up appointments for the residential clients to meet with the board members when signing off on the paperwork for their loan forgiveness. Madam Chair Rocha Garcia opened the floor for discussion. Eric Cooper requested that Pete expanded on why loan deferment was not a recommendation compared to loan forgiveness. Eric stated he is concerned about who receives the benefit of the home after the loan is forgiven the day before the elderly owner passes away. He stated if the loan is deferred, the home could possibly be sold, and the money could go back to the Trust. Pete responded by stating that loan deferment was an option when discussing case by case. Councilman Courage and Pete discussed the value of each of the properties, with each property costing an estimate of $100,000. A sizeable amount of the value of the home for the older adult resident client to continue making

payments. SAHT intends to give the clients the opportunity to leave their homes for future generations by forgiving their loan.

Councilman Courage stated that he initially wanted to see the values of the home to see if it would be ideal to sell the properties. With the value of the homes being so low, the houses would not sell for a vast amount of money. By forgiving the loans that have a balance of less than $100,000, the same value as their properties, it would give the clients the opportunity to build generational wealth. Councilman Courage and Eric Cooper both expressed their support for the recommendation. Antoinette Brumfield recommended to the board to make a document for the second lien holders, stating that they still need to make payments on their first lien.

MINUTES COMMISSION ACTION:
Councilman McKee-Rodriguez motioned, and Councilwoman Castillo seconded to approve and authorize a resolution authorizing mortgage forgiveness for six single-family loans owned by the San Antonio Housing Trust Foundation.
AYES: 10
NAYS:
ABSTAINED:
THE MOTION PASSED.

8. DISCUSSION AND POSSIBLE ACTION REGARDING SCHEDULING REGULARLY MONTHLY MEETINGS.

Pete Alanis briefed to the board about scheduling a set day and time for our SAHT Stated Board Meetings. A poll was sent out on May 6, 2022, with 199 options through the third and fourth weeks on the month to vote for. The results for the poll included: 5 votes for the 3rd Friday from 2:00 PM- 4:00 PM; 4 votes for the 4th Friday from 1:00 PM- 3:00 PM; 4 votes for the 4th Wednesday from 4:30 PM- 6:30 PM; 4 votes for the 4th Wednesday from 5:00 PM- 7:00 PM; 4 votes for the 4th Wednesday from 5:30 PM- 7:30 PM; and 4 votes for the 4th Thursday from 2;00 PM- 4:00 PM. The poll results also included 35 other options voted for with 3 votes for each option. Staff recommends reviewing the short list and recanvassing the board based on the shortlisted options. Pete opened the floor to discuss possibly setting a meeting date and time for each month.

Councilman McKee-Rodriguez stated Wednesdays would not work for him due to community association and neighborhood meetings having set schedules for Wednesdays. Fridays and Thursdays would work best for him. Madam Chair Rocha Garcia asked if a tally was being taken during the Foundation meeting for a set day and time to be scheduled for future board meetings. Madam Chair Rocha Garcia stated that the 4th week is open due to the council members not meeting for City Council meetings on the 4th week. Councilwoman Viagran stated that the 4th week is a meeting week for City Council. Counsel session occurs every week of the month except the last week of the month. Councilwoman Viagran recommended that the SAHT team send polls out to the board members who make the quorum for all 4 entities. This would include councilmembers, Jane Paccione, and Jordan Ghawi.

Councilwoman Rocha Garcia stated the meetings were initially scheduled to be in the evenings due to the public having the opportunity to watch the meetings over zoom. Many of the citizens in San Antonio would not be able to attend the SAHT meetings because they are working during the day. Councilman Courage stated that Fridays would be the least busy day for the councilmembers. Councilwoman Viagran, Eric Cooper, Jordan Ghawi, Antoinette Brumfield, Councilman McKee-

Rodriguez, Mark Carmona, and Jane Paccione voted on scheduling monthly SAHT Stated Meetings on the 3rd Friday of the month.

MINUTES COMMISSION ACTION:
Councilman Courage motioned, and Eric Cooper seconded to approve regularly scheduled SAHT Stated Board Meetings on the 3rd Friday of every month from 2:00 PM- 4:00 PM.
AYES: 10
NAYS:
ABSTAINED:
THE MOTION PASSED.

9. ADJOURNMENT
Councilwoman Rocha Garcia adjourned the meeting. There being no further business, the meeting adjourned at 5:48 p.m.

