



REFUGIO STREET PUBLIC FACILITY CORPORATION MEETING NOVEMBER 9, 2021



BOARD OF DIRECTORS

Dr. Ana "Cha" Guzmán Olga Kauffman Gilbert Casillas Dalia Contreras Loren D. Dantzer Gabriel Lopez Ignacio Perez
Chair Vice Chair Director Director Director Director Director

REFUGIO STREET PUBLIC FACILITY CORPORATION
***BOARD MEETING**
HYBRID TELECONFERENCE

Call In Phone Number: (346) 248-7799
Meeting ID: 93839434337# Passcode: 654170#
818 S. Flores St., San Antonio, TX 78204
3:00 p.m., Tuesday, November 9, 2021

A quorum of the Board of Commissioners may convene at this meeting thus triggering a Board meeting for discussion on the following matters. (Note: If a quorum of the Board attends this meeting, four Commissioners must be physically present at this location, but up to three other Commissioners may attend by videoconferencing, as permitted by Tex. Gov't Code Section 551.127):

MEETING CALLED TO ORDER

1. The Board of Directors may hold a closed meeting pursuant to Texas Government Code § 551.071-076 for consultation concerning attorney-client matters, real estate, litigation, personnel, and security matters. The Board reserves the right to enter into closed meeting at any time, during the course of the meeting.

PUBLIC COMMENT

2. **Public Comment at approximately 3:00 p.m.** (may be heard after this time) Citizens are provided up to three minutes each to speak to any agenda item. Citizens wishing to speak to items posted on the agenda should personally request to be placed on the Public Comment roster prior to 2:45 p.m. at 818 S. Flores St., San Antonio, TX 78204 or register online and access Phone Number: **(346) 248-7799** and enter Meeting ID: **93839434337#** and Passcode: **654170#**, prior to 2:45 p.m. A Spanish/English translator will be available to citizens needing translation.

Now is the time for public comments. The Board asks the public to address concerns related to SAHA matters and policy and not include statements that may be considered defamatory of any individual. The Board encourages members of the public to direct specific concerns or problems to SAHA staff for more prompt resolution. The Board will not discuss the comments of speakers or respond to speakers during the public comment portion of the agenda.

MINUTES

3. Minutes
 - Approval of the December 3, 2020, Refugio Street Public Facility Corporation Meeting minutes

CONSENT ITEM

4. Consideration and approval regarding Resolution 21RSPFC-10-21, approving the refinance of the existing mortgage debt on Refugio Place Apartments using the FHA 223(f) program; authorizing

execution of all documentation necessary to carry out the transaction; and other matters in connection therewith (Timothy E. Alcott, Chief Real Estate and Asset Management Officer)

5. Adjournment

*Note: Whenever the Texas Open Meetings Act (Section 551.001 et seq. of the Texas Government Code) provides for a closed meeting in matters concerning legal advice, real estate, contracts, personnel matters, or security issues, the Board may find a closed meeting to be necessary. For the convenience of the citizens interested in an item preceded by an asterisk, notice is given that a closed meeting is contemplated. However, the Board reserves the right to go into a closed meeting on any other item, whether it has an asterisk, when the Board determines there is a need and a closed meeting is permitted.

"Pursuant to § 30.06, Penal Code, (trespass by holder license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not attend this meeting with a concealed handgun."

"Pursuant to § 30.07, Penal Code, (trespass by holder license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not attend this meeting with a handgun that is carried openly.

