

SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION
OFFICIAL MEETING MINUTES

DATE: May 19, 2023

TIME AND PLACE: The Public Facility Corporation met in session at 3:00 p.m., via Zoom and in person at 114 W Commerce, San Antonio, TX 78205.

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

ABSENT: Mark Carmona

STAFF/VISITORS PRESENT:

Pedro Alanis- Executive Director San Antonio Housing Trust Foundation.; Nicole Collazo- Director of Operations San Antonio Housing Trust Foundation; Susan Snowden- Financial Director San Antonio Housing Trust; Tom Roth- Director of Development San Antonio Housing Trust Foundation; Jessica Kuehne- Director of Asset Management San Antonio Housing Trust Foundation.; John Hernandez- Senior Asset Manager San Antonio Housing Trust Foundation; Lauren Bejaran- Senior Administrative Assistant San Antonio Housing Trust Foundation; Ruben Lizalde- D3; Edward Muniga- D4; Justin Renteria- D5; Milee Ray- D9; Isaac Bernal- City of San Antonio Special Project Manager; Allison Beaver- NHSD; James Plummer- Attorney Bracewell; Summer Greathouse- Attorney Bracewell; Clarissa Rodriguez- Attorney DNRBZ; Julieta Gonzalez- SEFLA Languages Interpreter; Kayla Miranda- Coalition for Tenant Justice; Travis Russell- Morgan Group; Avis Chaisson- Palladium Group USA; Mia Loseff- Texas Housers; Nicole Freeman-NHSD

1. CALL TO ORDER AND ROLL CALL: The meeting was called to order by President Adriana Rocha Garcia and roll call was called by Lauren Bejaran.

2. DISCUSSION AND POSSIBLE ACTION TO APPROVE MINUTES OF APRIL 21, 2023. Jordan Ghawi motioned, and Jane Paccione seconded for approval of the April 21, 2023.

AYES: 7

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.

Mia Loseff, South Texas Regional Director for Texas Housers submitted written comment read by Director of Operations, Nicole Collazo:

"I am writing to express concern with the affordability makeup of the units at the proposed developments mentioned in Items #4, 5, and 6 of today's Housing Trust PFC Board meeting. Off the bat, it is concerning to have three projects in which not a single one prioritizes units at 30% or 50%

AMI. Both the SHIP goals and San Antonio Housing Trust's 5-year strategic plan explicitly name the need for rental units available to families making 50% AMI and below. Additionally, we know there is a housing gap that exists in this city, where we are not meeting the need, i.e., we don't have the units available, for households at or below 30% AMI and at or below 50% AMI. But that gap does not exist at 80% AMI and above. Numbers from the NLIHC Gap report show us that even while making improvements from past years to close our gap, there is still a large mismatch in our city – for every 100 families at 50% AMI that need a rental unit, there exists only 41 units. And for families at 30% AMI or below, there are 33 units for every 100 families who need them. That leaves almost 70% of families at this income level to make difficult choices about overspending on housing (and make compromises on medical care, childcare, feeding their family etc.).

This gap is the root of the housing crisis. Building units at 80% AMI and market rate simply does not address the need our city has. We have more than enough units available for households at 100% AMI, in fact there are 107 units available for every 100 families that need them.. This is not where the focus should be.

To look a bit closer at the proposed deals, I want to call out Item #5 in District 9 in particular. In last year's rental profiles produced by Texas Housers, we note that 46% of D9 renters are cost burdened, paying more than a third of their income on rent. We also note that only 0.9% of rental units in District 9 are affordable to residents making minimum wage. District 9 residents are in need of affordable housing. In San Antonio we must strive to get to a place where all areas of the city are accessible for all levels of income. The Housing Trust has the capacity to make this happen. The Trust has the tools at their disposal to create partnerships and prioritized developers who are committed to building for this income bracket. Instead, today we see a D9 development with less than 5% available to those at or below 50% AMI. This is not serving the need, this is not helping alleviate the housing crisis, and this goes against what the trust and the city have committed to in their visions and plans.

We cannot continue to develop for developments sake. Development must be targeted to serve the lowest income bracket. This project needs to include a mix of lower income levels for higher affordability – it is vital that the Housing Trust take responsibility of this and ensure it happens. With the second round of bond funding nearing approval, and an exciting focus on creating rental units at 50% AMI and 30% AMI, the Housing Trust PFC needs to deeply consider their role in contributing to this housing gap. Thank you for your time and consideration.”

Councilman John Courage joins the PFC Meeting at 3:06 p.m. Councilman Jalen McKee-Rodriguez and Councilwoman Phyllis Viagran join the PFC Meeting at 3:07 p.m.

