



SAN ANTONIO HOUSING FACILITY CORPORATION MEETING

**APR. 4
2019**



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BOARD OF DIRECTORS

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|--------------------------------------|---------------------------|----------------------------|------------------------------|----------------------------|------------------------------|----------------------------|
| Morris A. Stribling, DPM Chairman | Charles Clack Director | Jo-Anne Kaplan Director | Gabriel L. Lopez Director | Sofia A. Lopez Director | Marie R. McClure Director | Jessica Weaver Director |
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SAN ANTONIO HOUSING FACILITY CORPORATION BOARD MEETING

818 S. Flores St., San Antonio, TX 78204
1:00 p.m., Thursday, April 4, 2019

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.

MINUTES

2. Minutes
 - Approval of the February 21, 2019, San Antonio Housing Facility Corporation Meeting minutes

OPERATIONS

3. Consideration and approval regarding Resolution 19FAC-03-21, authorizing the Secretary/Treasurer to negotiate and enter into settlements on behalf of the San Antonio Housing Facility Corporation in certain limited circumstances and within certain parameters as described herein to eliminate unnecessary delay and complications in resolving small, non-employment matters asserted against the San Antonio Housing Facility Corporation (Timothy E. Alcott, Real Estate and Legal Services Officer)
4. *Closed Session:

Consultation with Attorney

Deliberate and obtain legal advice regarding legal issues pursuant to Texas Government Code Sec. 551.071 (1)(B) (settlement offer).

 - Discussion of proposed settlement of Fair Housing Complaint, HUD #06-18-1648-8, Linda Wallace vs. San Antonio Housing Facility Corporation et al
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
SAN ANTONIO HOUSING FACILITY CORPORATION
February 21, 2019

SCHEDULED: 2:00 p.m. Springview Apartments, 722 S. Mel Waiters Way, San Antonio, TX, 78203

COMMISSIONERS PRESENT:

Morris A. Stribling, DPM, Chair
Charles Clack, Director
Jo-Anne Kaplan, Director
Marie R. McClure, Director

COMMISSIONERS ABSENT:

Gabriel L. Lopez, Director
Sofia A. Lopez, Director
Jessica Weaver, Director

COUNSEL: Doug Poneck, Escamilla & Poneck, LLP

TRANSLATOR: BCC Communications

STAFF:

David Nisivoccia, President and CEO
Muriel Rhoder, Chief Administrative Officer
Ed Hinojosa, Chief Financial Officer
Timothy E. Alcott, Real Estate and Legal Services Officer
Jo Ana Alvarado, Director of Innovative Technology
Kristi Baird, Director of Beacon Communities
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
Thomas Roth, Director of Asset Management

Item 1: **Meeting called to order**
Chair, Morris A. Stribling, DPM, called the meeting to order at 2:37 p.m.

Item 2: **Minutes**

- Approval of the November 1, 2018, San Antonio Housing Facility Corporation Meeting minutes

Motion: Director Clack moved to approve the November 1, 2018, minutes. Director Kaplan seconded the motion. Approved.

| Member | Aye | Nay | Absent At Time of Vote | Abstained |
|---------------------------------|-----|-----|---------------------------|-----------|
| Morris A. Stribling, DPM, Chair | X | | | |
| Charles Clack, Director | X | | | |

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| Jo-Anne Kaplan, Director | X | | | |
| Marie R. McClure, Director | X | | | |

Item 3: Consideration and approval regarding Resolution 19FAC-02-22, authorizing the San Antonio Housing Facility Corporation to sell an approximately 5.01 acre parcel improved with a 98,587 square foot warehouse located at 1310 S. Brazos between Tampico Street and S. Laredo Street in San Antonio, Bexar County, Texas; the sale of such property to SAY Sí in the amount of \$2.2 million; and the execution of any and all documents necessary to consummate such transaction

Resolution 19FAC-02-22, corresponds with San Antonio Housing Authority Resolution 5911. Mr. Steven Morando, Director of Procurement and General Services, reported that on December 21, 2018, San Antonio Housing Facility Corporation issued an Invitation For Bids "IFB" #1812-998-84-4872 for the sale of a parcel of land containing approximately 5.01 acres and improvements located at 1310 S. Brazos, San Antonio, Texas, 78207, being identified as Lot 16, New City Block 36A that closed on January 11, 2019. A total of one bid was received in response to this solicitation from SAY Sí that is consistent with the appraised value.

