

AGENDA

A Regular Board Meeting for:
SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION BOARD
will be held at
Council Briefing Room
100 Military Plaza, San Antonio, TX 78205
and virtually via ZOOM:

<https://us02web.zoom.us/j/86815798511?pwd=K0ZJTERoWHZZRnRyc3BvTXRCRG9iQT09>

DIAL-IN NUMBER: 1-346-248-7799 MEETING ID: 868 1579 8511 PASSWORD: 517287

on Tuesday, February 15, 2022 beginning at 4:00 p.m. or immediately following the
adjournment of the San Antonio Housing Trust Foundation Board Meeting

NOTICE: *A quorum of the board of directors will be physically located at 100 Military Plaza, San Antonio, TX 78205 at 4:00 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 January 12, 2022
3. Public comment – Interested speakers will have 3 minutes each to address the Board on agenda items or housing policy related matters.
4. Discussion and possible action for Election of Officers
5. Discussion and possible action to appoint Committee Assignments
6. Discussion and possible action for appointment and engagement of a General Counsel
7. Discussion and possible action to adopt a “Conflict-of-Interest” Policy
8. Discussion and possible action on a Resolution inducing the **Patriot’s Point Apartments** transaction, including the execution of all documentation necessary to obtain the financing for such transaction; and authorizing all filings and agreements with the Texas Department of Housing and Community Affairs in connection with applications for low-income housing tax credits; and the negotiation of a memorandum of understanding for such transaction; and other matters in connection therewith.
9. 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
Agenda Item 2

This item includes the approval of minutes from the January 12, 2022 meeting.

MINUTES

Date: Wednesday, January 12, 2022

- The Public Facility Corporation met in session at 11:30 a.m., via Zoom and in person at 114 W. Commerce Street, San Antonio, Texas, 78205
- The meeting was called to order by Councilwoman Dr. Adriana Rocha Garcia and the roll was called by Nicole Collazo.

PRESENT: Councilwoman Phyllis Viagran, Councilwoman Dr. Adriana Rocha Garcia, Councilwoman Teri Castillo, Councilman John Courage, and Councilman Jalen McKee-Rodriguez

ABSENT: None

Staff/Visitors Present:

Pedro Alanis-Executive Director San Antonio Housing Trust Public Facility Corporation; Nicole Collazo- Director of Operations San Antonio Housing Trust Public Facility Corporation; John Hernandez – Sr. Asset Manager San Antonio Housing Trust Public Facility Corporation; Lauren Bejaran- Sr. Administrative Assistant; Susan Snowden Director of Finance Darkhorse CPA, Edward Muniga- D4; Ileana Sandoval- D9; Rebecca Flores, Monica Cruz, Minyu Pan, Margartia Arciniega Interpreter SEFLA, Summer Greathouse Attorney Bracewell, Jordan Guerra Martin-Funk, Jim Plummer Bond Counsel Bracewell, Mitchell Parton SABJ, Jay Johnson Cohen Esrey, Sonya Shifflett-Bly Cohen Esrey, Laura Cano Cohen Esrey, Adolfo, Jon Atlas Cohen Esrey, Jack Brenton – Cohen Esrey,

1. APPROVAL OF MINUTES

Councilman Courage motioned and Councilwoman Viagran seconded for approval of the minutes with the correction from December 7, 2021.

AYES: 5

NAYS:

ABSTAINED:

THE MOTION PASSED.

2. CITIZENS TO BE HEARD

NONE.

3. CONSIDERATION AND POSSIBLE ACTION TO APPROVE A RESOLUTION AUTHORIZING THE CROSSWINDS APARTMENT HOMES TRANSACTION (F/K/A CROSSWINDS APARTMENTS), INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; AUTHORIZING THE PURCHASE OF THE LAND FOR THE TRANSACTION AND THE LEASE OF SUCH LAND FOR THE TRANSACTION; AND AUTHORIZING THE ACQUISITION OF THE MEMBERSHIP INTEREST IN SAHT CROSSWINDS GP, LLC; AND AUTHORIZING THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING 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 to the board about Crosswinds Apartment Homes being a 75-76 million-dollar Pedcor development project with 312 units that are participating in a 4% LIHTC program. The project will consist of 312 units at 60%, 50% and 30% AMI, that will be covered by the Tennant Protection Policy, and will be accepting section 8 vouchers. The Public Facility Corporation is expected to receive a return

from the project in \$1 million dollars from developer fees in 1 to 3 years of construction and \$2.3 million dollars in deferred development fees in 4 to 18 years. 50% of net cash flow will be returned after development fees are paid and 50% of net proceeds will be earned if there is a capital event. The project will require \$45 million in bond issuance through the Finance Corporation, receiving 1% at \$450,000 in 1 year and \$140,400 in Annual Bond Fees in 18 years.

Councilman Courage stated he recommends the project to the board and advised Pete Alanis to speak to District 10 on the matter due to the project possibly being in their district.

Councilwoman Rocha Garcia confirmed that the Councilman Perry of District 10 is in favor of the project.

