CITY OF SAN ANTONIO
Interdepartmental Correspondence Sheet
Neighborhood Action Department

TO: Mayor and City Council

THRU: Terry M. Brechtel, City Manager

FROM: David D. Garza, Director of Neighborhood Action

COPIES: Jelynne LeBlanc Burley, Assistant City Manager; Milo Nitschke, Finance Director; Andrew Cameron, Housing and Community Development Director; File

SUBJECT: REVISIONS TO DOCUMENTS GOVERNING THE CITY OF SAN ANTONIO HOUSING TRUST

DATE: September 23, 2004

SUMMARY AND RECOMMENDATION

This ordinance approves revisions to the Declaration of Trust for the City of San Antonio Housing Trust established in 1988 and revisions to the Final Rules and Regulations for the Operations of the San Antonio Housing Trust (the “Trust”) as recommended by the San Antonio Housing Trust Board of Trustees by Resolution T0408-01 approved on August 16, 2004.

Staff recommends approval.

BACKGROUND

The City of San Antonio created the San Antonio Housing Trust Fund in 1988 with a corpus of $10 million. Interest earned from the corpus and repayments of loans supports the administrative services contract with the San Antonio Housing Trust Foundation, Inc. (SAHTF) and capitalizes the funding rounds for housing projects.

The Declaration of Trust details the purpose of the Trust, the distribution and use of Trust Funds and the oversight and governing structure for the Trust. The purpose of the Declaration is to 1) provide additional and continuing housing opportunities for low and moderate income families, 2) promote the public health, safety, convenience and welfare by mitigating the extent to which San Antonio’s low and moderate income households are able to afford safe, decent and sanitary housing, and 3) revitalize neighborhoods and downtown through appropriate housing activities. The body which governs the Trust is the Board of Trustees which is composed of 11 members appointed by the Mayor and City Council. The Board members serve two-year terms with a maximum of three consecutive terms.
The San Antonio Housing Trust Board of Trustees conducted a planning retreat in January 2004 which included various housing partners. Revisions to the Declaration of Trust and Rules and Regulations for the Operations of the Housing Trust were determined to be a priority for the Board. Composed of four members of the Board, the Trust Oversight Committee has been working with City staff to review and propose revisions for the documents which govern the City of San Antonio Housing Trust. The following are the proposed revisions for each of the documents:

Declaration of Trust

- Redefines downtown so that the definition is consistent with the one described in the City’s Incentive Scorecard System
- Eliminates the two advisory committees to the Board (downtown and neighborhoods) since the members have not been appointed since 1992
- Allows the disbursement of Trust Funds from the San Antonio Housing Trust Finance Corporation instead of the former Texas Housing Agency (now Texas Department of Housing and Community Affairs)
- Authorizes the appointment of an Assistant Secretary to the Board which will have the powers and duties of the Secretary in their absence
- Redefines a quorum of the Board by providing a majority of the Board to constitute a quorum rather than the current requirement of six members

Final Rules and Regulations for the Operations of the San Antonio Housing Trust

- Clarifies “affordable housing” definition so that it is consistent with the City’s definition as approved by the City Council
- Redefines downtown to be consistent with the City’s definition as detailed in the Incentive Scorecard System
- Expands the operating areas to allow for funding of projects within the city limits, not only within Loop 410
- Eliminates the authority of the Board of Trustees to designate an Executive Committee, but maintains the ability of the Board to create Committees by a majority of the Board
- Add the position of Assistant Secretary to the Board to serve in the absence of the Secretary
- Delineates staffing of the Housing Trust to be the San Antonio Housing Trust Foundation, Inc. pursuant to the administrative contract approved by the City Council
- Eliminates the Downtown and Neighborhoods Advisory Committees
- Authorizes 1% annually of the loan portfolio managed by the Housing Trust Foundation to be used for a Loan Loss Reserve Fund for offsetting losses; the remainder of Trust proceeds will be returned to the Trust corpus which will fund administrative services and future funding rounds
- Limits the time period from which funds will be available upon approval of the award of a project to be two years from the execution date of the contract
POLICY ANALYSIS

The City Council is required to approve any recommended changes to documents which govern the San Antonio Housing Trust. The Declaration of Trust and the Final Rules and Regulations for the Operations of the San Antonio Housing Trust have been previously amended. The redlined changes are included as Attachment A and B for the documents mentioned above. The San Antonio Housing Trust Board of Trustees is recommending approval for these revisions.

FINANCIAL IMPACT

There is no financial impact with this item.

COORDINATION

This item has been coordinated with the Finance Department and the City Attorney’s Office. The Board of the San Antonio Housing Trust Foundation, Inc. approved this item at their August 16, 2004 meeting (Resolution T0408-01). The City Council Urban Affairs Committee also reviewed this item on September 13, 2004 and recommended consideration by the City Council.