MINUTES
REFUGIO STREET PUBLIC FACILITY CORPORATION
December 3, 2020

SCHEDULED: 1:00 p.m. teleconference meeting Call In Phone Number: (346) 248-7799, Meeting ID: 89745200921# Passcode: 486908#

DIRECTORS PRESENT:

Dr. Ana “Cha” Guzman, Chair
Jessica Weaver, Vice Chair
Charles Clack, Director
Jo-Anne Kaplan, Director
Olga Kauffman, Director
Ignacio Perez, Director
Ruth Rodriguez, Director

DIRECTORS ABSENT:

None

COUNSEL: Doug Poneck, Escamilla & Poneck, LLP

STAFF:

David Nisivoccia, President and CEO
Ed Hinojosa, Chief Financial Officer
Muriel Rhoder, Chief Administrative Officer
Brandee Perez, Chief Operating Officer
Timothy E. Alcott, Chief Legal and Real Estate Officer
Jo Ana Alvarado, Director of Innovative Technology
Kristi Baird, Director of Beacon Communities
Diana Kollodziej Fiedler, Director of Finance and Accounting
Domingo Ibarra, Director of Security
Aiyana Longoria, Director of Internal Audit
Hector Martinez, Director of Construction Services and Sustainability

Richard Milk, Director of Policy and Planning
Steven Morando, Director of Procurement and General Services
Michael Reyes, Director of Communications and Public Affairs
Lorraine Robles, Director of Development Services and Neighborhood Revitalization
Janie Rodriguez, Director of Human Resources
Tom Roth, Director of Asset Management
Joel Tabar, Director of Community Development Initiatives
Zachariah Woodard, Interim Director of Federal Housing Programs

Item 1: Meeting called to order
Dr. Ana “Cha” Guzman called the meeting to order at 4:01 p.m.

Item 2: Public Comment
Citizens are provided 90 seconds each to speak to any agenda items. There were no citizens who spoke to the agenda.

OPERATIONS

Item 3: Consideration and approval regarding Resolution 20RSPFC-10-22, approving the refinance of the existing mortgage debt on Refugio Place Apartments using the FHA 223(f) program; authorizing execution of all documentation necessary to carry out the transaction; and other matters in connection therewith (Thomas Roth, Director of Asset Management)

Motion: Director Perez moved to approve Resolution 20RSPFC-10-22. Director Kaplan seconded the motion. Approved.

Member	Aye	Nay	Absent At Time of Vote	Abstained
Dr. Ana "Cha" Guzman, Chair	X			
Jessica Weaver, Vice Chair	X			
Charles Clack, Director	X			
Jo-Anne Kaplan, Director	X			
Olga Kauffman, Director	X			
Ignacio Perez, Director	X			
Ruth Rodriguez, Director	X			

Item 4: Adjournment.

With no objections, Chair Guzman adjourned the meeting at 4:02 p.m.

ATTEST:

Ana M. "Cha" Guzman
Chair, Board of Directors

Date

Ed Hinojosa, Jr.
Secretary/Treasurer

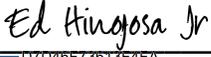
Date

REFUGIO STREET PUBLIC FACILITY CORPORATION

November 9, 2021

BOARD OF DIRECTORS
Refugio Street Public Facility Corporation Meeting

RESOLUTION 21RSPFC-10-21, APPROVING THE REFINANCE OF THE EXISTING MORTGAGE DEBT ON REFUGIO PLACE APARTMENTS USING THE FHA 223(f) PROGRAM; AUTHORIZING EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; AND OTHER MATTERS IN CONNECTION THEREWITH

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Ed Hinojosa, Jr.
President and CEO

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Timothy E. Alcott
Chief Real Estate and Asset Management Officer

REQUESTED ACTION:

Consideration and approval regarding Resolution 21RSPFC-10-21, Approving the refinance of the existing mortgage debt on Refugio Place Apartments using the FHA 223(f) program; authorizing execution of all documentation necessary to carry out the transaction; and other matters in connection therewith.

FINANCIAL IMPACT:

The property is currently encumbered by a mortgage with a fixed interest rate of 6.720%, and is subject to a 1% prepayment penalty. The refinance will allow for repayment of the existing mortgage, the prepayment penalty, closing costs, and related origination fees. Additionally, net loan proceeds should be sufficient to fully repay the existing land loan of approximately \$9,295,000.00 (principal and interest) owed to Refugio Street Public Facility Corporation (a SAHA affiliated entity). The proposed refinance will provide a low cost, long term financing structure to ensure the long term viability of this affordable housing asset.