Councilwoman Viagran asked if this project would not take out of the tax roles with farming or renting the land for the project. Pete Alanis advised Councilwoman Viagran that the project is going to be constructed on undeveloped agricultural land.

Councilman McKee-Rodriguez joined the meeting at 11:38 AM.

MINUTES COMMISSION ACTION:

Councilwoman Viagran motioned and seconded by Councilwoman Castillo to authorize the Crosswinds Apartment Homes transaction.

AYES: 5

NAYS:

ABSTAINED:

THE MOTION PASSED.

4. CONSIDERATION AND POSSIBLE ACTION TO APPROVE A RESOLUTION AUTHORIZING THE LOMA VISTA LOFTS APARTMENTS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; AUTHORIZING THE PURCHASE OF THE LAND FOR THE TRANSACTION AND THE LEASE OF SUCH LAND FOR THE TRANSACTION; AND AUTHORIZING THE ACQUISITION OF THE MEMBERSHIP INTEREST IN SAHT LOMA VISTA GP, LLC; AND AUTHORIZING THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING SAN ANTONIO HOUSING TRUST PUBLIC FACILITY.

Pete briefed to the board on the Loma Vista Lofts being an estimated \$40.3 million dollar partnership project between Cohen-Esrey and San Antonio Hope Center. The San Antonio Hope Center owns the land that the project will be constructed on and will plan on using the funds from Cohen-Esrey's purchase to provide necessary services for the community. The Loma Vista Lofts is a new construction project with 212 units at 60% AMI with 4% LITHC equity and conventional debt. The capital stack for the project includes: \$18.9 million in debt, \$18.3 million in LIHTC Equity, \$2 million in deferred fees, and \$1 million in a CDBG grant.

The PFC and Cohen-Esrey established an Affordable Rental Fund that will use the revenues that are earned from the project to buy down the 60% AMI units, to 50% and 30% AMI. The PFC is expected to return in the 18 years of construction, \$639,000 in developer fees (Year 1-2), \$200,000 in closing fees, \$660,000 in deferred developer fees (Years 2-10), \$783,000 in net cash flow (years 10-15). The PFC will use the deferred development fees and cash flow over time to continue to buy down the units from 60 to 50% AMI. The PFC Bargain purchase right will give the PFC the option to buy the project at year 15 and take ownership of the cost of the outstanding debt of 15 to 16 million dollars. Pete recommended to the board the Loma Vista Apartment project be approved along with the Affordable Rental Fund.

Councilwoman Viagran asked Pete Alanis when the Public Facility Corporation and Finance Corporation will have the funds in the affordable rental fund to start offering the 50% and 30% AMI units. Pete Alanis stated that the affordable rental fund will begin with \$300,000 in developer fees that will be earned between years 1 and 2 of construction.

Councilwoman Viagran asked Pete Alanis who will be able to contribute to the affordable rental fund. Pete Alanis advised that anyone could donate the money, and, in the future, the board can discuss possibly using Public Facility Corporation funds for the fund.

Councilman Courage suggested that the PFC should build up capital for future partnerships by using PFC funds coming from projects to ensure more affordable housing units are being provided to the community.

Councilman McKee-Rodriguez asked Pete Alanis if the PFC has created an affordability rental fund in the past. Pete Alanis stated that the PFC in the past, has a similar fund called the "Affordable Concession Plan" where the PFC was able to buy down 80% to 60% AMI units. Pete recommended having the funds upfront to buy down units permanently due to the Affordable Rental Fund running out funds in the future.

Councilwoman Rocha Garcia asked Pete Alanis about the San Antonio Hope Center Services' Coordinator being the same individual who is going to provide client services to the residents at Loma Vista. Jay Johnson with Cohen Esrey answered Councilwoman Rocha Garcia's question, by stating there will be an appointed representative on site that will provide client services for the residents. Councilwoman Rocha Garcia recommended showing the Loma Vista Apartments with the residential services be a model to showcase to the community.

MINUTES COMMISSION ACTION:

Councilwoman Castillo motioned and seconded by Councilman McKee-Rodriguez to authorize the Loma Vista and the Affordable Rental Fund transaction.

AYES: 5

NAYS:

ABSTAINED:

THE MOTION PASSED.

5. RESOLUTION AUTHORIZING THE ADOPTION OF THE AMENDMENTS TO THE ORPORATION'S CERTIFICATE OF FORMATION AND BYLAWS, IN THE FORMS APPROVED BY THE SAN ANTONIO CITY COUNCIL.

Pete Alanis advised the board that the San Antonio City Council approved the Public Facilities Corporation's certificate of formation and bylaws for the governance realignment process of the Board. Pete recommended to the board to adopt the Certificate of Formation and bylaws that were approved by City Council.

MINUTES COMMISSION ACTION:

Councilwoman Viagran motioned and seconded by Councilman Courage to approve the adoption of the amendments to the corporation's certificate of formation and bylaws, in the forms approved by the San Antonio City Council.

AYES: 5

NAYS:

ABSTAINED:

THE MOTION PASSED.

Councilwoman Rocha Garcia adjourned the meeting. There being no further business, the meeting adjourned at 12:02 p.m.