David D. Garza, Director
Neighborhood Action Department

Joyanne LeBlanc Burley
Assistant City Manager

Terry M. Brechtel
City Manager
ATTACHMENT A

DECLARATION OF TRUST

CITY OF SAN ANTONIO HOUSING TRUST

The City Manager of the City of San Antonio hereby declares that he has received on behalf of the City of San Antonio Housing Trust ("Trust"), One Dollar ($1.00) from a donor, whose name, together with the names of all other donors to this Trust and the amounts contributed by each, shall be kept by him as Trustees as part of the Trust's permanent records, and that he shall hold said contribution and all other amounts paid to him hereunder, for uses and purposes, and subject to the duties and powers herein set forth.
ARTICLE I

NAME AND PURPOSE

Section 1.1 Name

The Trust shall be known as the City of San Antonio Housing Trust. Its principal office and address shall be: Office of the Finance Director, City of San Antonio, P.O. Box 839966, San Antonio, Texas 78283-3966. Administrative offices of the Trust may be designated by resolution of the Board of Trustees, upon the approval of City Council, for the operation of the Trust at such offices or addresses as the Board of Trustees and City Council deems appropriate for the efficient and effective administration of the Trust.

Amended by Resolution No. 89-1101 (November 30, 1989) and approved by Ordinance No. 70730 (December 7, 1989)

Section 1.2 Purpose

It is established that the primary purposes and goals of this Trust are to provide additional and continuing housing opportunities for low and moderate income families; to promote the public health, safety, convenience and welfare by mitigating the extent to which San Antonio’s low and moderate income households are unable to afford decent, safe and sanitary housing within the City of San Antonio; and to revitalize neighborhood and downtown through appropriate housing activities. This effort will include the acquisition of land required to further the goals of the Trust, new housing development, infrastructure development, gap financing, homeowner incentive, rehabilitation and/or reconfiguration of existing units and conversion of non residential use to residential. In addition, housing solutions addressing the needs of the elderly, handicapped and homeless are to be encouraged through expenditures of the Fund.

Any housing to be created or retained may be a part of any housing development or rehabilitation that promotes the safety, health, morals or welfare of the residents of the City of San Antonio.

All Trust property, including trust funds, and all earnings, principal and income of trust funds (such funds may sometimes hereinafter be referred to as “Trust Funds”) shall be used only for housing development or rehabilitation, restricted herein, within the City of San Antonio, and no part of the Trust property shall inure to the benefit of any private individual except as herein provided.

Amended by Resolution No. T0408-01 (August 16, 2004) and approved by Ordinance No. (September 23, 2004).
This Trust shall not operate for the purpose of carrying on a trade or business for profit. This Trust shall not take part in any political campaign on behalf of any candidate for public office, and no portion of the Trust funds shall be expended on any attempt to influence legislation.

As used in this instrument, “low and moderate income residents of the City of San Antonio” shall mean households located in the City of San Antonio whose total gross annual income is not more than eighty percent (80%) of the median income for the San Antonio area as set forth in regulations promulgated from time to time by the United States Department of Housing and Urban Development (“HUD”) pursuant to the Housing and Community Development Act of 1974, as amended. “Moderate and middle income residents” shall mean households located in the City of San Antonio whose total gross annual income is greater than eighty percent (80%) but does not exceed one hundred twenty percent (120%) of the median income for the San Antonio area as set forth in regulations promulgated from time to time by HUD pursuant to the Housing and Community Development Act of 1974, as amended. In the event that HUD ceases to promulgate such regulations, the Trustees (as hereinafter defined) shall adopt and promulgate a comparable and substitute definition of “low and moderate income residents of the City of San Antonio,” and “moderate to middle income residents of the City of San Antonio.”

It is further defined that:

(1) Any interest seeking Trust participation for the construction of single-family homes must make a majority of such units available for moderate to middle income persons (80-120% of median).

Amended by Resolution No. T01-1001 (October 8, 2001) and approved by Ordinance No. 95273 (February 7, 2002).

(2) It will be the goal of the Trust that at least 35% of the aggregate number of units in downtown Trust-assisted projects serve persons at incomes 120% of median or below. If this goal has not yet been realized, individual projects may qualify for trust assistance if 20% of the units are made available to persons with income 80% of median or below. The Board of Trustees will make an assessment of these stated individual and overall project goals every 3 years.

(3) No more than 30% of Trust funds may be committed to downtown housing efforts in a single funding round. For purposes of geographical identification, Housing Trust Funds will be targeted for those projects proposed inside of Loop 410 and referred to as inner city neighborhoods and downtown. For the purposes of this Ordinance, downtown is geographically identified in the City of San Antonio’s incentive scorecard system as starting at the intersection of Salado and El Paso Streets; north on Salado to its intersection with Frio Street; thence northeast in a
straight line to the intersection of IH-10 and Cadwalader; south on IH-10 to IH-35; northeast on IH-35 to a perpendicular point connecting with Cherry Street; south on Cherry Street to Durango Boulevard; west on Durango to the San Antonio River; south along the San Antonio River to Arsenal Street; west on Arsenal to El Paso Street; and then west on El Paso to Salado as being that area bounded on the west by Santa Rosa; on the north by West Martin, Main, IH-35, Lexington via Avenue A to McCullough 5th; bounded on the east by 37; and on the south by Durango.

