

SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION
OFFICIAL MEETING MINUTES

DATE: June 16, 2023

TIME AND PLACE: The Public Facility Corporation met in session at 2:31 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, and Marinella Murillo.

ABSENT: Jane Paccione

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; Mirla Lopez- SEFLA Languages Interpreter; Travis Russell- Morgan Group; Avis Chaisson- Palladium Group USA; Fernando Godinez- MAUC; Mia Loseff- Texas Housers; Nicole Freeman-NHSD; Texas Senator José Menéndez- District 26.

1. **CALL TO ORDER AND ROLL CALL:** The meeting was called to order by President Rocha Garcia and roll call was called by Lauren Bejaran.
2. **DISCUSSION AND POSSIBLE ACTION TO APPROVE MINUTES OF MAY 19, 2023.**
 Jordan Ghawi motioned, and Councilwoman Castillo seconded for approval of the May 19, 2023, with the noted corrections.
AYES: 6
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.**
 Avis Chaisson, Executive Director of Real Estate Development for Palladium USA public comment and presentation:
“Good afternoon. My name is Avis Chaisson, and I am the Executive Director of Real Estate Development with Pallidum USA. I am here to speak on Item #6; I do have a presentation for you. On the slide is a gorgeous, proposed rendering of our Palladium Crestway development in Council District 2. Next slide please. So, just to familiarize everyone with the site, it is just East of Interstate

35 and to the North of Crestway, and East of Randolph Boulevard. It is not too far from the Randolph Transit Park and Ride, which is great to have to be so close to transit, but we do understand there are concerns with access and mobility to that transit, so we will definitely look at providing better access. Next slide.

So why am I here? So, we do have a gap on this build which has been previously acknowledged before going to the Finance Committee; through bond inducement, so why is there a gap? There have been 15 months of interest rate hikes due to rampant inflation, increased vacancy rate; like running your Performa at increased vacancy rates from 5% to 7%, construction pricing is still not to preCovid levels, there is still labor and supply shortages, lenders are requiring additional reserves to make sure we get those constructions and lease ups as Performa, and then this deal we increased our affordability to provide 30% AMI units as well. I did want to be clear that our gap does not include fee waivers, which we have requested from the city, we did get approved for city waivers. However, as all of the SAWs fee waivers, from what we understand, have been committed and are under the 1-year ticket completed, so I know those projects have been stalled. A lot of them are from your projects that have bond issuances that have returned their bond issuances, so we are working with the city to figure out a fee waiver approved as well. Next slide.

So, I am here today to present options to reduce the gap, close the gap, to get a closer gap payable because we are so close. We were scheduled to close June 27th; however, we did not rate lock as we expected this week. We already have investor approval; we have a strong investor in PNC, a very strong national bank that has made a presence in the state of Texas now, and our lender who will be purchasing the bonds is Cedar Rapids Bank and Trust. So, what we're doing and proposing for to get to the closing table, which is not uncommon, is asking for any one of the San Antonio Housing Trust Entities to provide a loan in the amount of \$4 million dollars. This loan will be a soft loan that would have a 0% interest rate and the terms would be coterminous with our senior lender because it cannot be repaid prior to our senior debt."

4. RESOLUTION AUTHORIZING THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE BONDS (CATTLEMAN SQUARE LOFTS APARTMENTS), SERIES 2023; AND OTHER MATTERS IN CONNECTION THEREWITH.

Pete Alanis briefed to the board on Item #4 for the Cattleman Square Lofts in Council District 5.

MINUTES COMMISSION ACTION:

Councilwoman Castillo motioned, and Jordan Ghawi seconded to approve Item #4 for the Cattleman Square Lofts.

AYES: 6

NAYS:

ABSTAINED:

THE MOTION PASSED.

5. RESOLUTION AUTHORIZING THE CATTLEMAN SQUARE LOFTS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; AUTHORIZING THE PURCHASE OF THE LAND OF THE TRANSACTION AND THE LEASE OF SUCH LAND FOR THE TRANSACTION; AUTHORIZING THE CREATION OF SAHT CATTLEMAN SQUARE LP; AND AUTHORIZING THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION TO ENTER INTO A JOINT VENTURE AGREEMENT TO SERVE AS THE GENERAL CONTRACTOR; AND OTHER MATTERS IN CONNECTION THEREWITH.