**San Antonio Housing Trust
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 PFC
Agenda Item 4**

Discussion and possible action for the Election of Officers.

Summary:

The officers of the PFC consist of the President, a Vice President, a Secretary, a Treasurer, and any other officers that the Corporation considers necessary to serve as executive officers.

- Voting during elections are to be held as determined by the Council Directors unless a Community Advisor has been elected as an officer
- Nominations are accepted from the floor
- Election by majority of 5 Council Directors present is required

The President is the Chief Executive Officer and is in general charge of properties and affairs of the Corporation. They shall execute all contracts, conveyances, deeds, loans etc... in the name of the Corporation. They shall preside at all meetings of the Board. The President may create ad hoc committees and assign both Council Directors and Community Advisors to committees.

The Vice President will have the powers and duties of the President in its absence. A Vice President will act under the direction of the President and in his/her absence have the duties and powers of the President.

The Secretary shall keep the minutes of all meetings of the Board and books provided for that purpose, shall give and serve all notices, may sign with the president in the name of the Corporation, and/or attest the signature thereto, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Corporation, shall have charge of the corporate books, records, documents and instruments, except the books of account and financial records and securities, and such other books and papers as the Directors may direct, all of which shall at all reasonable times be open to public inspection upon application at the office of the Corporation.

The Treasurer shall be the Chief Fiscal Officer of the Corporation and shall have the responsibility to see to the handling, custody, and security of all funds and securities of the Corporation in accordance with these Bylaws. When necessary or proper, the treasurer may endorse and sign, on behalf of the Corporation, for collection or issuance, checks, notes, and other obligations in or drawn upon such bank, banks or depositories as shall be designated by the Directors consistent with these Bylaws. The treasurer shall see to the entry in the books of the Corporation full and accurate accounts of all money received and paid out on account of the Corporation. The treasurer shall, at the expense of the Corporation, give such bond for the faithful discharge of his or her duties in such form, and amount as the Directors may require. All check writing authority will follow all applicable City policies concerning authorizations, signatures, and disbursements.

Recommendation:

Staff recommends electing a President, Vice President, Treasurer, and Secretary.

**San Antonio Housing Trust PFC
Agenda Item 5**

Discussion and possible action to appoint Committee Assignments

Summary:

The Board President can create ad-hoc committees as needed and only for specific tasks. There are two (2) standing Committees consisting of at least one (1) City Council Director and one (1) Community Advisor.

The Board President shall assign the Directors to these standing Committees. The two (2) standing Committees are the **Governance and Policy Committee** that shall be responsible for evaluation of new Community Directors, overall policy development and Executive Director evaluations; and **Finance and Audit Committee** that shall review and prepare the annual budget and oversee audits.

- Any Committee member may be removed by the Board President.
- Any ad hoc Committee may be abolished by the Board President.
- The standing Committees may only be abolished by the Board of Directors

The following persons have expressed interest in serving on a board committee:

- CM McKee-Rodriguez – Governance and Policy Committee
- Jane Paccione - Governance and Policy Committee
- Marinella Murillo – Finance and Audit Committee

Recommendation:

Staff recommends including project level reviews in Finance and Audit Committee

Staff recommends newly elected President provide committee assignments to the two standing committees with no more than 3-4 persons per committee.

Staff recommends appointing identical persons to committees across all entities of the Trust, Foundation, PFC, and Finance Corporation.

**San Antonio Housing Trust PFC
Agenda Item 6**

Discussion and possible action for appointment and engagement of General Counsel

Summary:

The SA Housing Trust issued an RFQ for Legal Services including General Counsel for the four entities of the Housing Trust. Proposals were due in July 2021 in anticipation of the Governance Realignment occurring in 2021.

SAHT received the following responsive proposals for General Counsel:

1. Robert W. Wilson II, Sanchez and Wilson, PLLC
2. Adam C. Harden - Locke Lord, LLP
3. Stephen Dennis - Clark Hill, PLC
4. Paul A. Fletcher - Langley & Banack, Inc.
5. Kelli Cubeta – Cubeta Law Group, PLLC
6. Clarissa M. Rodriguez - Denton Navarro Rocha Bernal & Zech

An evaluation team consisting of highly regarded attorney's and SAHT staff met on several occasions from November 2021 through January 2022 to:

- Discuss the responsive proposals
- Develop a shortlist
- Interview or obtain clarification from respondents
- Provide a recommendation

Evaluation Criteria was reviewed as follows:

- Ability to carry out scope of legal services
- Specific record and experience
- Professional qualifications and licensing
- Insurability and status of current work
- MWBE and/or employment of minority and women in performance of Trust
- Location and access

Recommendation:

The Evaluation Committee recommends the SAHT PFC Board of Directors execute an engagement letter with Denton Navarro Rocha Bernal & Zech to serve as General Counsel to the PFC.