Amended by Resolution No. T0408-01 (August 16, 2004) and approved by Ordinance No.__________ (September 23, 2004).

ARTICLE II

DISTRIBUTION AND USE OF PRINCIPAL AND INCOME-TRUST FUNDS

Section 2.1 Method

Notwithstanding any other article, term or provision of this declaration of trust or any other governing documents including but not limited to any bylaws, resolutions, rules and regulations or articles of incorporation, to the contrary, all distributions to projects of Trust Funds, or any portion thereof, both principal and income, as defined herein shall be made upon a majority vote of the Trustees and upon final review and approval by a majority vote of the City Council.

Amended by Resolution No. T0408-01 (August 16, 2004) and approved by Ordinance No.__________ (September 23, 2004).

Section 2.2 Distributable Amount

During each year, the Trustees may disburse to projects as grants or secured loans an amount equal to the net annual income of the Trust plus so much of the principal as the Trustees in their discretion may deem to be in the best interest of the Trust.

Section 2.3 Purposes of Distributions

All distributions or disbursements of the Trust shall be made only for the purposes set forth in Article I of this Declaration of Trust.

Section 2.4 Methods of Disbursements

Funds for projects may be disbursed to individuals and private or public, profit or not-for-profit development entities, in the form of grants, secured loans or in such other manner
as the Trustees may deem necessary and appropriate to accomplish the purposes of the Trust. Prior to accepting any request for funds, the Trustees shall develop and obtain City Council approval of written rules and regulations OR any amendments thereto, and shall obtain City Council approval thereof, for evaluating applications to the Trust and for no other purpose. A copy of such rules and regulations and amendments, if any, shall be filed with the City Clerk of the City of San Antonio.

Amended by Resolution No. T0408-01 (August 16, 2004) and approved by Ordinance No. (September 23, 2004).

Section 2.4.1 Local—Initiative—Focused—Rate—Mortgage—Program Mortgage Revenue Bond Program

Prior to the approval or of written rules and regulations by the Board of Trustees and City Council, the Board of Trustees may disburse Trust funds in up to the amount of one percent of the approved mortgage allocation as a commitment fee to pay the Texas Housing Agency San Antonio Housing Trust Finance Corporation, to enable the City of San Antonio to sponsor a Local—Initiative—Focused—Rate—Mortgage Revenue Bond Program through the Texas Housing Agency. The resolution of the Board of Trustees to sponsor a Local—Initiative—Focused—Rate—Mortgage Revenue Bond Program must be approved by City Council.

Board of Trustees may enter into non-pecuniary agreements with other public agencies, participating lenders and real estate brokers to collaborate on marketing, referrals and the provision of housing counseling services under a Local—Initiative—Focused—Rate—Mortgage Revenue Bond Program.

Amended by Resolution No. 89-0801 (August 30, 1989) and approved by Ordinance No. 70730 (December 7, 1989)

Amended by Resolution No. T0408-01 (August 16, 2004) and approved by Ordinance No. (September 23, 2004).

Section 2.4.2 Comprehensive Housing Study

Upon finding in the best interest and within the exclusive purposes of the Trust, the Board of Trustees may authorize the use of fund from the interest income of the Trust principal to support a comprehensive housing study under the aegis of the Housing Master Plan Task Force for the City of San Antonio and the City of San Antonio Trust.

Amended by Resolution No. 90-0601 (January 20, 1990) and approved by Ordinance No. 71832 (July 5, 1990).
Section 2.5  Limitation

The Trustees shall not engage in any activity and shall not disburse any funds, except in a manner consistent with the requirements of the Internal Revenue Code of 1954, as amended (the “Code”), or any similar provisions of subsequent revenue acts as they may pertain to entities organized and operating exclusively for charitable purposes, and in a manner consistent with the laws of Texas.

Section 2.6  Funding Exclusions

The following shall not be used as sources of funding for the Trust:

(a).  A transfer tax paid by sellers of real property at closing;

(b).  Interest in escrow accounts;

(c).  Increased permit fees for remodeling, development and inspection.

ARTICLE III

BOARD OF TRUSTEES

Section 3.1  Composition

The Board of Trustees (the “Board”) shall consist of eleven (11) members (the “Trustees”) who shall serve in a fiduciary capacity without compensation; provided, however, that each Trustee may be reimbursed for all expenses reasonably incurred by them in the performance of their duties. The eleven individuals will be designated by the City Council of San Antonio and shall, to the extent possible, be reflective of the demographic and ethnic composition of the City and shall have expertise and/or experience in law, real estate, rehabilitation, housing, finance, neighborhood and downtown development, and shall be familiar with the housing needs of low or moderate income residents of the City of San Antonio. In addition, there shall be two advisory committees to the Board, one for neighborhoods and one for downtown, composed of fifteen (15) members representing a cross section of community housing providers and users. Committee members shall be appointed by the City Council and shall function in an advisory capacity to the Board of Trustees. These committees shall have no role in the evaluation, review or approval process of projects; rather, these committees are to be development-oriented and will advise on housing needs, priorities and solutions.

