

**SAN ANTONIO HOUSING TRUST**  
**FOUNDATION**

**2022 OFFICIAL MEETING MINUTES**

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**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 1<sup>st</sup> and ending September 30<sup>th</sup>. 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 1<sup>st</sup> 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 3<sup>rd</sup> Friday from 2:00 PM- 4:00 PM; 4 votes for the 4<sup>th</sup> Friday from 1:00 PM- 3:00 PM; 4 votes for the 4<sup>th</sup> Wednesday from 4:30 PM- 6:30 PM; 4 votes for the 4<sup>th</sup> Wednesday from 5:00 PM- 7:00 PM; 4 votes for the 4<sup>th</sup> Wednesday from 5:30 PM- 7:30 PM; and 4 votes for the 4<sup>th</sup> 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 4<sup>th</sup> week is open due to the council members not meeting for City Council meetings on the 4<sup>th</sup> week. Councilwoman Viagran stated that the 4<sup>th</sup> 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 3<sup>rd</sup> Friday of the month.

**MINUTES COMMISSION ACTION:**

Councilman Courage motioned, and Eric Cooper seconded to approve regularly scheduled SAHT Stated Board Meetings on the 3<sup>rd</sup> 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.