Attachment:

Evaluation Team Members
Engagement Letter

SA Housing Trust Legal Services RFQ

Evaluation Panel



Pedro (Pete) Alanis has over 18 years of community development experience including as the City of San Antonio's Real Estate Administrator. He became the Executive Director of the San Antonio Housing Trust in September 2019. Since then, he has renewed partnerships with local non-profits in affordable housing; developed funding priorities to assist San Antonio's most vulnerable populations; and facilitated the realignment of the San Antonio Housing Trust's governing board. These efforts provided the unified, transparent, and strategic focus necessary to establish the San Antonio Housing Trust as a leader in creating and preserving affordable housing for those in most need. In 2021, his leadership earned the San Antonio Housing Trust the inaugural Susan R. Sheeran Bridge Builder Award. Pete currently serves on the San Antonio Housing Commission, the Successfully Aging and Living in San Antonio workgroup, and the For Everyone Home Initiative team. He is also the Real Estate and Development Co-chair for the City of San Antonio's Strategic Housing Implementation Plan.

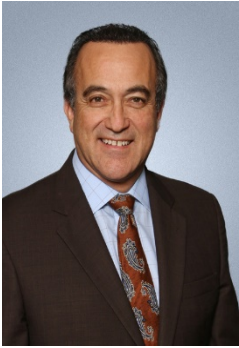


Timothy Alcott currently oversees SAHA's Development Services and Neighborhood Revitalization, Construction and Legal Services departments. Alcott holds a Bachelor of Business Administration in Accounting from St. Mary's University and a Juris Doctorate from OCU School of Law. He has been in the housing industry for over 20 years both in the private and public sectors. During his tenure at SAHA, he has worked with the organization to ensure the successful financing, construction or rehabilitation of thousands of apartments and homes. He is a member of the Urban Land Institute, U.S. Court of Appeals (Fifth Circuit), the Federal Bar Association, Housing Development and Law Institute, San Antonio Bar Association; and served as Vice President and Secretary of the Association of Corporate Counsel. He has been named as one of the top in-house counsel in San Antonio by the San Antonio Business Journal.



Leslie Hyman assists clients with business litigation and arbitration, antitrust and trade regulation counseling, and appellate matters, including bankruptcy appellate cases. Within her business litigation practice, she has handled numerous complex disputes involving issues such as contract rights, antitrust, fraud, and intellectual property. She has litigated in federal and state courts and before national and international arbitration tribunals. She also counsels' clients in all aspects of the supply chain — manufacturers, distributors, and consumers — on antitrust and trade regulation matters, particularly in the distribution context and provides guidance in developing antitrust compliance materials and programs. Leslie has represented financial institutions, issuers, and individuals in investigations and private securities fraud litigation and arbitration proceedings.

Leslie is Past Chair of the State Bar of Texas Antitrust and Business Litigation Section and a member of the American Bar Association Antitrust Section. She is Past Chair of the State Bar of Texas Administration of Rules of Evidence Committee, is co-chair of the San Antonio Bar Association's Federal Courts Committee, is a founding member of the Steering Committee of the Bexar County Women's Bar's LEAD Academy, serves on the board of the San Antonio Bar Association's Appellate Practice Section, and is a member of the Board of Editors of San Antonio Lawyer Magazine.



Frank Garza has extensive public and employment law experience in representing municipalities and governmental entities in legal matters involving their business and operations. He has represented his clients in litigation, appellate and administrative matters before various county, district and appellate courts in Texas. He currently serves as City Attorney for the cities of Balcones Heights, Helotes, Hondo, Karnes City, Kyle, Olmos Park, Rockwall and Terrell Hills. Additionally, he currently provides legal guidance to the cities of Alamo Heights, Leon Valley EDC, Richmond, San Antonio and Windcrest.

Mr. Garza serves as general counsel to various other governmental entities including Brooke Development Authority, Port Authority of San Antonio, City of San Antonio Civil Service Commission, City of San Antonio Police and Fire Civil Service Commission, Alamo Area Metropolitan Policy Organization, VIA Transit Authority, Cibolo Canyon Special Improvement District, Westside 211 Special Improvement District and Westside Development Corporation.



Jameene Williams is an Assistant City Attorney for the City of San Antonio. While she handles a wide array of legal matters for the City, she primarily serves as legal advisor to the City's Neighborhood and Housing Services and Planning Departments, and the City of San Antonio's Housing Commission. Jameene is the lead attorney for all general funded housing programs and regularly works with staff and outside counsel for the City's affiliated housing entities and non-profit delegate agencies. Prior to joining the City Attorney's office, Jameene worked at the law firm of Denton, Navarro, Rocha, Bernal & Zech, P.C. During her nine years at the firm, she exclusively represented cities and other local governmental entities.

Jameene was born in Atlanta, Georgia and raised in Chicago, Illinois. She attended the University of Chicago, graduating with a Bachelor of Arts degree in Political Science. Jameene then moved to Texas to attend the Thurgood Marshall School of Law at Texas Southern University, graduating, and becoming licensed to practice law in 2007. While in law school, Jameene clerked for the Honorable John T. Wooldridge, ret., of the 269th District Court of Harris County. She is licensed to practice law in all courts of the State of Texas, as well as the U.S. District Court for the Southern and Western Districts of Texas.



