



REAL ESTATE DEVELOPMENT COMMITTEE MEETING FEBRUARY 18, 2021

**BOARD OF COMMISSIONERS**Dr. Ana "Cha" Guzmán
ChairJessica Weaver
Vice ChairOlga Kauffman
CommissionerGabriel Lopez
CommissionerIgnacio Perez
CommissionerRuth Rodriguez
Commissioner**INTERIM PRESIDENT & CEO**

Ed Hinojosa, Jr.

SAN ANTONIO HOUSING AUTHORITY
REAL ESTATE DEVELOPMENT COMMITTEE or
****SPECIAL BOARD MEETING**
TELECONFERENCE

Call In Phone Number: (346) 248-7799
Meeting ID: 93839434337# Passcode: 654170#
2:00 p.m., Thursday, February 18, 2021

The Board of Commissioners will convene for a Committee, or Special Board meeting, by teleconference, for discussion on the following matters:

MEETING CALLED TO ORDER

1. The Board of Commissioners or its Committee 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 or Committee reserves the right to enter into closed meeting at any time, during the course of the meeting.

PUBLIC COMMENT

2. Public Comment - Citizens are provided up to three minutes each to speak to any agenda items. Citizens wishing to speak to items posted on the agenda should access Phone Number: **(346) 248-7799** and enter Meeting ID: **93839434337#** Passcode: **654170#**, prior to **2:00 p.m.**

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.

INDIVIDUAL ITEMS FOR DISCUSSION

3. Update and discussion regarding the Texas Legislative 87th Session Bills (Timothy E. Alcott, Chief Legal and Real Estate Officer; Nadia Islam, Intergovernmental and External Relations Manager)
4. Closed Session:
Real Estate/Consultation with Attorney
 Deliberate the management, purchase, exchange, lease or value of certain real properties and obtain legal advice regarding related legal issues pursuant to Texas Government Code Sec. 551.072 (real property) and Texas Government Code Sec. 551.071 (consultation with attorney).
 - Consultation with attorney regarding Victoria Commons
 - Consultation with attorney regarding the restructure of Costa Almadena partnership

- Consultation with attorney regarding acquisition of limited partnership interests in Costa Valencia

RESOURCE PROVIDED

- Schedule of Units Under Development

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 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.

**Note: If a quorum of the Board of Commissioners attends the Committee Meeting, this meeting becomes a Special Meeting of the Board, but no Board action will be taken other than recommendations to the full Board, unless the full Board is present.

SAN ANTONIO HOUSING AUTHORITY

February 18, 2021

MEMORANDUM

To: Real Estate Development Committee

From: Ed Hinojosa, Jr., Interim President and CEO

Presented by: Timothy E. Alcott, Chief Legal and Real Estate Officer
Nadia Islam, Intergovernmental and External Relations Manager

RE: Submitted Legislation Update for 87th Texas Legislative Session

DS
EHJ

SUMMARY:

The Texas Legislature meets every odd-numbered year to write and pass new legislation. This year there are two bills that SAHA has taken the initiative on passing this year. They are the following:

1. Right of First Refusal

Status: Submitted in the Senate by Senator Nathan Johnson, SB 403

<https://capitol.texas.gov/BillLookup/History.aspx?LegSess=87R&Bill=SB403>

SAHA proposed this same bill at the last session and it had no opposition. The bill passed in the Senate, but got caught in calendars in the House.

When affordable housing tax credit developments are sold they are subject to a 180-day Right of First Refusal period, during which time organizations that will continue to run the development as an affordable housing development are the only eligible purchasers.

Only Community Housing Development Organizations may purchase an offered property within the first 60 days of the ROFR period.

This bill proposes to waive the 180-day waiting period for Public Housing Authorities in the very specific case where the PHA, that is the owner of the land that the development up for sale is on, wishes to purchase the development.

This does not expand affordable housing developments, but it reduces the waiting time so that the PHA can use the best available financing options in a timely manner.