An Assistant Secretary will be appointed and SAID Secretary will have the power and duty of the Secretary’s office but only in the Secretary’s absence, in affixing the corporate seal to any instrument requiring it and attesting the same by his or her signature.
when authorized by the Board of Trustees or after the instrument has been signed by the
Chair, a Vice Chair or other authorized officer or agent.

Amended by Resolution No. T0408-01 (August 16, 2004) and approved by Ordinance No.
(September 23, 2004).

Section 3.2 Term

The term of the office of each Trustee shall be two (2) years and shall expire on the last
day of May in each odd numbered years. Each Trustee may serve a maximum of three
(3) consecutive terms. Should any Trustee fail to attend two (2) consecutive quarterly
meetings, he or she shall be deemed to have voluntarily vacated his or her office as
Trustee. In the event that any Trustee shall vacate his or her office, withdraw, resign, die,
be removed, become incapacitated, or cease to hold such position without his or her
assuming office, a substitute Trustee shall be appointed by the City Council in
accordance with the applicable City rules concerning the unexpired portion of such
Trustee’s term.

Section 3.2.1 Fiduciary Responsibility

The Trustee’s powers are exercisable solely in their fiduciary capacity consistent
with and in furtherance of purposes specified in Section 1.2 and not otherwise.

Section 3.3 Managing Trustee

The Finance Director of the City of San Antonio shall serve as Ex Officio Trustee. The
Finance Director shall be responsible for maintaining and any financial and other records
of the Trust and administering the Trust property for the purpose of preserving or
enhancing the Trust property, with all the rights and privileges pertaining to Trust
management which are granted to a Trustee by the law of the State of Texas, unless
otherwise restricted by the terms of this Trust.

Section 3.3.1 Administration

The administration and management of the operations of the City of San Antonio
Housing Trust and the staff support of the Board of Trustees will be provided by
the San Antonio Housing Trust Foundation, Inc. The unawarded funds and other
property of the Trust will be administered by the Managing Trustee in the
capacity of the Finance Director of the City of San Antonio. The San Antonio
Housing Trust Foundation, Inc. may contract with the City of San Antonio to
receive general funds or other City related funding to support its operations and
may contract or subcontract with any other public or private entity to receive
funds or provide services in the best interests of the Trust. The San Antonio
Housing Trust Foundation, Inc. will—may designate a principal officer or
employee to serve as the assistant secretary of the Board of Trustees, in the
absence of the Secretary of the Board of Trustees, to record the proceedings of
meetings and other activities of the Trust and maintain records, books, documents,
and paper produced or filed with the Trust.

Amended by Resolution No. 90-0801 (August 15, 1990) and approved by
Ordinance No. 72563 (November 1, 1990)

Amended by Resolution No. T0408-01 (August 16, 2004) and approved by
Ordinance No. (September 23, 2004).

Section 3.3.2 Trustees Powers

In extension and not in limitation of the common law and statutory powers of
trustees and other powers and limitations set forth in this Declaration of Trust,
Trustees shall have the following discretionary powers:

(a) To receive and accept property, whether real or personal, by gift, grant,
device, appropriation, or transfer from any person, firm trust, corporation,
or other public or private entity, including, without limitation, grants of
funds payable in connection with any Housing Payment Exaction,
Housing Contribution, or Housing Creation Contribution pursuant to the
San Antonio Zoning Code, to be held, administered, and disposed of in
accordance with the provisions of the Trust; provided, however, that no
gift, grant, devise, or transfer of property shall be received and accepted if
it is so conditioned, in the opinion of the Trustees, as to jeopardize the
federal income tax exemption of this Trust under Section 501(c) (3) of the
Code, as now in force or hereafter amended.

(b) To buy, sell, exchange, transfer, or convey any of the Trust property upon
such terms and conditions, and such manner and form as the Trustees shall
determine, to execute, acknowledge, deliver, and record any contract
or other instrument related to the Trust property which Trustees may deem
necessary or appropriate.

(c) For accounting proposes only, to determine to what extent money and
other property coming into the Trust’s possession shall be deemed
principal or income, and to apportion the same between principal and
income as determined by the Trustees.

(d) To borrow money for such periods, at such rate of interest, and upon such
terms as the Trustees consider advisable, and as security for such loans to
mortgage or pledge any real or personal property with or without power of
sale; to acquire or hold any real or personal property, subject to any
mortgage or pledge on or of property acquired or held by this Trust.
(e) To execute and deliver deeds, assignments, transfers, mortgages, pledges, leases, covenants, contracts, promissory notes, releases, and all other instruments, sealed or unsealed, necessary, property or incident to any transaction in which they engage for the accomplishment of the purposes of this Trust or of any of the powers herein granted.

(f) To utilize the City’s depository as custodian of any funds or securities and to delegate to it such powers as they deem appropriate; to hold Trust property without indication of fiduciary capacity but only in the name of a registered nominee, provided the Trust property is at all times identified as such on the Books of the Trust and to hold any securities in registered or in bearer form.