Nicole Collazo has worked in non-profit administration for more than 15 years, with the past 12 years focused on real estate development and non-profit affordable housing. She is currently the Director of Operations for the San Antonio Housing Trust, previously serving as the Interim Executive Director in 2019. When she first joined the organization in 2009, Nicole managed multiple aspects of the San Antonio Housing Trust including project financing, due diligence, partnerships relationships, and closings as well as communications with state and local agencies, investors, and legal teams. Throughout her tenure at SAHT, Nicole has been committed to improving communities and neighborhoods through affordable housing developments.

She holds a Bachelor of Arts in Business Administration from the University of the Incarnate Word. Prior to her career at the Trust, Nicole served as the Interim Arts Education Director of the Guadalupe Cultural Arts Center where she provided oversight of operations including all education programs and events. Born and raised in San Antonio, she thrives on the opportunity to help strengthen the community.

San Antonio | Austin | Rio Grande Valley | Texas Gulf Coast
2517 N. Main Avenue | San Antonio, Texas 78212-4685
V 210-227-3243 | F 210-225-4481

February 8, 2022

Pedro Alanis
Executive Director
San Antonio Housing Trust
2515 Blanco Road
San Antonio, TX 78212

Via Email: pedroalanis@saht.org

RE: Agreement for Legal Services – General Counsel

Dear Mr. Alanis,

Thank you for the opportunity to provide this engagement letter to provide General Counsel services for the San Antonio Housing Trust and affiliated entities (San Antonio Housing Trust Foundation, San Antonio Housing Trust Public Facilities Corporation, and San Antonio Housing Trust Public Finance Corporation), together “Entities.”

I, Clarissa M. Rodriguez, will be the supervising Partner/Shareholder. My Partner T. Daniel Santee will also be assisting, as well as our Associates Cynthia Trevino and Megan Santee. Depending on your needs and workload, other lawyers in the firm may be used, when necessary, to increase our ability to respond to your needs and reduce your overall costs in connection with our engagement.

Denton Navarro Rocha Bernal & Zech, P.C., has found that the practice of billing clients on an hourly basis for work actually completed, and with invoices submitted on a monthly basis, works best for our clients and us. Our invoices are due on receipt and are past due after thirty days. The current engagement will be bill as General Counsel. Our hourly billing rates for different levels of engagement are as follows:

- General Counsel: \$205 per hour for Partners/Shareholder; \$185 per hour for Associates; \$125 per hour for Law Clerks; \$140 per hour for Planner; and \$95 per hour for Paralegals

All related travel or other expenses are always charged “at cost” with no “mark-up” and all related mileage is charged by multiplying the actual miles traveled by the then current IRS rate. Copy rates are .20 cents per page, color copies are .70 cents per page, fax rates are .50 cents per page.

It is understood that the information exchanged between you, your staff, your representatives, Board Members, and the Firm is subject to the attorney-client relationship and is therefore both privileged and confidential. All communications and information are subject to the confidentiality provisions of Rule 1.05 of the Texas Disciplinary Rules of Professional Conduct and Rule 503 of the Texas Rules of Evidence.

Pursuant to State law, the Firm recognizes that the Entities may not enter into a contract with a company for goods and services unless the contract contains a written verification from the company that it: (i) does not boycott Israel; and (ii) will not boycott Israel during the term of the contract (Texas Government Code, Chapter 2270.002). As such, the Firm hereby verifies that it does not boycott Israel, and agrees that, during the term of this Agreement, will not boycott Israel as that term is defined in the Texas Government Code, Section 808.001, as amended. Further, the Firm hereby certifies that it is not a company identified under Texas Government Code, Section 2252.152 as a company engaged in business with Iran, Sudan, or Foreign Terrorist Organization.

Non-Boycott of Energy. Pursuant to Texas Senate Bill 13 (2021), Contractor certifies that either (i) it does not boycott Israel and will not boycott energy companies; and (2) will not boycott energy companies during the term of the contract resulting from this solicitation. Contractor shall state any facts that make it exempt from the boycott certification as an attachment to this agreement.

Non-Boycott of Firearm Entity. Pursuant to Texas Senate Bill 19 (2021), Contractor certifies that it: (a) does not have a practice, policy, guidance, or directive that discriminates against firearm entity or firearm trade association; and (b) will not discriminate during the term of the contract against a firearm entity or firearm trade association.

Please execute this letter in the space provided below to acknowledge our engagement on behalf of the San Antonio Housing Trust and Entities and return it to our office. Please return the executed letter to our office via facsimile at (210) 225-4481 or by email at cmrodriguez@rampagelaw.com.

We look forward to representing the San Antonio Housing Trust and Entities.

Very truly yours,

DENTON NAVARRO ROCHA BERNAL & ZECH
A Professional Corporation

CLARISSA M. RODRIGUEZ

CMR/ec

Accepted:

Pedro Alanis
Executive Director
San Antonio Housing Trust

Date: _____

**San Antonio Housing Trust PFC
Agenda Item 7**

Discussion and possible action to adopt a “Conflict-of-Interest” Policy

Summary:

Per Article V, Section 5.4 of the First Amended and Restated Bylaws of the San Antonio Housing Trust PFC must establish and adopt a Conflict-of-Interest Policy which is applicable to all Council Directors and Community Advisors.