Monica Cruz, San Antonio resident, submitted written public comment read by Senior Administrative Assistant Lauren Bejaran:

“Greetings SAHT staff and distinguished members of the San Antonio Housing Trust. My name is Monica Cruz, and I am a former member of the SHIP advisory committee, representing community. Thank you for your continued work on the SAHT to meet the housing needs of San Antonio families. I reviewed the proposals that are being considered for new development and have the following questions/concerns as you consider final approval.

- 1) The Caroline at Salado Creek has zero (0) 3-bedroom units at 50% AMI. Children and youth struggle with housing insecurity within their families so it would be beneficial if this proposal offered more multi-bedroom units for San Antonio families. The development also appears to have considerably more units at 80% AM and Mkt rate. In fact, 85% of the units are at 80% AMI and higher, which seems high. Could SAHT negotiate more units at lower AMIs?
- 2) I have similar concerns/questions for The Caroline at Sonterra property, where 85% of the units are at 80% AMI and higher.

- 3) *The Morgan Group is the developer for these two complexes (Caroline at Salado and Caroline at Sonterra). Has SAHT done business with them before? If yes, has the SAHT approved similar deals with so few units at lower AMIs? These complexes don't appear to concentrate on where housing is most needed according to data on SHIP.*
- 4) *The Palladium S.A. Apartments (by Palladium Group) provide more units at lower AMIs, which is better than the proposals by Morgan Group. Could additional negotiations be made with Morgan Group?*
- 5) *For Morgan Group developer, how many years is the agreement that grants them property tax exemptions?*
- 6) *Do the developers of these properties (Morgan Group and Palladium Group) get the same level of tax exemptions? Even though one offers more affordable units than the other? Is the SAHT considering equity and community benefit as they consider these deals? One of the goals in SHIP was to cease financial support of market rate developments. Although these developments would benefit from property tax exemptions for dozens of years, having only 15% of the units by Morgan Group that somewhat address the housing needs of low-income families does not seem equitable. Thank you for your time and consideration."*

Leticia Sanchez, Co-Chairperson for Historic Westside Residents Association, submitted written comment read by Director of Operations, Nicole Collazo:

"My name is Leticia Sanchez, and I am the Co-Chairperson of the Historic Westside Residents Association (HWRA) which represents residents in the near westside of District 5. The HWRA was established in May 2017 for the purpose of addressing issues that affect the community and the issue that is of most concern to our residents is that of housing. The lack of truly affordable housing for our residents is an issue that will not be resolved if City funds continue to be spent on housing developments that are primarily units at market rate and 60% AMI or higher. The HWRA does not support SA Housing Trust and City funds to be used on market rate developments and believes that the City should not fund any new housing development that offers 50% of the units at 50% AMI or above. The SHIP data supports the fact that the highest need for housing in San Antonio is at and below 30% and 50% AMI. Both the Caroline at Salado and the Caroline at Sonterra projects show the highest percentage of units for market rate percentages and to none for 50% and 30% AMIs. The Caroline proposals should not be supported or funded, and we ask that you work to eliminate our City's housing crisis by voting to not fund both of the Caroline Projects.

4. BRIEFING AND POSSIBLE ACTION TO APPROVE A RESOLUTION AUTHORIZING THE CAROLINE AT SALADO CREEK 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 SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION TO SERVE AS THE GENERAL CONTRACTOR; AND OTHER MATTERS IN CONNECTION THEREWITH.

Pete Alanis briefed the board on the proposed resolution authorizing The Caroline at Salado Creek Apartments transaction.

Councilwoman Castillo stated her concerns about Caroline at Salado Creek only having 1 3-bedroom apartment at 60% AMI, and asked Pete if there is any room to negotiate for Caroline at Salado Creek to have more 3-bedrooms at 60% AMI.

Pete stated there was room to negotiate if necessary and asked Bracewell Attorney James Plummer if negotiations could be conducted on the project.

James Plummer stated Caroline at Salado Creek has to be approved during the May 19, 2023, PFC meeting for SAHT to make negotiations with Morgan Group, due to the new PFC Legislation possibly impacting the project.

President Rocha Garcia asked James Plummer if any changes made to the project would be grandfathered before HB2071 and SB1278 are approved on September 1, 2023.

James Plummer stated that TX HB2071 and SB1278 would go into effect immediately once approved. Caroline at Salado Creek would have to be approved during the May 19, 2023, PFC meeting for proposed changes to the project to be grandfathered in after HB 2071 and SB1278 are approved.

Councilman McKee-Rodriguez asked if there would be a way to approve the resolution for Salado Creek with conditions.

James Plummer stated the resolution must be approved as is for the project to be approved. James stated the PFC Board could instruct Pete to go back after the resolution is approved to negotiate more 3-bedroom apartment units.