San Antonio Housing Trust Foundation
Agenda Item 3

Public Comment

Interested speakers will have 3 minutes each to address the Board on agenda items or housing policy related matters; a total of 15 minutes will be provided. Instructions to sign up for Public Comment via Zoom video conference.

To sign up for Public Comment please call 210-735-2772 24 hours prior to this meeting to place your name on the list.

San Antonio Housing Trust Foundation
Agenda Item 4

Briefing and discussion on the Fiscal Year 2023 Budget Timeline

Summary:

In July of each budget year, the Executive Director, the Director of Finance, and the Director of Operations shall meet to discuss the timeline, strategic priorities, and annual goals, as well as layout a framework for the upcoming budget process.

To kick off the budget process, the Executive Team reviews the end of year revenue and expenditure estimates while conducting a forecast of the following fiscal year's revenues, operational needs, and programmatic goals that are in line with the *(initial)* findings of the Five-Year Strategic Plan. The Executive Team shall prepare the Executive Director's Recommendation based on that review, which shall be presented to the ***Finance and Audit Committee*** in early August.

The ***Finance & Audit Committee*** shall review and recommend adjustments to the Executive Director's Recommended budget. The adjusted proposal shall be presented to the full board at the August Board meeting.

If the full Board has any adjustments or considerations at the August Board meeting, staff will provide additional revisions for presentation back to the ***Finance & Audit Committee*** in early September.

The Full Board shall adopt the annual budget in mid-September to become effective October 1st.

JULY

- Staff discusses operational priorities/goals/revenues for FY 2023 - July 8th
- Staff Prepare Preliminary Budget by July 29th

AUGUST

- Executive Team meets to review end of July Financials and EOY Estimates (August 5th)
- Present draft budget to Finance and Audit Committee (2nd Week of August)
- Incorporate any changes and recommendations

SEPTEMBER

- Present final budget to full board (September 16th)
- Once budget is adopted becomes effective October 1st

San Antonio Housing Trust Foundation
Agenda Item 5

Briefing and discussion regarding the 5-year Strategic Plan objectives.

Summary:

Mission Matters has prepared a working document that outlines the strategic objectives that were sourced from community input through the interviews, surveys, and focus groups. Out of this process, six strategic objectives emerged:

Objective 1: Preservation of Affordable Multi-Family Rental Housing

- Assess, Prioritize, & Develop preservation plans for at risk properties
- Partner w/ Non-Profits to acquire and preserve smaller MF properties
- Acquire and Rehab MF under PFC for Permanent Affordability
- Provide gap financing for preservation of MF Rental between 30%-80% AMI
- Use SAHT Funds for "Green Grants" to non-profits serving target populations
- Establish MF Rehabilitation Criteria that promotes UD, Sustainability, and Increased Accessibility

Objective 2: New construction of Affordable Housing for the targeted populations

- Prioritize public land to build affordable housing
- Utilize COSA Displacement Tool
- Partner w/ Developers on LIHTC - Lower Fees for Non-Profits
- Identify & Acquire property suitable for future redevelopment
- Engage w/ Continuum of Care Providers to create PSH
- Maintain Cash Resources to fund PSH related Operational/Support Services
- Establish MF Criteria to promote site selection, equity, digital access, universal design, accessibility, and sustainability features

Objective 3: Support Neighborhood Preservation Efforts

- Identify/Prioritize funding for Community Based Partners for Land Trusts
- Increase organizational Capacity to implement Land Trust program
- Continue to prioritize infill housing and acquisition programs

Objective 4: Clarify SAHT's role in the Local Housing System

- Coordinate funding efforts with COSA
- Provide funding opportunities for non-profit housing initiatives in line with SHIP
- Adopt/Publish criteria for programs and funding policies
- Partner w/ affordable housing developer to apply for COSA funding
- Create new initiatives that can be utilized with City Bond funding
- Continues Public Engagement thru transparency, awareness, and education
- Conduct research and support for studies & assessments at COSA request
- Provide timely website updates on projects and be responsive to information on financial structures when requested

Objective 5: Invest in SAHT's Capacity to Grow

- Increase staff capacity
- Establish Financial Investment Policy
- Utilize Corpus for Guarantees or Reserves for SAHT initiatives
- Recommend COSA provide an annual stream to support/grow the Trust Fund
- Pursue SAHT owned housing opportunities to build long term community equity
- Leverage existing revenue streams to capitalize funding for future SAHT initiatives

Objective 6: Engage in Advocacy at Local, State, and Federal Level

- Executive Director should continue to become more active in educating policy makers at all levels of government
- Increase organizational capacity to prepare educational materials for the community and policy makers

Here is the timeline for the remaining portion of our work.