Mr. Thomas Roth, Director of Asset Management, then introduced Mr. John Hinojosa, Executive Director of SAY Sí, and explained that the organization was launched as an umbrella program under the King William Neighborhood Association in 1994. They are a nonprofit creative youth development program that provides students with opportunities to develop the artistic and social skills needed to prepare for college and artistic careers. They offer tuition-free onsite programs serving 250 students annually, primarily from low income families, ranging in age from 10-19. They also serve an additional 2,500 youth in offsite community programs. SAY Sí intends to renovate this property into their headquarters and Westside Campus.

Mr. Roth further stated that the most recent appraisal performed by Noble and Associates valued the parcel at \$2.2 million, as of October 23, 2018. The bid price is consistent with the appraised value. The San Antonio Housing Facility Corporation (SAHFC) will utilize the net sale proceeds.

Motion: Director Clack moved to approve Resolution 19FAC-02-22. Director Kaplan seconded the motion. Approved.

| Member | Aye | Nay | Absent At Time of Vote | Abstained |
|---------------------------------|-----|-----|---------------------------|-----------|
| Morris A. Stribling, DPM, Chair | X | | | |
| Charles Clack, Director | X | | | |
| Jo-Anne Kaplan, Director | X | | | |
| Marie R. McClure, Director | | X | | |

Item 4: Consideration and approval regarding Resolution 19FAC-02-21, authorizing the San Antonio Housing Facility Corporation (SAHFC) to approve the transaction with the Oaks of Westlakes Apartments, including the execution of all documentation necessary to carry out the transaction; authorizing the purchase of the apartments and the lease of

such apartments; authorizing the acquisition of the membership interest in SAHFC Oaks of Westlakes LP, LLC; and authorizing the financing for such transaction; and other matters in connection therewith

Resolution 19FAC-02-22, corresponds with San Antonio Housing Authority Resolution 5910. Mr. Timothy E. Alcott, Real Estate and Legal Services Officer, reported that Millbrook Realty Group (Millbrook) has proposed a public-private partnership with the San Antonio Housing Facility Corporation (SAHFC) to acquire the Oaks of Westlakes Apartments located at 534 Hunt Lane, San Antonio, Texas. Millbrook is a real estate acquisition firm, which currently owns 1,558 units across the country. This is a 268-unit market rate project built in 1984. SAHFC is participating in the project to convert 50% of the market rate units to affordable units and to lease them to individuals and families earning below 80% of the San Antonio median family income. Mr. Alcott informed the Board that neither SAHA nor SAHFC will issue any debt for, or invest any funds in the transaction. A Millbrook-controlled partnership (Investment Partnership) will be required to raise all of the debt (approximately \$21,000,000.00) and equity (approximately \$4,000,000.00) needed for the Project and undertake approximately \$1,500,000.00 of rehabilitation to the Project. At the closing of their loans, SAHFC will acquire the Project with funds supplied by the Investment Partnership as an upfront lease payment on the lease from SAHFC to the Investment Partnership equal to the purchase price of the Project. Thereafter, SAHFC will receive rent of \$25,000 per year.

The lease will have a term of 75 years and will require the Investment Partnership to rehabilitate and operate the Project. SAHFC will have to subordinate its interest in the Project to the Investment Partnership's debt on the Project. The Project will be exempt from property taxes for any year that it has 50% of the units set aside for individuals and families making less than 80% of the median family income. The Investment Partnership may sell its interest under the lease at any time; however, SAHFC will have to remain the owner of the Project for the full term, unless the Investment Partnership agrees otherwise. At closing, SAHFC will create a limited liability company, which will be a limited partner in the Investment Partnership, which will enable it to receive 27.5% of the cash flow from the Project. It is estimated that this will generate approximately \$118,000.00 in rent and income in year one and increase to \$174,000.00 in year seven. Should the Investment Partnership wish to sell its leasehold interest, SAHFC can elect to convert its interest into rent under the lease or receive 27.5% of the net cash proceeds after the equity and debt is paid back. In all events, SAHFC will remain the owner of the Project unless it agrees to sell its interest and put the Project on the tax rolls. SAHFC will also enter into a development agreement addressing the rehabilitation and operation of the Project.