(g) To sell, lease, or exchange any personal, mixed or real property, in accordance with State law, for such consideration and on such terms as to credit or otherwise, and to make such contracts and to enter into such undertakings relating to the Trust property, as they consider advisable, whether or not such leases or contracts may extend beyond the duration of the Trust.

Notwithstanding the foregoing powers, the San Antonio Housing Trust Foundation must keep an accounting of trust funds, etc., and comply with duties associated.

Amended by Resolution No. T0408-01 (August 16, 2004) and approved by Ordinance No. (September 23, 2004).

Section 3.4 Indemnification

Neither the Finance Director nor any other Trustee shall be liable for, and, to the extent of its assets, this Trust shall indemnify such person against any liabilities, including actual and reasonable attorney’s fees incurred in defending against such liabilities, arising out of his or her activities on behalf of and for the Trust, unless such liabilities are the result of the willful misconduct, bad faith or gross negligence of such Trustee. No Trustee shall be required to furnish any bond or surety or shall be liable for the act or omission of any other Trustee. The Trustee may obtain insurance with respect to Trust activities and pay for such insurance with Trust funds.

Section 3.5 Meetings

The Board shall meet quarterly for the purpose of distributing Trust funds, if any, pursuant to Article II hereof, among eligible applicants for such funds as the Board in its sole discretion may determine. The Board may also meet at such other times as may be
designated by the Housing Finance Development Manager, with concurrence by the Chairman of the Board of Trustees or any three Board members.

Amended by Resolution No. T0408-01 (August 16, 2004) and approved by Ordinance No. (September 23, 2004).

Any quarterly or special meeting shall be called by written notice received by each Trustee at least seven days prior to such meetings. Notice of such meetings must be publicly posted and mailed to interested persons. Such notice shall set forth the day, time, place of meeting and contain an agenda of all actions to be brought before the Board.

Section 3.5.1 Votes

Each Trustee shall be entitled to one (1) vote on each matter brought before the Board. Except as otherwise herein provided, the Board shall act by majority vote of the Trustees.

Section 3.5.2 Quorum

A quorum shall be constituted at each meeting if at least six (6) a majority of the Trustees are present in person.

Amended by Resolution No. T0408-01 (August 16, 2004) and approved by Ordinance No. (September 23, 2004).

Section 3.6 Other Matters Affecting the Trust

Subject to City Council approval, from time to time by majority vote, the Trustees may adopt such written rules, regulations, and procedures, and any amendments thereto, not inconsistent with this Trust, for the conduct of their meetings, the carrying out of their duties and powers hereunder and shall in any event, prior to the approval of any distribution pursuant of this Trust, adopt such rules and regulations, and procedures which shall be published and recorded pursuant to Article VI herein, and shall need City Council approval of any rule, regulation and procedural changes.

Amended by Resolution No. T0408-01 (August 16, 2004) and approved by Ordinance No. (September 23, 2004).

ARTICLE IV
ACCOUNTS
The Finance Director shall submit to the Board at the annual meeting an account of the
Trust prepared by an independent certified public accountant and shall submit copies
thereof to the City Council. Said account shall be the result of an independent audit.
Such annual account shall be published and available to the public. The trust may charge
the public a nominal fee for copies of the annual account.

ARTICLE V

DISSOLUTION AND AMENDMENT

Section 5.1 Dissolution and Amendment of Trust

It is intended that this Trust shall continue in perpetuity; provided, however, if for any
reason it becomes impossible to do so, then this trust may be terminated upon unanimous
vote of the Trustees and the approval by a majority of City Council. If for any reason
this Trust is voluntarily or involuntarily dissolved or wholly inoperative, all the property
of the Trust shall be distributed to the City of San Antonio to be used solely of the
purposes consistent with Section 1.2 of this Trust.

Amended by Resolution No. T0408-01 (August 16, 2004) and approved by Ordinance No.
(September 23, 2004).

Amendments of this Declaration Trust may be made by a majority vote of the Trustees;
provided, however, that such amendments do not violate the purpose of this Trust
pursuant to Section 1.2; and provided, further that Section 1.2 itself shall not be amended
unless such action shall be to comply with Federal, State, County, City, Municipal and
Local laws, regulations, ordinances, statutes and guidelines.

Amended by Resolution No. T01-1001 (October 8, 2001) and approved by Ordinance
No. 95273 (February 7, 2002).

No amendment of this Declaration of Trust shall authorize the Trustees to conduct the
affairs of this Trust in any manner or for any purpose contrary to the provisions of
Section 501 c (3) of the Code. Any amendment made pursuant to this article shall be
attached to each original counterpart of this instrument and shall be recorded as provided,
and shall need City Council approval of any rule, regulation and procedural changes.

ARTICLE VI

MISCELLANEOUS

Section 6.1 Titles and Subtitles
Titles of the articles and subtitles for the section are placed herein for reference only, and in case of any conflict, the text of this instrument, other than such titles or subtitles, shall be controlling. The use of the masculine, feminine or neuter genders shall be interpreted to include the other genders.