Topic	Who	Date
Align on Strategic Objectives	Staff + MMG	6/24, 6/29
Envision Key Results for each Strategic Objective	Staff	6/29-7/1
Refine Key Results	MMG	7/7-7/15
Review Objectives and Key Results	***Board***	***7/15***
Review refined Key Results	Staff + MMG	7/28
Define short-term Focus (12 months)	Staff + MMG	7/18-7/29
Report Writing	MMG	7/1-7/30
Report Editing	Staff + MMG	8/1-8/26
Board Input	***Board***	***8/19***
Work in Board Edits	MMG	8/22-8/26
Report Design	MMG	8/29-9/9
Final design Edits	Staff + MMG	9/12-9/16
Release Report	Staff	9/12-9/23
Set Q4 Priorities	Staff + MMG	9/16-9/30
Begin Implementation	SAHT guided by MMG	Mid-September

Committee Recommendation:
Finance and Audit Committee recommended moving forward to full board for presentation and feedback.

Attachments:
Discovery Findings
Strategic Objectives & Recommendations

DISCOVERY Synthesis
July 2022

Synthesis of findings from discovery process which included individual interviews, seven (7) focus groups, and thirty (30) survey responses.

The discovery interviews and focus group generated valuable input and feedback on the perceived role of the Trust, its unique strengths, the challenges and constraints facing the Trust, and the vision and short-term priorities it should adopt over the next 3-5 years.

Role of the Trust
Most stakeholders engaged throughout the process indicated some level of familiarity with the purpose of the Trust and consistently cited its goal of supporting the creation, either through preservation or construction, of more affordable housing for San Antonio's vulnerable residents. A majority (90%) of survey respondents stated that the Trust should focus on specific vulnerable populations including:

1. Low-income Families with Children
2. Older Adults on Fixed Incomes
3. People experiencing homelessness
4. Individuals with disabilities

However, participants' description of the role of the Trust varied greatly. For example, some view the Trust as a marketing/resource/development arm or extension of the City, while others understand it to be a financing partner to developers that is evolving into an investor/owner of affordable housing, and others perceive or wish it to be an advocate for affordable housing. City staff offered that the Trust is uniquely positioned to work to reverse the impacts of redlining. Stakeholder's limited understanding of the role of the Trust is among the reasons that clarifying its role within the local housing system surfaced as an important objective for the strategic planning process.

Unique Strengths
Throughout the discovery process, participants consistently identified numerous unique strengths of the Trust, including but not limited to its:

- Independence from the City, freedom from bureaucratic restrictions, and size allow it to be innovative, flexible, fluid, nimble, agile in terms of its approach and tools to address the city's housing challenges.
- Access to various entities and tools such as the property tax exemption and issuance of tax-exempt bonds.
- Willingness to serve as an affordable investor partner to non-profit and for-profit developers.
- Able to disperse funds more expeditiously than government entities and can drive deeper affordability than other non-profits.
- Executive Director with valuable experience, strong relationships and a willingness to engage the broader community; the strength of the staff.

- Foundation that enables the Trust to distribute the income generated by the PFC as flexible financing and unrestricted funds with fewer restrictions and limitations than federal funds like HOME/CDBG.

Greatest Successes to Date

Stakeholders that have greater familiarity with SAHT and its track record shared various accomplishments, projects and deliverables that they consider among the Trust's greatest successes to date. They are:

- Expansion and realignment of the Board.
- Production of Housing - ability to support the development of 1500-2000 units per year
- Generating higher revenue year to year - deal terms that allow it to receive 40% of total developer fees and 50% of surplus cash flow
- Funds generated through partnerships and recycled back into the community as grants
- Provision of bridge funding in the form of small loans at a reduced interest rate for long-term purpose; source for rehab dollars to renovate MF in phases
- Assistance with preservation of expiring use property (i.e., Calcasieu)
- Specific Projects *(to be confirmed with SAHT/research)*
    - Panama (100 units) – Rehab – 4% TC; 100% PBV
    - Lofts at Creekview (301 units), Cohen-Esrey project on East Side, 301 units)
    - Cevallo Lofts in CD 3
    - Petco in CD 10 (off 1604)
    - West End on Frio (3830)
    - Small Project in CD 5 (far west near 29th street) / The Preserves at the Port
    - Master's Ranch
- Fostering strong relationships with non-profit developers.
- Adaptive Reuse Projects
- Tenant Protection Policy
- Committee focused on persons with disabilities
- Involvement in San Antonio's affordable housing discussions/system (e.g., SALSA)