The policy defines Financial and Non-Financial Interest, outlines the duty to disclose, sets conditions for conflicts to exist, establishes procedures for addressing the conflict, and outlines violations of conflicts.

Recommendation:

Staff recommends adoption of the attached conflict of interest policy.

Conflict of Interest Policy

SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION (SAHTPFC)

Article I Purpose

The purpose of the conflict-of-interest policy is to protect this tax-exempt organization's (Organization/SAHTPFC) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Article II Definitions

1. Interested Person:

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest or other conflict of interest, as defined below, is an interested person.

2. Financial Interest:

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
- b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

3. Other Conflict of Interest:

A person has an "other" conflict of interest that might influence an officer's, director's, or committee member's duties that may be affected, directly or indirectly, by action taken or not taken by the SAHTPFC.

Article III **Procedures**

1. Duty to Disclose:

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest or other conflict and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists:

After disclosure of the financial interest or other conflict and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest:

- a.** An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b.** The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c.** After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d.** If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy:

- a.** If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b.** If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action as authorized by law.

Article IV
Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest or other conflict of interest in connection with an actual or possible conflict of interest, the nature of the financial interest or other conflict of interest, any action taken to determine whether a conflict of interest was present, and the governing boards or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article V
Compensation

- a. A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI
Annual Statements

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Organization charitable and in order to maintain its federal tax

exemption it must engage primarily in activities in which accomplish one or more of its tax-exempt purposes.

Article VII
Periodic Reviews

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Article VIII
Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

ADOPTED on _____.

ATTESTED:

Secretary

SEAL

_____, President

**San Antonio Housing Trust PFC
Agenda Item 8**

Resolution inducing the Patriot's Point Apartments transaction, including the execution of all documentation necessary to obtain the financing for such transaction; and authorizing all filings and agreements with the Texas Department of Housing and Community Affairs in connection with applications for low-income housing tax credits; and the negotiation of a memorandum of understanding for such transaction; and other matters in connection therewith.

Summary

The project is a 320-unit multifamily, 4% low-income tax credit project in District 4 located on approximately 10.6 acres along the eastside of South Zarzamora Street between 410 and Jaguar Parkway. The developers is Patriot Community Development, a non-profit affiliate entity of Operation Finally Home, a 501(c)(3) non-profit and is being co-developed with Liberty Multi-family.

The project is expected to cost approximately \$61.6 million with up to \$30 million in tax exempt bonds being issued as a requirement for the 4% LIHTC Program. The expected permanent sources of funds include: \$32,155,400 in HUD 221(d)(4) debt; \$23,586,787 in tax credit equity; and a deferred development fee of \$5,822,646. The PFC will own the land and lease it to the tax credit partnership. The PFC will create a single-member LLC, which will be the General Partner of the tax credit partnership.

This affordable veteran focused community will have a unit mix of 272 units rented to individuals whose incomes are at or below 60% of median family income and 48 units to individuals whose incomes are at or below 30% of median family income.

Operation Finally Home provides mortgage-free homes to service members and their families who have become wounded, ill, or injured because of their service in the defense of our country. They also provide support to all service members regardless of the campaign in which they served. As a partner, they will receive a % of development fee and proceeds. Operation Finally Home has established strategic relationships with several organizations to provide housing referrals for transitioning veterans to Patriots Point:

- Crosspoint, Inc. a program provides transitional residential rehabilitation and case management services for homeless Veterans
- Warriors Heart, a private license healing center specializing in substance abuse treatment and co-occurring psychological disorders, with special attention to post-traumatic stress, unresolved grief/loss, and moral injury
- Task Force Dagger Special Operations Foundation, a foundation that responds to urgent needs to aid wounded, ill, or injured US Special Operations Command members and their families.

Services

Patriots Point will also offer a full spectrum of social services that focus on trauma-informed care, medical education training assistance, retirement transitional programs, financial accountability, vocational training and job placement, childcare, etc. with on-site case managers and support staff to ensure each individual and family receive the continuum of care they deserve to become fully restored.

The programs to be offered shall provide bio-psycho-social needs assessment, individual program planning and structured groups such as life skill classes, self-help support groups, job placement and financial accountability.

Surveys will also be offered to residents to adjust programmatic needs or the resident population.

This project will hopefully become strategic partnerships to be the model of the future for these types of transitional housing communities.

Furthermore, the development look to fostering new strategic partnerships with Patriot's Casa and other local organizations that are working alongside Texas A&M San Antonio.

Design Opportunities

The site was carefully selected to be close to the educational opportunities at the Texas A&M University across the street from Patriots Point. There are approximately 1100 veterans attending school at the Texas A&M campus on their G.I. bills. In addition, the university offers support with their program called, *Patriot's Casa* housed on campus.

Patriots Point will be designed to be 100% adaptable for advancing full access and inclusion for all with architectural plans that demonstrate the developer's commitment to making a difference in the lives of returning veterans in their transition to civilian life. Developer has agreed to work with the SAHT to further options for inclusive design elements.