Mr. Alcott further reported that the San Antonio Housing Facility Corporation will be paid a \$225,000.00 closing fee.

Motion: Director Kaplan moved to approve Resolution 19FAC-02-21. Director Clack seconded the motion. Approved.

| Member | Aye | Nay | Absent At Time of Vote | Abstained |
|---------------------------------|-----|-----|---------------------------|-----------|
| Morris A. Stribling, DPM, Chair | X | | | |
| Charles Clack, Director | X | | | |
| Jo-Anne Kaplan, Director | X | | | |

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| Marie R. McClure, Director | X | | | |
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After approval of Resolution 19FAC-02-21, Chair Stribling, DPM, recessed at 2:40 p.m. for Closed Session, Las Varas Public Facility Corporation Meeting and the San Antonio Housing Authority Special Board Meeting. After returning from Closed Session, the San Antonio Housing Facility Corporation Board Meeting was reconvened at 4:17 p.m. and the Board of Directors voted on the proposed settlement as referenced below:

Item 5:***Closed Session:****Consultation with Attorney**

Deliberate and obtain legal advice regarding legal issues pursuant to Texas Government Code Sec. 551.071 (1)(B)(settlement offer).offer)

- Discussion of proposed settlement of the Cause No. 2018CV01851, Don Albert Payne and Gloria Jean Payne vs. Midcrown Pavilion Apartments in the County Court at Law No. 3, Bexar County, Texas

Motion: Director Clack moved to approve the proposed settlement of the Cause 2018CV01851, Don Albert Payne and Gloria Jean Payne vs. Midcrown Pavilion Apartments in the County Court at Law No. 3, Bexar County, Texas, as discussed in Closed Session. Director Kaplan seconded the motion. Approved.

| Member | Aye | Nay | Absent At Time of Vote | Abstained |
|---------------------------------|-----|-----|---------------------------|-----------|
| Morris A. Stribling, DPM, Chair | X | | | |
| Charles Clack, Director | X | | | |
| Jo-Anne Kaplan, Director | X | | | |
| Marie R. McClure, Director | X | | | |

Item 6:**Adjournment.**

With no objections, Chair Stribling, DPM, adjourned at 4:18 p.m.

ATTEST:

Morris A. Stribling, DPM
Chair, Board of Directors

Date

David Nisivoccia
Secretary/Treasurer

Date

SAN ANTONIO HOUSING FACILITY CORPORATION**April 4, 2019****BOARD OF DIRECTORS**
San Antonio Housing Facility Corporation**RESOLUTION 19FAC-03-21, AUTHORIZING THE SECRETARY/TREASURER TO NEGOTIATE AND ENTER INTO SETTLEMENTS ON BEHALF OF THE SAN ANTONIO HOUSING FACILITY CORPORATION IN CERTAIN LIMITED CIRCUMSTANCES AND WITHIN CERTAIN PARAMETERS AS DESCRIBED HEREIN TO ELIMINATE UNNECESSARY DELAY AND COMPLICATIONS IN RESOLVING SMALL, NON-EMPLOYMENT MATTERS ASSERTED AGAINST THE SAN ANTONIO HOUSING FACILITY CORPORATION**

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David Nisivoccia
President and CEO

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Timothy E. Alcott
Real Estate and Legal Services Officer

REQUESTED ACTION:

Consideration and appropriate action regarding Resolution 19FAC-03-21, authorizing the Secretary/Treasurer to negotiate and enter into settlements on behalf of the San Antonio Housing Facility Corporation in certain limited circumstances and within certain parameters as described herein to eliminate unnecessary delay and complications in resolving small, non-employment matters asserted against the San Antonio Housing Facility Corporation.

FINANCIAL IMPACT:

There is no additional cost or financial impact to the San Antonio Housing Facility Corporation as this procedure will merely streamline approvals required for settlements that would require Board of Director approval. Additionally, in certain circumstances, the increased speed to resolve small, non-employment matters may reduce additional attorney time and expense in handling the matter pending delays associated with seeking Board approvals.