Amended by Resolution No. T0408-01 (August 16, 2004) and approved by Ordinance No. 474245 (September 23, 2004).

Section 6.2  Governed by Texas Law

This Trust shall at all times be governed by, construed, regulated and administered in all respects under the laws of the State of Texas.

Section 6.3  Counterpart Copies

This Declaration of Trust may be printed and executed in as many counterparts as deemed desirable, each of which shall be an original and to be recorded as herein provided. At least one (1) copy shall always be kept on file and open to public inspection in the Office of the City Clerk.
CITY OF SAN ANTONIO HOUSING TRUST

FINAL RULES AND REGULATIONS
FOR THE OPERATIONS OF THE
SAN ANTONIO HOUSING TRUST

As Amended by the San Antonio Housing Trust
Board of Trustees on August 16, 2004
and the City Council on September 23, 2004.
# TABLE OF CONTENTS

## I. GENERAL PROVISIONS

A. Purpose of the San Antonio Housing Trust .............................................. .1  
B. Purpose of the Rules and Regulations .................................................. .2  
C. Administrative Office and Correspondence ........................................... .2  
D. Definitions ......................................................................................... .2  
E. Principles ............................................................................................ .4  
F. Requirements of the Declaration of Trust .............................................. .5  
G. Non-Discrimination ............................................................................... .5  
H. Anti-Redlining ..................................................................................... .5  
I. Anti-Displacement .................................................................................. .6  
J. Anti-Demolition ..................................................................................... .6  
K. Trust Contracts with Trustees and Officers ......................................... .6  
L. Trust Assistance to Trustees and Officers ............................................. .6  

## II. CITIZEN PARTICIPATION

A. Notice and Comment Period ................................................................. .7  
B. Public Hearing ....................................................................................... .7  

## III. ORGANIZATION AND STRUCTURE OF THE TRUST

A. Board of Trustees .................................................................................. .8  
B. Executive Committee and Other Committees ........................................ .8  
C. Officers of the Board of Trustees .......................................................... .9  
D. Managing Trustee ................................................................................ .10  
E. Meetings of the Board of Trustees ........................................................ .10  
F. Staff ..................................................................................................... .11  
G. Neighborhood and Downtown Advisory Committees .......................... 11  

## IV. STANDARDS AND PROCEDURES FOR TRUST PROPERTY AND FUNDS

A. Public Funds and Property ................................................................. .12  
B. Procedures for Managing Trust Assets ............................................... .12  

## V. PROCEDURES AND STANDARDS FOR DISTRIBUTION OF TRUST FUNDS

A. Types of Assistance Available ............................................................. .13  
B. Determination of Funds Available ....................................................... .13  
C. Authorization of Board and City Council ............................................. .13  
D. Announcement of Fund Availability .................................................... .13
TABLE OF CONTENTS II

VI. PROCEDURES FOR APPLICATIONS FOR TRUST ASSISTANCE

A. Request for Proposals Procedures .............................................. 15
B. Form, content and Notice ................................................................. 15
C. Alternative Disbursement Procedures ................................................ 18
D. Eligible Applicants or Sponsors ........................................................... 18
E. Eligible Programs and Projects .......................................................... 18
F. Eligibility Criteria ............................................................................... 19

VII. CRITERIA FOR REVIEW OF APPLICATIONS AND PROPOSALS

A. Review Criteria .................................................................................. 21
B. Related Party and Prior Relationship Disclosure ................................. 22
C. Additional Information ......................................................................... 22
D. Oral Presentation .................................................................................. 22
E. Negotiations .......................................................................................... 22
F. Amendments to Application or RFP Procedures ..................................... 23
G. Action on Proposals or Applications Submitted ..................................... 23

VIII. PROCEDURES FOR AWARDING AND MONITORING TRUST ASSISTANCE

A. Proposal Review Process .................................................................... 24
B. Letter of Award .................................................................................... 24
C. Agreement for Trust Assistance ............................................................ 25
D. Technical Assistance ............................................................................ 25

IX. MISCELLANEOUS

A. Amendment of Rules and Regulations .................................................. 26
B. Severability .......................................................................................... 26

Certification .................................................................................................. 26
I. GENERAL PROVISIONS

A. PURPOSE OF THE SAN ANTONIO HOUSING TRUST

The City of San Antonio Housing Trust ("SAHT") was established by the City of San Antonio on September 8, 1988 by Ordinance No. 67895. In the Preamble to the Ordinance the City Council affirmed its “commitment to improve, expand and safeguard housing in its inner city and downtown neighborhoods, with particular emphasis on housing programs and opportunities for those of low and moderate income.”

The purpose of the SAHT San Antonio Housing Trust is to assist in financing and implementing programs that will provide housing for people of low and moderate income in the City of San Antonio. The Housing Trust SAHT will support and facilitate information, technical assistance and other services that will improve and maximize existing housing stock, provide new housing and stabilize neighborhoods. The Trust SAHT will encourage the conservation and rehabilitation of existing residential structures as well as the conversion of other structures for residential uses. It will promote new construction of affordable housing through in-fill and subdivision development.