Pete Alanis briefed the board on Item #5 for the Cattleman Square Lofts in Council District 5.

Councilman Courage asked Pete Alanis if there is any wording in the documentation for the 40-year amortization scheduled 20-year 1.23-million-dollar loan provided by the PFC that states the loan could be paid back sooner than the 20 years. Pete stated that the loan could possibly be paid back to the PFC before the 20-year mark but is not guaranteed due to the County's due process on loans provided for projects.

MINUTES COMMISSION ACTION:

Councilwoman Castillo motioned, and Councilman Courage seconded to approve Item #5 for the Cattleman Square Lofts.

AYES: 6

NAYS:

ABSTAINED:

THE MOTION PASSED.

6. RESOLUTION AUTHORIZING THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE BONDS PALLADIUM CRESTWAY APARTMENTS), SERIES 2023; AND OTHER MATTERS IN CONNECTION THEREWITH.

President Rocha Garcia convened the SAHT PFC meeting into Executive Session at 2:45 PM to discuss Item Number 6.

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), and 551.087 (economic development). ANY ITEM DISCUSSED IN THE EXECUTIVE SESSION MAY BE ACTED ON IN OPEN SESSION.

President Rocha Garcia reconvened the SAHT PFC meeting into open session at 3:25 PM. No action was taken place during the Executive Session.

President Rocha Garcia invited Avis Chaisson from Palladium USA to finish briefing the board on her presentation from her public comment.

Councilman Courage asked Avis Chaisson if the amount for the gap would be 2 million instead of the 4 million. Avis responded stating if they defer the developer fees to year 12 and are approved for the fee waivers, then the gap would be 2 million dollars. Palladium hopes to receive a fee waiver from SAWs in the amount of 1 million dollars. Councilman Courage expressed his concern about a gap still existing in the amount of 1 million dollars.

Eric Cooper asked Avis Chaisson what Palladium USAs Annual Revenues are as a corporation. Avis stated she would have to get back to Eric with the answer. Eric asked if there is a way to adjust rent affordability to increase rent revenues to offset the gap. Pete Alanis responded stating the project is income averaging just below the 60% AMI level and the AMI cannot be changed. The 70% and 80% AMI units will average off the total of revenue streaming from the project.

James Plummer, Attorney from Bracewell, asked if Palladium USA is asking the SAHT PFC to provide a \$2 million-dollar soft loan or provide \$900,000 plus the developer fee that the PFC

receives to be used as part of the loan to Palladium USA. Avis stated that the PFC would initially provide Palladium USA with \$800,000, with the rest of the \$2 million-dollar soft loan provided with a portion of developer fees generated from the deal.

President Rocha Garcia reconvened the SAHT PFC meeting into Executive Session at 3:52 PM.

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), and 551.087 (economic development). ANY ITEM DISCUSSED IN THE EXECUTIVE SESSION MAY BE ACTED ON IN OPEN SESSION.

President Rocha Garcia reconvened the SAHT PFC meeting into open session at 4:11 PM. No action was taken place during the Executive Session.

MINUTES COMMISSION ACTION:

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

AYES: 6

NAYS:

ABSTAINED:

THE MOTION PASSED.

- 7. RESOLUTION AUTHORIZING THE PALLADIUM CRESTWAY 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 CREATION OF SAHT PALLADIUM CRESTWAY GP, LLC AND ITS ADMISSION AS THE GENERAL PARTNER OF PALLADIUM SAN ANTONIO II, LTD.; AND AUTHORIZING THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION TO SERVE AS THE GENERAL CONTRACTOR; AND OTHER MATTERS IN CONNECTION THEREWITH.**

MINUTES COMMISSION ACTION:

Jordan Ghawi motioned, and Councilman McKee-Rodriguez seconded to table Item #7 for the Palladium Crestway Apartments to a special SAHT PFC meeting to be held on Friday, June 30, 2023, and authorize Executive Director to negotiate with Palladium USA to take on more risks for the project.