Fiscal Impact

The SAHT PFC anticipates an estimated \$3.2M over 15 years as part of the partnership terms:

- 30% of Developer/Deferred Fees, currently estimated at \$2.4 million over 12 years.
- 50% of Cash Flow, currently estimated at \$802,000

Operation Finally Home is estimated to earn \$3.45 million over 15 years to further their non-profit mission of supporting veterans and their families. Additionally, the PFC will have an IRS Bargain Purchase Right to acquire the Project around Year 15 for the remaining debt plus exit taxes.

Recommendation

Staff recommends approval of the attached Resolution.

Attachment

Resolution

PATRIOT'S POINTE APARTMENTS

CERTIFICATE FOR RESOLUTION

The undersigned officer of the San Antonio Housing Trust Public Facility Corporation, a Texas nonprofit corporation created pursuant to the laws of the State of Texas ("SAHTPFC") hereby certifies as follows:

1. In accordance with its bylaws, the Board of Directors of SAHTPFC (the "Board") held a meeting on February 15, 2022 (the "Meeting") of the duly constituted officers and members of the Board, at which a duly constituted quorum was present. Whereupon among other business transacted at the Meeting, a written

RESOLUTION INDUCING THE PATRIOT'S POINTE APARTMENTS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO OBTAIN THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; AND THE NEGOTIATION OF A MEMORANDUM OF UNDERSTANDING FOR SUCH TRANSACTION; AND OTHER MATTERS IN CONNECTION THEREWITH

(the "Resolution") was duly introduced for the consideration of the Board and discussed. It was then duly moved and seconded that the Resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of the Resolution, prevailed and carried by a majority vote of the Board.

2. A true, full, and correct copy of the Resolution adopted at the Meeting is attached to and follows this Certificate; the Resolution has been duly recorded in the Board's minutes of the Meeting; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting; and the Meeting was held and conducted in accordance with the Bylaws of SAHTPFC.

SIGNED February 15, 2022

Pedro A. Alanis, Assistant Secretary

RESOLUTION INDUCING THE PATRIOT’S POINTE APARTMENTS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO OBTAIN THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; AND THE NEGOTIATION OF A MEMORANDUM OF UNDERSTANDING FOR SUCH TRANSACTION; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, Patriot’s Pointe, LP (the “Partnership”) and SAHT Valor Club South GP, LLC, a Texas limited liability company and its general partner (the “General Partner”), will be formed to acquire and construct an approximately 320-unit multifamily housing facility (the “Housing Facility”) to be located near the intersection of South Zarzamora Street and Jaguar Parkway, San Antonio, Texas (the “Land,” together with the Housing Facility, the “Project”);

WHEREAS, at the request of the Partnership, San Antonio Housing Trust Public Facility Corporation (“SAHTPFC”) has agreed to (i) serve as the sole member of the General Partner of the Partnership in connection with the financing of the Project, (ii) acquire the Land and lease it to the Partnership pursuant to a Ground Lease (the “Ground Lease”), and (iii) serve as the general contractor for the Project or enter into a joint venture with Valor Club Partners, LLC (the “Developer”) to form an entity that will serve as the general contractor for the Project;

WHEREAS, the Partnership has requested that the San Antonio Housing Trust Finance Corporation (the “Issuer”) issue its Multifamily Housing Revenue Bonds (Patriot’s Pointe Apartments) Series 2022 (the “Bonds”) to finance the Project (the “Bond Financing”);

WHEREAS, the Issuer will issue the Bonds in an amount not to exceed \$30,000,000 and loan such proceeds to the Partnership;

WHEREAS, in connection with the Bond Financing, the Partnership, the General Partner, and/or SAHTPFC will be required to enter into certain agreements, including but not limited to a Loan Agreement, a Trust Indenture, a Note, a Regulatory Agreement and Declaration of Restrictive Covenants, a Leasehold Deed of Trust, Assignment of Rents, Security Agreement, and Fixture Filing together with Ground Lessor Subordination and Joinder, a Servicing Agreement, and a Ground Lease (collectively, the “Bond Documents”);

WHEREAS, the Developer, on behalf of the Partnership, has applied or will simultaneously herewith apply for approximately \$27,124,060 in low income housing tax credits (the “LIHTCs”) from the Texas Department of Housing and Community Affairs (“TDHCA”);

WHEREAS, in connection with the application for LIHTCs, it is anticipated that the Partnership, General Partner and/or SAHTPFC will be required to execute, complete and deliver various applications, agreements, documents, certificates and instruments to TDHCA (the “TDHCA Documents”);

WHEREAS, the Partnership will contribute approximately \$23,586,787 of equity to the construction of the Project, which will be contributed by a limited partner to be determined at a later date (the “Equity Financing”);

WHEREAS, in connection with the Equity Financing, the Partnership, the General Partner, and/or SAHTPFC will be required to enter into certain agreements, including but not limited to an Amended and Restated Agreement of Limited Partnership, a Development Agreement, and closing certificates (collectively, the “Equity Documents”);