MINUTES COMMISSION ACTION:

Councilwoman Viagran motioned, and Councilman Courage seconded to approve Item #4 for The Caroline at Salado Creek Apartments.

AYES: 5

NAYS:

ABSTAINED: 1- Councilwoman Castillo

THE MOTION PASSED.

- 5. BRIEFING AND POSSIBLE ACTION TO APPROVE A RESOLUTION AUTHORIZING THE CAROLINE AT SONTERRA 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 SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION TO SERVE AS THE GENERAL CONTRACTOR; AND OTHER MATTERS IN CONNECTION THEREWITH.**

Pete Alanis briefed the board on the proposed resolution authorizing The Caroline at Sonterra Apartments transaction.

MINUTES COMMISSION ACTION:

Councilman Courage motioned, and Councilwoman Viagran seconded to approve Item #5 for The Caroline at Sonterra Apartments.

AYES: 5

NAYS:

ABSTAINED: 1- Councilwoman Castillo

THE MOTION PASSED.

- 6. BRIEFING AND POSSIBLE ACTION TO APPROVE A RESOLUTION INDUCING THE**

PALLADIUM SAN ANTONIO APARTMENTS TRANSACTION; AND AUTHORIZING ALL FILING AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATION FOR LOW INCOME HOUSING TAX CREDITS; AND AUTHORIZING THE NEGOTIATION AND EXECUTION OF A MEMORANDUM OF UNDERSTANDING; AND OTHER MATTERS IN CONNECTION THEREWITH.

Pete Alanis briefed the board on the proposed resolution inducing the Palladium San Antonio Apartments transaction.

MINUTES COMMISSION ACTION:

Councilwoman Castillo motioned, and Councilwoman Viagran seconded to approve Item #6 for the Palladium San Antonio Apartments transaction.

AYES: 6

NAYS:

ABSTAINED:

THE MOTION PASSED.

- 7. BRIEFING AND POSSIBLE ACTION REGARDING AN AMENDED AND RESTATED RESOLUTION CONCERNING THE APPLICATION OF WINSTON ROSELAWN APARTMENTS LP RELATING TO THE PROPOSED FINANCING OF UP TO \$30,000,000 OF THE COSTS OF THE ACQUISITION, REHABILITATION, CONSTRUCTION AND EQUIPPING OF THE WINSTON SQUARE/ROSELAWN APARTMENTS; AND OTHER MATTERS IN CONNECTION THEREWITH.**

Pete Alanis briefed the board on the proposed amended and restated resolution concerning the application of the Winston Roselawn Apartments.

MINUTES COMMISSION ACTION:

Councilwoman Castillo motioned, and Councilwoman Viagran seconded to approve Item #7 for the Winston Roselawn Apartments.

AYES: 6

NAYS:

ABSTAINED:

THE MOTION PASSED.

- 8. BRIEFING AND POSSIBLE ACTION REGARDING AN AMENDED AND RESTATED RESOLUTION CONCERNING THE APPLICATION OF SPANISH PECAN APARTMENTS LP RELATING TO THE PROPOSED FINANCING OF UP TO \$32,000,000 OF THE COSTS OF THE ACQUISITION, REHABILITATION, CONSTRUCTION AND EQUIPPING OF THE PECAN MANOR/SPANISH SPUR APARTMENTS; AND OTHER MATTERS IN CONNECTION THEREWITH.**

Pete Alanis briefed the board on the proposed amended and restated resolution concerning the application of the Spanish Spur Pecan Apartments.

MINUTES COMMISSION ACTION:

Councilwoman Viagran motioned, and Councilwoman Castillo seconded to approve Item #8 for the Spanish Pecan Apartments.

AYES: 6

NAYS:

ABSTAINED:

THE MOTION PASSED.

9. BRIEFING AND POSSIBLE ACTION TO APPROVE A RESOLUTION AUTHORIZING THE PAYMENT OF \$40,500 FROM AVAILABLE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION FUNDS TO REIMBURSE VILLAS AT ECHO EAST, LP FOR DELINQUENT PROPERTY TAXES.

Pete Alanis briefed the board on the proposed resolution authorizing the payment of \$40,500 from available SAHT PFC Funds to reimburse Villas at Echo East, LP for delinquent property taxes.

MINUTES COMMISSION ACTION:

Councilman Courage motioned, and Councilwoman Viagran seconded to approve a resolution authorizing the payment of \$40,500 from available San Antonio Housing Trust Public Facility Corporation Funds to reimburse Villas at Echo East, LP for delinquent property taxes.

AYES: 5

NAYS: 1- Jordan Ghawi

ABSTAINED:

THE MOTION PASSED.

10. ADJOURNMENT

President Adriana Rocha Garcia adjourned the meeting. There being no further business, the meeting adjourned at 4:20 p.m.