AYES: 6

NAYS:

ABSTAINED:

THE MOTION PASSED.

- 8. RESOLUTION AUTHORIZING THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE NOTES (LEON CREEK FLATS APARTMENTS), SERIES 2023A; SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE NOTES**

(LEON CREEK FLATS APARTMENTS, SERIES 2023B, AND SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE NOTES (LEON CREEK FLATS APARTMENTS), SERIES 2023C; AND OTHER MATTERS IN CONNECTION THEREWITH.

Pete Alanis briefed the board on the Leon Creek Flats Apartments project in Council District 4, and the proposed resolution for final approval of the Leon Creek Flats Apartments transaction.

MINUTES COMMISSION ACTION:

Councilwoman Castillo motioned, and Councilman McKee-Rodriguez seconded to approve Item #8 for the Leon Creek Flats Apartments.

AYES: 6

NAYS:

ABSTAINED:

THE MOTION PASSED.

- 9. RESOLUTION AUTHORIZING THE LEON CREEK FLATS APARTMENTS (F/K/A ELLISON 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 CREATION OF SAHT ELLISON APARTMENTS GP, LLC AND ITS ADMISSION AS THE GENERAL PARTNER OF ELLISON APARTMENTS LIMITED PARTNERSHIP; AND AUTHORIZING THE FINANCING FOR SUCH 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 Leon Creek Flats Apartments project in Council District 4.

MINUTES COMMISSION ACTION:

Councilman Courage motioned, and Jordan Ghawi seconded to approve a resolution authorizing the Leon Creek Flats Apartments transaction.

AYES: 6

NAYS:

ABSTAINED:

THE MOTION PASSED.

- 10. BRIEFING, DISCUSSION AND POSSIBLE ACTION TO APPROVE A RESOLUTION ADOPTING THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION INVESTMENT POLICY.**

Pete Alanis briefed the board on the proposed resolution adopting the SAHT PFC Investment Policy.

President Rocha Garcia asked Pete Alanis if integrity and ethics could be discussed when researching banks for the SAHT PFC to invest in. Pete Alanis stated that he would discuss the matter with Troy Elliot, managing trustee for the San Antonio Housing Trust, before investing with certain banks.

Councilman Courage asked Pete Alanis if the Finance and Audit Committee would get the chance to vote on investors SAHT would invest with. Pete stated that any investors would have to be approved by the Finance and Audit Committee before final approval from the board.

MINUTES COMMISSION ACTION:

Councilman Courage motioned, and Councilwoman Castillo seconded to approve a resolution adopting the San Antonio Housing Trust Public Facility Corporation Investment Policy.

AYES: 6

NAYS:

ABSTAINED:

THE MOTION PASSED.

11. BRIEFING, DISCUSSION AND POSSIBLE ACTION TO APPROVE A RESOLUTION TO ENTER INTO A MEMORANDUM OF UNDERSTANDING BETWEEN THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION AND THE CITY OF SAN ANTONIO FOR THE SA READY TO WORK PROGRAM AND ALL OTHER MATTERS IN CONNECTION THEREWITH.

Pete Alanis briefed the board on the proposed resolution authorizing the SAHT PFC to enter a MOU with City of San Antonio SA Ready to Work Program.

MINUTES COMMISSION ACTION:

Councilman McKee-Rodriguez motioned, and Councilwoman Castillo seconded to approve a resolution to enter into a memorandum of understanding between the San Antonio Housing Trust Public Facility Corporation and the City of San Antonio for the SA Ready to Work Program.

AYES: 6

NAYS:

ABSTAINED:

THE MOTION PASSED.

12. BRIEFING ON STATE OF TEXAS LEGISLATIVE ACTIONS.

Pete Alanis briefed the board on the State of Texas Legislative Actions.

NO ACTION TAKEN.

13. ADJOURNMENT

President Rocha Garcia adjourned the meeting. There being no further business, the meeting adjourned at 4:42 p.m.