2. Previous Participation Codes and Evaluations

Status: Submitted in the House by Representative Barbara Gervin-Hawkins, HB 1261

<https://capitol.texas.gov/tlodocs/87R/billtext/html/HB01261.htm>

This bill will include language in the Texas Government Code Sec. 2306.6710 concerning Evaluation and Underwriting of tax credit applications. SAHA's proposed language will

SAN ANTONIO HOUSING AUTHORITY

February 18, 2021

ensure SAHA and other entities like ours do not get demerits for non-compliance issues at properties not under our tax credit compliance control.

PROPOSED ACTION:

None at this time.

FINANCIAL IMPACT:

SAHA earns developer fees as part of any new construction project. HB 1261 ensures that SAHA will be able to continue to develop new affordable housing if there is an event of non-compliance due to no fault of SAHA. With SB 403, there may be cost savings when a property is refinanced, because of timing with interest rates.

STRATEGIC GOAL:

Strategically expand the supply of affordable housing.

ATTACHMENTS:

S.B. No. 403

H.B. No. 1261

By: Gervin-Hawkins

H.B. No. 1261

A BILL TO BE ENTITLED
AN ACT

relating to a compliance history assessment made for purposes of allocating certain financial assistance administered by the Texas Department of Housing and Community Affairs.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 2306.057, Government Code, is amended by amending Subsection (c) and adding Subsection (e) to read as follows:

(c) The board shall fully document and disclose any instances in which the board approves a project application despite any noncompliance associated with the project, applicant, or affiliate that is reported by the department under Subsection (a)(2).

(e) For a project application seeking financial assistance administered through the department's multifamily housing programs, the department may not include in the report provided under Subsection (a)(2) any instance of noncompliance associated with a project of the applicant or affiliate of the applicant if the applicant or affiliate has submitted documentation, in a format acceptable to the department, demonstrating that the responsibility for project compliance was delegated to another participant in the project, including, if applicable, a related party as defined by Section 2306.6702.

SECTION 2. The change in law made by this Act in amending Section 2306.057, Government Code, applies only to an application for financial assistance that is submitted to the Texas Department of Housing and Community Affairs on or after January 1, 2022. An application for financial assistance that is submitted to the department before January 1, 2022, is governed by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

SECTION 3. This Act takes effect September 1, 2021.

By: Johnson

S.B. No. 403

A BILL TO BE ENTITLED

AN ACT

relating to a right of first refusal applicable to the sale of housing developments that have received certain financial assistance administered by the Texas Department of Housing and Community Affairs.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 2306.6726(b), Government Code, is amended to read as follows:

(b) The owner of a development subject to a right of first refusal under Section 2306.6725 may:

(1) during the first 60-day period after notice is provided under Subsection (a-1), negotiate or enter into a purchase agreement only with a qualified entity that is:

(A) a community housing development organization as defined by the federal HOME investment partnership program; ~~or~~

(B) if the authority or the corporation owns the fee title to the development owner's leasehold estate:

(i) a public housing authority; or

(ii) a public facility corporation created by a public housing authority under Chapter 303, Local Government Code; or

(C) controlled by an entity described by Paragraph (A) or (B);

(2) during the second 60-day period after notice is

S.B. No. 403

1 provided under Subsection (a-1), negotiate or enter into a purchase
2 agreement with a qualified entity that:

- 3 (A) is described by Section 2306.6706;
 - 4 (B) is controlled by an entity described by
5 Paragraph (A); or
 - 6 (C) is a tenant organization; and
- 7 (3) during the last 60-day period after notice is
8 provided under Subsection (a-1), negotiate or enter into a purchase
9 agreement with any other qualified entity.

10 SECTION 2. Section 2306.6726, Government Code, as amended
11 by this Act, applies to the sale of a development supported with an
12 allocation of low income housing tax credits issued before, on, or
13 after the effective date of this Act.