Challenges and Constraints

The engagement process revealed numerous challenges and significant constraints for SAHT to consider as it set its strategic objectives and priorities, such as:

- SAHT-Specific
    - *o* Confusion around role of SAHT vis a vis the City, SAHA and SARAH
    - *o* Distrust or skepticism from community members/advocates related to use of tax exemption, its impact on property values, and role of external advisors.
    - *o* Inconsistent deal terms
    - *o* Limited operational capacity for changing/growing portfolio and ambitious goals
    - *o* Limited resources and funding/financial backing for overwhelming demand
    - *o* Lack of focus in terms of strategy/focus (e.g., roofing replacement program)
- Broader
    - *o* Affordable Housing crisis and the failure of wages to keep up with rising housing costs, along with underutilization of housing choice vouchers (HCVs)

- *o* Lack of clearly defined dedicated source of capital for developers to access to address the gap.
- *o* Inflation, rising land, construction and financing costs, and supply chain issues.
- *o* Reconciling the need for more housing at all income levels with the ability to publicly support (with funding) housing affordable to households with lower incomes
- *o* Stigma associated with and community resistance to affordable housing (NIMBYism)
- *o* Values conflict related to wanting to provide deeper affordability without concentrating poverty.
- *o* Vulnerable to change at state/legislative level could impact the organization's ability to succeed

Keys to Achieving Strategic Initiatives (Opportunities)

- Establish its own goals and call its own shots
- Continue rebuilding with the community and intentional work towards transparency; communicate how earned income is being utilized and re-invested in the community
- Expand staff and expertise to address growing and changing portfolio; capacity-building; talent management
- Expand knowledge and capacity of the Board; consider forming an Advisory board
- Guiding policy for multifamily development, incl. sustainability standards, while maintaining flexibility to support different deals, needs, and areas.
- Public relations work to raise awareness (e.g., "Tell the Story"; produce regular news releases)
- Educate the community about the need for and benefits of its work (e.g., Four25 on San Pedro)
- Differentiate itself from SAHA and other SHIP partners
- Ensure alignment with SHIP/For Everyone a Home/Opportunity at Risk; clarify role of each partner in the SHIP
- Mitigate resistance to affordable housing by helping developers to address perception
- Leverage studies, data and policy already available
- Access to sufficient information to make critical decisions around land acquisition and other investment activities
- Remain competitive as a PFC; other PFCs trying to break into the SA market
- Address the bottleneck with Texas Bond Review Board (BRB) and over subscription of the private activity bonds (PAB)

SAN ANTONIO HOUSING TRUST

Strategic Objectives

Strategic Objectives	Community Input	SAHT Proposals
Objective 1: Preservation of Affordable Multi-Family Rental Housing	● Emphasize preservation recognizing that San Antonio cannot build itself out of affordability crisis; provide resources for rehab of multifamily developments in phases ● Monitor and assist with preservation/rehab of expiring-use LIHTC properties. ● Work with non-profit developers to acquire and preserve or add affordability (e.g., Housing Preservation Network in Philadelphia) ● Address disappearance of naturally occurring affordable units by incentivizing rehab by landlords ● Provide flexible gap financing to incentivize and support the preservation of multifamily rental developments that are affordable to households with a mix of incomes but prioritize those with incomes below 30% AMI and up to but not over 80% AMI. ● Consider impact of property tax exemption on property owners and find ways to help low- and moderate-income homeowners stay in their homes	**Policy Recommendation:** SAHT shall prioritize the preservation of existing multifamily rental housing by: ● ensuring low-income housing restrictions remain in place; ● preserving long-term housing affordability; and ● extending the life of the structure including sustainable and resiliency upgrades. **Programmatic Recommendations** 1. Monitor San Antonio's population of Low-Income Housing Tax Credit properties to assess, prioritize, and develop preservation plans for at-risk properties with expiring land use restrictions/covenants. 2. Partner with non-profit developers to acquire and preserve multiple smaller properties not financially viable as a 4% LIHTC on their own, but pool them into a single financing package. 3. Partner with Developers to Acquire and Rehabilitate multifamily rental properties under PFC ownership for permanent affordability 4. Provide gap financing to support the preservation of multifamily rental developments affordable to households prioritizing those with incomes between 30% AMI and 80% AMI.