SUMMARY:

SAHA has received a letter of intent from KeyBank to provide a loan amount equal to the lesser of 80% loan to value, or a loan amount that provides a minimum debt service coverage ratio of 1.15. The actual loan amount will be determined upon completion of the underwriting and a commitment from FHA to purchase the loan. Staff is requesting a loan amount not to exceed \$14,600,000.00. The financing will be structured as a fixed rate loan with a term and amortization period of 35 years. The loan will be locked out from prepayment for a period of two years, after which the prepayment penalty declines by 1% per annum. Current indicative rates are 2.60%. SAHA staff also evaluated financing options through Freddie Mac and Frost Bank; however, this 35 year term and amortization structure yielded greater loan proceeds.

The board approved a financing request in December 2020 (SAHA 6078 and 20RSPFC-10-22) for a mortgage amount not to exceed \$13,000,000.00, which was based on the preliminary loan sizing performed by KeyBank. However, the third party property assessment indicated that the roofs will need to be replaced within the first 3 years. Therefore, FHA will require at closing the establishment of an escrow equal to 150% of the estimated replacement cost. If we don't increase the loan amount, SAHA will be required to fund approximately \$1,500,000.00 at closing to cover this unforeseen escrow and a debt service escrow (equal to 6 months of debt service), which

REFUGIO STREET PUBLIC FACILITY CORPORATION**November 9, 2021**

FHA requires due to the ongoing covid pandemic and its potential financial impact on rental income.

Refugio Street Limited Partnership (the “Partnership”), a Texas limited partnership, was formed in November 2002 to construct, develop and operate a 210-unit apartment project known as Refugio Street Apartments (the “Project”) in San Antonio, Texas. The Project is rented to low-income tenants and is operated in a manner necessary to qualify for federal low-income housing tax credits as provided for in Section 42 of the Internal Revenue Code.

The property is subject to a Land Use Restriction Agreement (LURA), which requires that the existing affordability restrictions remain in place until 2059.

The property is a family property and contains 93 one-bedroom units, 86 two-bedroom units, and 31-three bedroom units. The affordability restrictions are summarized below:

Market rate units	105
Public Housing units	50
60% AMI units	<u>55</u>
Total	210

The property, which was built in 2004 at a cost of \$19,270,000.00, will continue to provide affordable housing for families in San Antonio.

RESIDENT FOCUSED OUTCOMES:

- SAHA residents have a sufficient supply of affordable housing options
- SAHA residents live in quality affordable housing

ATTACHMENTS:

Resolution 21RSPFC-10-21

Presentation

CERTIFICATE FOR RESOLUTION
Resolution 21RSPFC-10-21

The undersigned officer of the Refugio Street Public Facility Corporation (the "Corporation"), a Texas public facility corporation created pursuant to the laws of the State of Texas, hereby certifies as follows:

1. In accordance with Chapter 551, Texas Government Code, as amended (the "Open Meetings Act"), and the bylaws of the Corporation, the Board of Directors of the Corporation (the "Board") held a meeting on November 9, 2021, (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 21RSPFC-10-21, APPROVING THE REFINANCE OF THE EXISTING MORTGAGE DEBT ON REFUGIO PLACE APARTMENTS USING THE FHA 223(f) PROGRAM; AUTHORIZING EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE 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 Open Meetings Act and the Bylaws of the Corporation.

SIGNED this 9th day of November 2021.