14 SECTION 3. This Act takes effect September 1, 2021.

				Est Closing					Income Mix						
Project Name	District	Developer	Financing	Date	TotalDevCost		# Units	PH	30%	40%	50%	60%	70%	80%	Market
Financing Closed (under Construction)															
1604 Lofts	D2	NRP	4% Tax Credits & Bonds	Closed	\$56,663,651		324		33		0	224		67	0
Aspire at Tampico*	D5	Mission DG	4% Tax Credits & Bonds	Closed	\$33,392,549		200		9	10	18	70	20	9	64
Trader Flats (The Scott)	D4	NRP	4% Tax Credits & Bonds	Closed	\$56,012,579		324		33		0	224		67	0
Artisan at Ruiz	D1	Franklin	9% Tax Credits	Closed	\$21,165,791		102		11		41	50		0	0
Majestic Ranch	D7	Hogan	4% Tax Credits & Bonds	Closed	\$46,084,260		288		0		0	288		0	0
Culebra Crossing	D6	Lynd	HUD 221(d)(4)	Closed	\$50,123,889		327		0		0	0		164	163
Mira Vista	D7	Hogan	4% Tax Credits & Bonds	Closed	\$45,296,164		312		0		0	312		0	0
Kitty Hawk Flats	Converse	NRP	4% Tax Credits & Bonds	Closed	\$40,503,098		212		22		0	135	55		0
Legacy at Alazan*	D5	NRP	9% Tax Credits	Closed	\$19,155,261		88	40				40		0	8
100 Labor	D1	Franklin	HUD 221(d)(4)	Closed	\$52,302,614		213		27		17	0		0	169
Total					\$420,699,856		2390	40	135	10	76	1343	75	307	404
Board Has Approved															
Board Provided Final Approval															
St. John's Square	D1	Weal	4% Tax Credits & Bonds	Pending New Bond Reservation	\$71,547,459		252		0		54	0		0	198
Potranco	D4	Lynd	Conventional Loan	Pending	\$50,945,546		360		0		0	36		144	180
Josephine	D1	Lynd	Conventional Loan	Pending	\$61,339,167		259		0		0	26		104	129
Total					\$183,832,172		871		0	0	54	62	0	248	507
Board Approved Bond Inducement															
Watson Road	D4	NRP	4% Tax Credits & Bonds	4/2021	\$59,925,939		348			18	18	294	18	0	0
Copernicus	D2	NRP	4% Tax Credits & Bonds	4/2021	\$56,064,279		318			17	17	267	17	0	0
Old Pearsall Flats	D4	Streamline	4% Tax Credits & Bonds	Pending-has 3 yr carryforward	\$52,501,266		348		34	26	20	200	68	0	0
Bristol at Somerset	D4	Poppoon	4% Tax Credit & Bonds	Pending	\$56,048,000		336		0	0	0	336	0	0	0
The Granada	D1	Mission DG	4% Tax Credit & Bonds	Pending	\$51,000,000		249		137	45	14	TBD		TBD	TBD
Artisan at Springview*	D2	Franklin	4% Tax Credits & Bonds	Pending	\$57,000,000		305		31		0	274		0	0
Total					\$332,539,484		1904		202	106	69	1371	103	0	0
Board Approved the Developer															
Victoria Courts Midrise*	D1	Catellus	TBD	Pending			TBD		TBD		TBD	TBD		TBD	TBD
Victoria Courts Townhomes*	D1	Catellus	TBD	Pending			TBD		TBD		TBD	TBD		TBD	TBD
Horizon Pointe	D2	Integrated Realty Group	4% Tax Credits & Bonds	Pending	\$55,303,666		312		20	35	106	0	151	0	0
Snowden Road*	D7	SAHA	9% Tax Credits	Pending	\$21,517,120		135					135			
Fiesta Trails	D8	NRP	9% Tax Credits	Pending	\$20,389,133		74		7		39	28			
Total					\$97,209,919		521		27	35	145	163	151	0	0
Pending Board Consideration															
Alazan Courts*	D5	TBD	TBD	Pending Board Consideration											
Flores	D1	Mission DG	TBD	Pending Board Consideration			403		46		61	0	75	61	160
Total					\$0		403	0	46	0	61	0	75	61	160
Grand Total					\$1,034,281,431		6,089	40	410	151	405	2,939	404	616	1,071
*SAHA owned land															