WHEREAS, in order to provide additional funding for the Project, the Partnership may enter into one or more subordinate loans (“Subordinate Loans”);

WHEREAS, in connection with the Subordinate Loans, the Partnership, the General Partner, and/or SAHTPFC will be required to enter into certain agreements, including but not limited to loan agreements, leasehold deeds of trust, declaration of restrictive covenant of affordability or land use restriction agreements, assignments, notes, and subordination agreements (collectively, the “Subordinate Loan Documents”);

WHEREAS, SAHTPFC will serve as the general contractor for the Project or will enter into a joint venture with the Developer to form an entity that serve as the general contractor for the Project, and such general contractor will enter into a construction contract with the Partnership to construct the Project (the “Construction Documents”);

WHEREAS, the members of the Board of Directors of SAHTPFC (collectively, the “Board”) and their respective offices are as follows:

<u>Name of Director/Officer</u>	<u>Position</u>
Dr. Adriana Rocha Garcia	President and Director
Teri Castillo	Secretary and Director
Jalen McKee-Rodriguez	Director
Phyllis Viagran	Director
John Courage	Director
Pedro A. Alanis	Assistant Secretary

WHEREAS, the Board has determined that it is in the public interest and to the benefit of the citizens and residents of San Antonio for the various entities to enter into the transactions described above so that the Partnership may construct the Project;

WHEREAS, this Board has reviewed the foregoing and determined that the action herein authorized is in furtherance of the public purposes of SAHTPFC;

BE IT THEREFORE RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION, THAT:

Section 1. The Project, the various structures of financing contemplated for the Project, including but not limited to the Bond Financing, the LIHTCs, the Equity Financing and the Subordinate Loans are hereby approved and the TDHCA Documents are hereby approved.

Section 2. The President, any Vice President, the Secretary, the Treasurer, the Executive Director, any Assistant Secretary, or any of them, are hereby authorized to execute any and all applications and term sheets required for the financing and construction of the Project, including, but not limited to, the TDHCA Documents and all other documents relating to obtaining the Bond Financing, LIHTCs, Equity Financing, and the Subordinate Loans to which the Partnership, the General Partner, and/or SAHTPFC is a party.

Section 3. The President, any Vice President, the Secretary, the Treasurer, and the Executive Director, any Assistant Secretary, or any of them, and, if required by the form of the document, the Secretary and any Assistant Secretary, or any of them, of SAHTPFC are authorized and directed to modify, execute and deliver any of the documents to be signed by or consented to by SAHTPFC, and any and all certificates and other instruments necessary to carry out the intent thereof and hereof, including, without limitation, the TDHCA Documents and all filings or other actions required by the TDHCA in connection with the LIHTCs. The President, any Vice President, the Secretary, the Treasurer, the Executive Director, any Assistant Secretary, or any of them, are authorized to negotiate and approve such changes in, or additions to, the terms of any of the documents, including amendments, renewals, and extensions, as such officers shall deem necessary or appropriate upon the advice of counsel to SAHTPFC, and approval of the terms of any of the documents by such officers and this Board shall be conclusively evidenced by the execution and delivery of such documents.

Section 4. It is understood by SAHTPFC and the Partnership and Developer have represented to SAHTPFC, that in consideration of SAHTPFC's adoption of this Resolution, and subject to the terms and conditions hereof, that the Partnership and Developer have agreed that

(a) the Partnership and Developer will (1) pay all Project costs that are not or cannot be paid or reimbursed from the proceeds of any debt and (2) indemnify and hold harmless SAHTPFC and the City against all losses, costs, damages, expenses and liabilities of whatsoever nature (including but not limited to reasonable attorneys' fees, litigation and courts costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to the Project, or the design, construction, equipping, installation, operation, use, occupancy, maintenance or ownership of the Project (other than claims arising from the gross negligence or willful misconduct of SAHTPFC or the City).

Section 5. This Resolution shall be deemed to constitute the acceptance of the Partnership's and Developer's proposal that it be further induced to proceed with providing the Project. **Provided that neither the Partnership nor the Developer nor any other party is entitled to rely on this Resolution as a commitment to enter into the proposed transaction, and SAHTPFC reserves the right not to enter into the proposed transaction either with or without cause and with or without notice, and in such event SAHTPFC shall not be subject to any liability or damages of any nature. Neither the Partnership nor the Developer nor anyone claiming by, through or under the Partnership or the Developer, nor any investment banking firm or potential purchaser shall have any claim against SAHTPFC whatsoever as a result of any decision by SAHTPFC not to enter into the proposed transaction.**

Section 6. The officers of this Board, or any of them, are authorized to take any and all action necessary to carry out and consummate the transactions described in or contemplated by the documents approved hereby or otherwise to give effect to the actions authorized hereby and the intent hereof.

Section 7. The officers of this Board hereby approve the selection of Bracewell LLP as counsel to the General Partner and SAHTPFC for this transaction.

Section 8. If any section, paragraph, clause, or provisions of this Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

Section 9. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

Section 10. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 11. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 12. This Resolution shall be in force and effect from and after its passage.