The San Antonio Housing Trust SAHT will complement and not duplicate existing housing programs. It will support funding for initiatives that will build capacity and expertise in neighborhood or community-based organizations to become housing providers. The Trust SAHT will seek and solicit proposals for innovative programs that coordinate new and existing resources - both human and financial - to address the needs of target populations.¹

RULES AND REGULATIONS

A.B. PURPOSE OF RULES AND REGULATIONS

These Rules and Regulations prescribe the principles, requirement, procedures and guidelines for operating the Trust, for evaluating applications to the Trust for funds, and for insuring that the funds will be used exclusively for the purpose of this Trust and for no other purpose. These

¹ As adopted by Board of Trustees Resolution No. 89-1102 (November 30, 1989); and approved by City Council Ordinance No. 70722 (December 7, 1989).
Rules and Regulations are promulgated by the Board of Trustees, upon City Council approval, under the authority and responsibility granted to the Trustees by the Declaration of Trust. These provisions are subject to the Declaration of Trust, any conditions for the award of funds to the Trust by other entities, and any applicable federal, state or local laws and regulations.

**B.C. ADMINISTRATIVE OFFICE AND CORRESPONDENCE**

All correspondence and notices regarding the San Antonio Housing Trust SAHT should be mailed to: or delivered to the Secretary of the Board of Trustees:

San Antonio Housing Trust Foundation
P.O. Box 15915
San Antonio, Texas 78212

**C.D. DEFINITIONS**

1. **Affordable Housing** Generally, “affordable housing” means decent, safe and sanitary dwelling units that have a monthly carrying cost to a resident of no more than 25-35% of the monthly household income. Carrying costs for rental housing includes the basic rent plus the reasonable allowance for utilities, adjusted for unit size and type of service and appliances, as published by the San Antonio Housing Authority for the administration of the Section 8 Existing Housing or Voucher Programs. Carrying costs for single-family owner-occupied housing include principal and interest, taxes and insurance, and a reasonable allowance for utilities and maintenance as used for FHA mortgage loan qualification in the San Antonio area. The term “affordable housing” may be explicitly defined in a **all applicable** Request for Proposals or **and** other provisions for Trust assistance and should be consistent with the City of San Antonio as to their its current definition of affordable housing.

2. **Downtown Area** As delineated by the Declaration of Trust, the downtown is geographically identified in the City of San Antonio’s Incentive Scorecard System as starting at the intersection of Salado and El Paso Streets; north on Salado to its intersection with Frio Street; thence northeast in a straight line to the intersection of IH-10 and Cadwalader; south on IH-10 to IH-35; northeast on IH-35 to a perpendicular point connecting with Cherry Street; south on Cherry Street to Durango Boulevard; west on Durango to the San Antonio River; south along the San Antonio River to Arsenal Street; west on Arsenal to El Paso Street; and then west on El Paso to Salado, as the area bounded on the west by Santa Rosa; on the north by West Martin, Main, I-35, Lexington via Avenue A to McCullough 5th; bounded on the east by I-37; and on the south by Durango.

3. **Low and moderate income** Total gross annual household income that does not exceed 80% of the median income for the San Antonio area as set forth in regulations promulgated by the U.S. Department of Housing and Urban Development.
4. **Neighborhood Operating Area** As delineated in the Declaration of the Trust, the area of the City inside Interstate Highway Loop 410 but exclusive of the "Downtown Area" as defined above. The SAHT will operate within the City limits of San Antonio. Funding policies may designate special areas of emphasis consistent with City of San Antonio policies.

5. **Moderate to middle income** Total gross annual household income that is between 80% and 120% of the median income for the San Antonio area as set forth in regulations promulgated by the U.S. Department of Housing and Urban Development.

6. **Special Needs Persons** Those persons who are elderly, being at least 60 years of age; handicapped by a physical or mental impairment that is expected to continue indefinitely and that substantially impedes living independently; disabled under the provisions of the Social Security Act; single-parent families; or homeless, as defined in the Stewart B. McKinney Homeless Assistance Act.

7. **Sponsor** Any individual or organization that submits a proposal for Trust assistance, assumes responsibility for processing the proposal, has the authority to make contracts, and intends to execute an Agreement for Trust Assistance.

8. **Substantial equity interest** A vested interest in a project for the rehabilitation or new construction of affordable housing units that has a value from five percent to twenty percent beyond the amount of any existing or future loans.

**PRINCIPLES**

The following statements are adopted by the Board of Trustees as principles to guide it in seeking proposals for Trust assistance and in disbursing Trust funds for specific projects or programs.

1. Trust funds or property should not be used to replace or duplicate available public or private resources.

2. Trust funds should be used to encourage private investment by conventional lenders in our community.

3. Trust funds should be used to encourage investments and contributions by private foundations, corporations and individuals.

4. Trust funds should be used to support the capacity of community-based neighborhood and community development corporations to preserve, maintain and promote decent and affordable housing.
5. Trust funds should be used to the maximum extent possible to leverage the investment of other public or private resources.