								SALES PROFILE							
#	Address	House Plan	Sq. Ft	BR/B	Final Building Costs 1-26-2018 [1]	Bldng Cost Sq Ft	"AS IF" Appraisal [2]	List Price	Sales Price	SAHA Closing Costs & Fees	SAHA Net	Subsidy [3]	Closing Date	Post Appraisal Value	Days On Market [4]
#	Address	House Plan	Sq. Ft	BR/B	Final Building Costs 1-26-2018 [1]	Bldng Cost Sq Ft	"AS IF" Appraisal [2]	List Price	Sales Price	SAHA Closing Costs & Fees	SAHA Net	Subsidy [3]	Closing Date	Post Appraisal Value	Days On Market [4]
HOPE VI MIRASOL-VILLAS DE FORTUNA (28)															
1	402 PRECIOUS	E Plan 1481	1,481	3BR/2B	\$ 160,489.00	\$ 108.37									
2	410 PRECIOUS	A Plan 1104	1,104	2BR/2B	\$ 143,023.00	\$ 129.55									
3	411 PRECIOUS	D Plan 1358	1,358	3BR/2B	\$ 158,195.00	\$ 116.49									
4	418 PRECIOUS	B Plan 1145	1,145	2BR/2B	\$ 144,243.00	\$ 125.98									
5	423 PRECIOUS	C Plan 1268	1,268	3BR/2B	\$ 151,557.00	\$ 119.52									
6	427 PRECIOUS	D Plan 1358	1,358	3BR/2B	\$ 158,195.00	\$ 116.49									
7	439 PRECIOUS	E Plan 1481	1,481	3BR/2B	\$ 160,489.00	\$ 108.37									
8	440 PRECIOUS	C Plan 1268	1,268	3BR/2B	\$ 151,557.00	\$ 119.52									
9	443 PRECIOUS														
10	444 PRECIOUS	A Plan 1104	1,104	2BR/2B	\$ 143,023.00	\$ 129.55									
11	447 PRECIOUS														
12	448 PRECIOUS														
13	452 PRECIOUS														
14	455 PRECIOUS														
15	458 PRECIOUS														
16	459 PRECIOUS														
17	462 PRECIOUS														
18	463 PRECIOUS														
19	467 PRECIOUS														
20	470 PRECIOUS														
21	471 PRECIOUS														
22	475 PRECIOUS														
23	503 PRECIOUS														
24	506 PRECIOUS														
25	507 PRECIOUS														
26	514 PRECIOUS														
27	518 PRECIOUS														
28	519 PRECIOUS														
HOPE VI MIRASOL-PALM LAKE (11)															
1	602 VILLA LINDA														
2	606 VILLA LINDA														
3	610 VILLA LINDA														
4	611 VILLA LINDA														
5	614 VILLA LINDA														
6	615 VILLA LINDA														

								SALES PROFILE							
#	Address	House Plan	Sq. Ft	BR/B	Final Building Costs 1-26-2018 [1]	Bldng Cost Sq Ft	"AS IF" Appraisal [2]	List Price	Sales Price	SAHA Closing Costs & Fees	SAHA Net	Subsidy [3]	Closing Date	Post Appraisal Value	Days On Market [4]
7	618 VILLA LINDA														
8	619 VILLA LINDA														
9	623 VILLA LINDA														
10	311 VILLA ROSA														
11	315 VILLA ROSA														
HOPE VI MIRASOL-SUNFLOWER (9)															
1	1502 VILLA FLORES														
2	1506 VILLA FLORES														
3	1507 VILLA FLORES														
4	1515 VILLA FLORES														
5	1518 VILLA FLORES														
6	1519 VILLA FLORES														
7	1523 VILLA FLORES														
8	1710 VILLA PLACER														
9	1714 VILLA PLACER														

[1] Based on David Casso Final Draw for PSWR#1 spreadsheet "Blueridge Cost Sheet ref PSWR#1 from Contract Exhibit CO #1-2-14-18"

[2] Prepared by Noble & Associates in Aug 2017.

[3] Closing Costs & Fees were budgeted in the HOPE VI Amendment to the Grant. This represents Construction costs minus Sales Price.

[4] Day the property was listed minus the date of closing.