Ed Hinojosa, Jr.
Secretary/Treasurer

**Refugio Street Public Facility Corporation
Resolution 21RSPFC-10-21**

RESOLUTION 21RSPFC-10-21, APPROVING THE REFINANCE OF THE EXISTING MORTGAGE DEBT ON REFUGIO PLACE APARTMENTS USING THE FHA 223(f) PROGRAM; AUTHORIZING EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the Housing Authority of the City of San Antonio, Texas (“SAHA”), has, pursuant to the Texa Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the “Act”) approved and created the Refugio Street Public Facility Corporation, a nonstock, nonprofit public facility corporation; and

WHEREAS, SAHA and the Refugio Street Public Facility Corporation approved on November 4, 2021, a mortgage loan under the FHA 223(f) program to refinance the existing mortgage on a 210-unit multifamily housing facility located at 300 Labor Street, San Antonio, Texas, known as Refugio Street Apartments (the “Project”); and

WHEREAS, the loan will be made pursuant to a Loan Agreement between Refugio Street Limited Partnership and FHA, and a Promissory Note (the "Promissory Note") in the original principal amount not to exceed \$14,600,000.00, which will be secured by a Deed of Trust, Security Agreement – Financing Statement, and various closing documents, such as a Replacement Reserve and Security Agreement, (collectively, the "Loan Documents"); and

WHEREAS, the Promissory Note may be issued in at a fixed rate of interest upon the terms and conditions outlined in the term sheet submitted by the lender; and

WHEREAS, the Board of Directors of the Issuer (the “Board”) hereby authorizes the issuance of the Promissory Note in an amount not to exceed \$14,600,000.00 for the purpose of providing funds for the Project, and paying the costs of issuing the Promissory Note, all pursuant to and in accordance with the terms and conditions provided under the Loan Documents; and

WHEREAS, the Promissory Note is a special, limited obligation of the Issuer and the obligations of the Issuer shall never constitute an indebtedness, an obligation, or a loan of credit of the State of Texas, SAHA, the County of Bexar, Texas, the City of San Antonio, Texas, or any other political subdivision of the State of Texas, with the meaning of any constitutional provisions or statutory limitations; and

WHEREAS, this Board of Directors has reviewed the foregoing and determined that the action herein authorized is in furtherance of the corporate purposes of the Issuer and that the terms and conditions of the Promissory Note and the above-described instruments, including without limitation the dates, interest rates, maturities, redemption terms and sales price of the Promissory Note and the manner of disbursing the proceeds thereof are advisable.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Refugio Street Public Facility Corporation, that:

Section 1. The terms of the Loan Documents are hereby approved.

Section 2. The issuance of the Promissory Note, the Loan Documents are hereby authorized and approved, and the President, any Vice President, the Secretary/Treasurer, any Assistant Secretary/Treasurer or any of them, of the Issuer, are hereby authorized and directed to execute (to the extent required to be executed or acknowledged by the Issuer) and deliver (or to accept, as the case may be), Loan Documents, and any and all certificates (including tax certificates) and other instruments described therein upon the conditions therein described or necessary or desirable in connection with the issuance of the Promissory Note, all upon the terms herein approved, and the executing officer is authorized to negotiate and approve such changes in the terms of each such instrument as such officer shall deem necessary or appropriate upon the advice of counsel to the Issuer, and approval of the terms of each such instrument by such officer and this Board shall be conclusively evidenced by the execution and delivery of such documents.

Section 3. The Promissory Note in the principal amount not to exceed \$14,600,000.00 in substantially the form and substance set forth in the Loan Documents, is hereby approved, and the President, the Vice President, the Secretary/Treasurer and each Assistant Secretary/Treasurer, or any of them, are hereby authorized and directed, for and on behalf of the Issuer, to execute the Promissory Note or have their facsimile signatures placed upon it, and the signatures of such officers are hereby authorized and directed to be affixed or placed in facsimile on the Promissory Note.

Section 4. All action not inconsistent with provisions of this Resolution heretofore taken by this Board of Directors and the officers of the Issuer directed toward the financing of the Project and the issuance of the Promissory Note shall be and the same hereby is ratified, approved and confirmed. 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 instruments approved hereby or otherwise to give effect to the actions authorized hereby and the intent hereof.