		5. Leverage SAHT funding for "Green Grants" to multi-family rental properties serving targeted populations. 6. Establish multi-family preservation rehabilitation criteria that promotes increased accessibility, universal design, and sustainability features.

Objective 2: New construction of Affordable Housing for the targeted populations	● Provide flexible gap financing to incentivize and support the production of multifamily rental developments that are affordable to households with a mix of incomes, but prioritize those with incomes below 30% AMI and up to but not over 80% AMI*
	  ○ *Market-rate (MR) units may be necessary to allow people to remain in their neighborhood as their incomes rise, but should not be supported with public funds.
	  ○ *Commit to deep and permanent affordability while avoiding concentrations of poverty.
	
	● Consider impact of property tax exemption on property owners and find ways to help low- and moderate-income homeowners stay in their homes
	
	● Develop standards for multifamily construction, including higher ADA minimums along with universal design and sustainability
		Policy Recommendation:
		SAHT shall prioritize the creation of new multi-family rental housing by creating:
		● New Low Income Housing Tax Credit Development
		● Inclusive Mixed Income Housing owned by SAHT
		● Permanently Affordable Multi-Family Land Trusts with Non-Profits
		● Permanent Supportive Housing
		
		Programmatic Recommendations
		1. Prioritize the use of publicly owned land to build affordable housing
		
		2. Adopt the City of San Antonio's Displacement Impact Tool to assess potential impacts to nearby residents at risk of displacement.
		
		3. Partner with Developers to create Low Income Housing Tax Credit serving targeted populations. For Non-Profit partnerships, lower required developer fees splits to provide non-profits with more earnings to continue their mission.

		4. Identify and acquire property suitable for future redevelopment including SAHT Owned Inclusive Housing, Multi-Family Land Trusts, or Permanent Supportive Housing. 5. Engage with our local continuum of care providers and non-profits to support the creation of permanent supportive housing. 6. Maintain SAHT cash resources to fund operating/supportive services reserves for permanent supportive housing. 7. Establish multi-family new construction criteria that promote site selection, equity, digital access, tenant protections, increased accessibility, universal design, and sustainability features.
Objective 3: Support Neighborhood Preservation Efforts (Align efforts with SHIP/For Everyone Home/Opportunity at Risk)	● Help to execute help housing strategies consistent with city housing priorities; focus on preservation ● Land banking should be linked to a community interest in support of affordable housing development and homeownership efforts; need sufficient information to make critical decisions around land acquisition and other activities ● Community Land Trust to prevent displacement and support homeownership, particularly among BIPOC households ● Support Permanent Supportive Housing	**Policy Recommendation:** Preserving communities should always include strategies that focus on preventing displacement, preserve historic structures, protect legacy families, and respect the cultural fabric of neighborhoods impacting BIPOC households. Efforts should be linked to a community interest in support of affordable housing development and homeownership efforts. SAHT shall support Neighborhood Preservation Efforts by: ● Providing Financial Support or Technical Assistance for Community Land Trust activities ● Leverage Land Trust Activities with City sponsored Rehabilitation efforts ● Promote Single Family Infill Housing For-Sale Development **Programmatic Recommendations**

		1. Identify and Prioritize Funding Community Based Partners interested in establishing a Community Land Trust in communities at risk of displacement 2. Review and consider increasing organizational capacity to implement an SAHT Single Family Land Trust Program to serve targeted households impacted by SAHT multi-family development as identified by our displacement analysis. 3. Continue to prioritize development of infill housing and acquisition rehabilitation programs for targeted populations
Objective 4: Clarify SAHT's role in the Local Housing System	● Distinguish role between SAHT & City (e.g., financing and marketing or development "arm for City"), incl. Chief Housing Officer (Coordination of System and Reframing the Narrative) ● Serve as a more affordable investor partner to non-profit and for-profit developers; avoid becoming a competitor to CHDOs; "bridger of deals" ● Act as primary vehicle/gatekeeper for City's Housing Bond funds (e.g., Decade of the Neighborhood) ● Continue to support local nonprofit orgs through funding support ● Facilitate ongoing engagement and education with partners such as LISC, SAAF, etc. ● Transparency around how the Trust makes decisions and chooses priorities; incl. meeting times and opportunities for community input/participation	**Policy Recommendation:** As a created entity of the City of San Antonio, the actions of the SAHT should be directed by policies established by the City. ● The purpose of our corporations are both to "Fund" & "Own" affordable housing. ● SAHT currently does not internally "develop", "property manage", or provide "services" to affordable housing, although as owner, SAHT has asset/compliance oversight responsibilities. **Programmatic Recommendations** 1. Continue coordinating funding efforts with the City's Neighborhood and Housing Services Department 2. Provide funding opportunities to non-profit housing initiatives serving targeted populations in-line with SHIP Goals. 3. Adopt & Publish criteria for programs and funding policies 4. Partner with affordable housing developers to apply for city funding.