SUMMARY:

This request would authorize the Secretary/Treasurer to negotiate and enter into settlements on behalf of the San Antonio Housing Facility Corporation involving non-employment matters where third parties assert claims or pursue litigation of any kind that the Secretary/Treasurer can resolve for no more than \$10,000.00 per matter, regardless of the number of claims, lawsuits, etc. involved in the matter and regardless of the number of third parties bringing such claims, lawsuits, etc. The Secretary/Treasurer will ensure that the Board of Directors is informed at least monthly of all settlements the Secretary/Treasurer has concluded for that time period. These settlements will also be included in the Litigation Update presented to the Board of Directors on a quarterly basis.

Occasionally, a third party may bring a non-employment claim or lawsuit of some kind against the San Antonio Housing Facility Corporation. Sometimes such a claim may be small in size or the claim can be resolved rather quickly and at a low cost (i.e., for no more than \$10,000.00). When a small settlement is possible; however, the Secretary/Treasurer must obtain formal approval from the Board of Directors, as only the Board can approve settlements of any kind. Approving this

SAN ANTONIO HOUSING FACILITY CORPORATION

April 4, 2019

resolution will simplify and streamline the approval process for such small non-employment settlements. This resolution, however, does not seek authority for employment claims or for large claims of any kind over \$10,000.00, as the Board should retain such authority for purposes of maintaining adequate oversight over the nature of employment claims and large claims of any kind over \$10,000.00.

STRATEGIC GOAL:

Transform core operations to be a high performing and financially strong organization.

ATTACHMENT:

Resolution 19FAC-03-21

**San Antonio Housing Facility Corporation
Resolution 19FAC-03-21**

RESOLUTION 19FAC-03-21, AUTHORIZING THE SECRETARY/TREASURER TO NEGOTIATE AND ENTER INTO SETTLEMENTS ON BEHALF OF THE SAN ANTONIO HOUSING FACILITY CORPORATION IN CERTAIN LIMITED CIRCUMSTANCES AND WITHIN CERTAIN PARAMETERS AS DESCRIBED HEREIN TO ELIMINATE UNNECESSARY DELAY AND COMPLICATIONS IN RESOLVING SMALL, NON-EMPLOYMENT MATTERS ASSERTED AGAINST THE SAN ANTONIO HOUSING FACILITY CORPORATION

WHEREAS, third parties may bring non-employment claims or lawsuits of some kind against the San Antonio Housing Facility Corporation; and

WHEREAS, such non-employment claims may be for amounts up to \$10,000.00 or can be easily and promptly resolved for up to \$10,000.00, if the Secretary/Treasurer is empowered to negotiate and settle such small non-employment claims; and

WHEREAS, only the Board of Directors is authorized to approve settlements of such claims, and obtaining such approvals can introduce delays that may complicate securing such settlements at a low cost; and

WHEREAS, the Board of Directors finds that authorizing the Secretary/Treasurer to settle such claims is in the interest of the San Antonio Housing Facility Corporation; and

WHEREAS, the increased speed to resolve small, non-employment matters may reduce additional attorney time and expense in handling the matter pending delays associated with seeking Board approvals; and

WHEREAS, there is no additional cost or financial impact to the San Antonio Housing Facility Corporation, as this procedure will merely streamline approvals required for settlements that would require Board approval.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the San Antonio Housing Facility Corporation hereby:

- 1) Approves Resolution 19FAC-03-21, authorizing the Secretary/Treasurer to negotiate and enter into settlements on behalf of the San Antonio Housing Facility Corporation involving non-employment matters where third parties assert claims or pursue litigation of any kind that the Secretary/Treasurer can resolve for no more than \$10,000.00 per matter regardless of the number of claims, lawsuits, etc. involved in the matter and regardless of the number of third parties bringing such claims, lawsuits, etc.
- 2) The Secretary/Treasurer will ensure that the Board of Directors is informed at least monthly of all settlements the Secretary/Treasurer has concluded for that time period.

These settlements will also be included in the Litigation Update presented to the Board of Directors on a quarterly basis.

- 3) The Secretary/Treasurer will ensure that the Board of Directors will continue to approve all employment settlements and all settlements of more than \$10,000.00 involving claims of any kind.

Passed and approved the 4th day of April, 2019.

Morris A. Stribling, DPM
Chair, Board of Directors

Attested and approved as to form:

David Nisivoccia
Secretary/Treasurer