Section 5. After the Promissory Note is issued, this Resolution shall be and remain irrevocable until the Promissory Note or interest thereon shall have been fully paid or provisions for payment shall have been made pursuant to the Indenture.

Section 6. 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 7. 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 8. 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 9. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 10. This Resolution shall be in force and effect from and after its passage.

Passed and approved the 9th day of November 2021.

**Ana M. "Cha" Guzman
Chair, Board of Directors**

Attested and approved as to form:

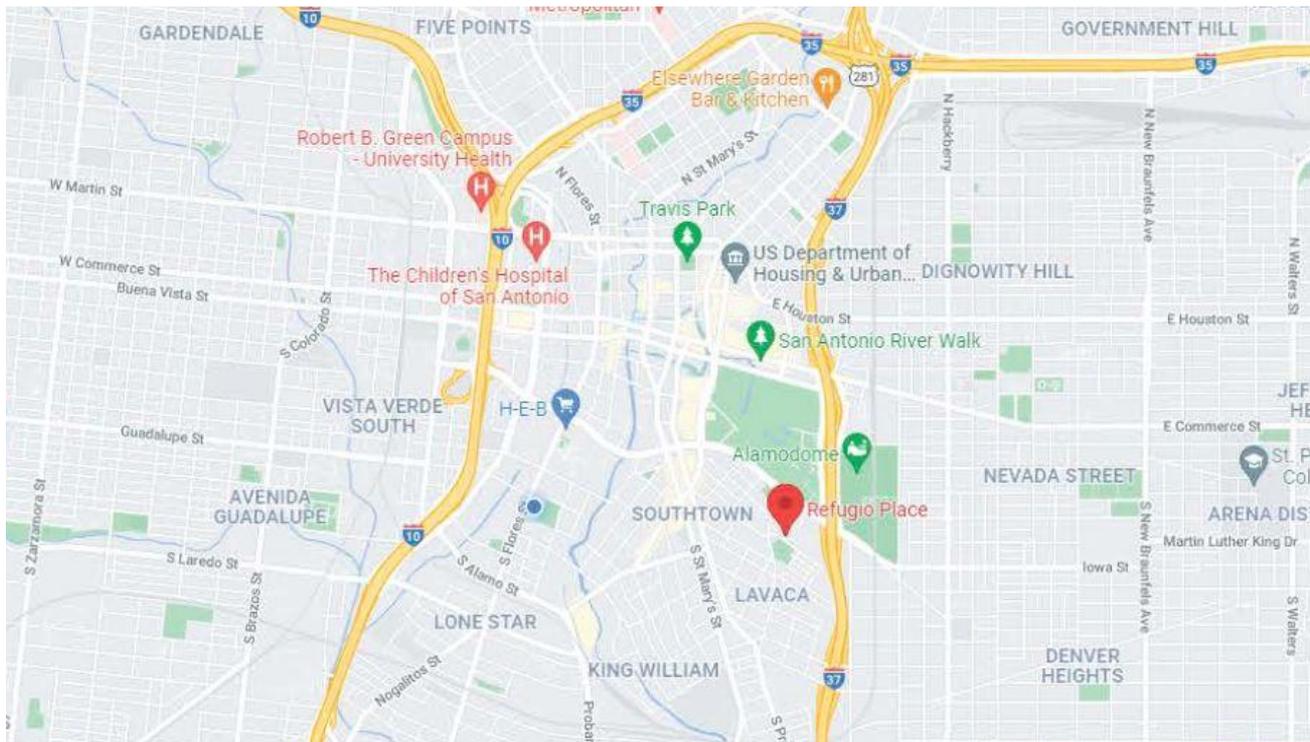
**Ed Hinojosa, Jr.
Secretary/Treasurer**



Refugio Place

Timothy Alcott, Chief Real Estate and Asset Management Officer

REFUGIO PLACE



REFUGIO PLACE



QUESTIONS?