	● Rebuild public confidence by raising awareness/Improved PR efforts: o Track# of units created or preserved at different AMI levels o Communicate how the revenue earned from deals gets repurposed back into affordable housing and/or to help support other sides of the affordable housing needs (e.g., supportive services, grants to non-profits). *o* Tell its story – *greater transparency* *o* News Releases – *what it has accomplished and what it is doing* o Online surveys to solicit input ● Rebranding (SARAH and SAHA changing names) ● Conduct Annual Housing Needs Assessment for City or County	5. Establish new creative programming that the City can invest in with Bond Funding. 6. Continue to place production and project information online and provide transparency to financial structures when requested. 7. Continue funding public engagement efforts for greater transparency, awareness, and education. 8. Provide research and support for studies, educations, assessments at the request of the City of San Antonio
Objective 5: Invest in SAHT's Capacity to Grow	● Grow the corpus and capacity of the Trust; SAHT needs to have the funding/financial backing to propose partnerships/projects and push the vision; Resources to work outside of City limits to Bexar County or other counties ● Increase staff capacity around communication and asset management; turn contract positions into FT positions ● Build up expertise around finance and avoid reliance on outside counsel or private developers to understand/explain deal structures. ● Draft consistent deal terms for SAHT	**Policy Recommendation:** The SA Housing Trust Fund was funded with $10M over 30 years ago. There has been no additional investment to the Trust Fund Corpus by the City since the initial investment. The effectiveness of the Trust Fund has severely eroded with inflation over that period. Over the last decade w/ incorporation of the City of San Antonio's PFC - "SAHT PFC" has generated substantial annual revenues and shall receive an increase in revenue from its growing # of partnership developments (40 to date). Staff levels have remained essentially the same over the last decade. Additionally, the SA Housing Trust by charter and statute is not allowed to engage in activities outside the City Limits.

	● Develop RFPs with SAHT goals, guiding principles, and requirements that are consistent with City policy in order to streamline developer-initiated proposals ● Guidelines/Requirements for non-profit developers should be consistent (or less restrictive) than for for-profit developers (re: equity, affordability) ● Remain agile and flexible in terms of approach and tools, when/where possible	**Programmatic Recommendations** 1. Increase staff capacity and expertise to achieve the vision of the Five Year Strategic Plan 2. Establish a "Financial Investment Policy" of non-Corpus Funds to direct the growth of existing cash. 3. Utilize the Corpus for Guarantees or Reserves for SAHT initiatives 4. Recommend the City of San Antonio provide an annual stream of additional Corpus investment to help grow the fund. 5. Pursue additional SAHT-owned Housing opportunities to build long-term community equity. 6. Leverage long-term streams of revenue to capitalize funding for future SAHT initiatives.
Objective 6: Engage in Advocacy at Local, State, and Federal Level	● Changing the Narrative/Messaging; address stigma and mitigate resistance to affordable housing; promote equity and equitable living communities ● Communicate urgency of housing crisis and housing as a priority for the City ● Consider metrics of "Compassionate Housing Policy" ● Support development of affordable housing throughout the City, especially during community meetings where affordable housing projects are being considered ● Include housing in lobbying/advocacy efforts at State level	**Policy Recommendation:** SAHT recognizes that we are in a housing crisis caused by both market forces, historic inequities, and institutional barriers. SAHT should lead by example in creating both educational and programmatic opportunities that take head on these issues. **Programmatic Recommendations** 1. The Executive Director should continue to become more active in federal, state, and local housing policy. 2. Increase organizational capacity to monitor legislative actions and prepare educational materials for the community and policy makers.

	● Partner with City and Texas Association of Affordable Housing Providers (TAAHP) on proactive policy approach to changing legislation (re: PFCs)	