6. Trust funds should be used to support projects or programs that are financially feasible considering the benefit sought without undue risk of the loss of funds awarded by the Trust or the loss of benefits to the community.

7. Trust funds should be used to support projects or programs that can be replicated in other neighborhoods in San Antonio or which can demonstrate the feasibility of the project or program in other cities.

8. Trust funds should be used primarily to assist low and moderate income households. Subject to the provisions of the Declaration of Trust, Trust funds should assist moderate to middle income households as incidental and necessary for the benefit of low and moderate income households, but no more than 25% of Trust funds awarded in any particular project or project or program should directly benefit moderate to middle income or higher income households.

9. Trust funds should be used to insure that units assisted by the Trust remain affordable by low and moderate income families for the maximum duration that is legally and financially possible.

E.F. REQUIREMENTS OF THE DECLARATION OF TRUST

The Declaration of Trust, Article I, Section 1.2 (p. 4), prescribes specific requirements on the use of Trust funds for single-family new construction projects and for downtown housing projects.

1. Single-family New Construction

“(1) Any interest seeking Trust participation for the construction of single-family homes must make a majority of such units available for moderate to middle income persons (80-120% of median).

Amended by Resolution No. T01-1001 (October 8, 2001) and approved by Ordinance No. 95273 (February 7, 2002).

2. Downtown Assistance Goals

“(2) It will be the goal of the Trust that at least 35% of the aggregate number of units in downtown Trust-assisted projects serve persons at incomes of 120% of median or below. If this goal has not yet been realized, individual projects may qualify for Trust assistance if 20% of the units are made available to persons with incomes 80% of median or below. The Board of Trustees will make an assessment of these stated individual and overall project goals every three years.”
3. **30% Limitation on Downtown Assistance**

“(3) No more than 30% of Trust funds may be committed to downtown housing efforts in a single funding round.”

**F.G. NON-DISCRIMINATION**

The Trust will not discriminate unlawfully on the basis of race, color, religion, sex, sexual orientation, national origin, age, handicap or familial status or support directly or indirectly any individual or organization that does.

**G.H. ANTI-REDLINING**

The Trust will not discriminate unlawfully in the award of Trust assistance on the basis of any geographic distribution of personal wealth or property value or support directly or indirectly any individual or organization that refuses, by policy or practice, to extend credit or insure property on the basis of any geographic distribution of personal wealth or property value. The Trust will neither discriminate on the basis of nor support directly or indirectly any policy or practice of denying or restricting the access and availability of credit to a creditworthy individual.

**H.I. ANTI-DISPLACEMENT**

The Trust will not support directly or indirectly the involuntary displacement of individuals or families from their homes and neighborhoods without an entitlement in the displaces to rights and relocation or replacement housing assistance that approximate those provided in the federal Uniform Relocation and Real Property Acquisition Act.

**I.J. ANTI-DEMOLITION**

The Trust will not support directly or indirectly the demolition or destruction of affordable housing units without the replacement of an equivalent number of affordable housing units.

**J.K. TRUST CONTRACTS WITH TRUSTEES AND OFFICERS**

No Trustee or officer of the board of Trustees will be interested directly or indirectly in any contract or program involving Trust assets, in the operations conducted by the Trust or in any contract for furnishing goods or services to the Trust.

**K.L. TRUST ASSISTANCE TO TRUSTEES AND OFFICERS**

No loans or grants for the development of affordable housing will be made by the Trust to the Trustees, its officers or to any City officials or employees during their term of office or employment, and for twelve months thereafter. The Trustees who vote for or assent to, and any

San Antonio Housing Trust
Final Rules and Regulations
for the Operation of the San Antonio Housing Trust
9/17/04 final PX9/HY/rc
officers who participate in, the making of a loan or grant to a Trustee or officer or a City official or employee will be jointly and severally liable to the Trust for the amount of the grant or loan, including interest, until it is repaid.

II. CITIZEN PARTICIPATION

The involvement of the citizens of San Antonio in the activities of the San Antonio Housing Trust is essential to insure that the Trust supports affordable housing initiatives that are responsive to the needs and goals of residents who want to live in the downtown and neighborhood areas. The individuals and organizations of the neighborhood and downtown areas who are interested in or who may be affected by projects or programs supported by Trust assistance will be provided a fair and reasonable opportunity to review and comment on proposed rules and proposed awards of Trust assistance.

A. NOTICE AND COMMENT PERIOD

Proposed rules and awards of Trust assistance will be announced by notice posted by the City Clerk and sent by regular first class mail to any interested party. Any person or organization may receive a notice by submitting their name and mailing address to the Secretary of the Board of Trustees of the San Antonio Housing Trust. Anyone may review a copy of a proposed rule or award at the office of the City Clerk or at the administrative office of the San Antonio Housing Trust. Any person or organization may submit written comments within seven days of the posting of the notice of the proposed rule or award to the Secretary of the Board of Trustees. The Comment Period may be extended by the Board of Trustees.

B. PUBLIC HEARING

The Board of Trustees will provide an opportunity for interested individuals or organizations to make oral comments or testimony about a proposed rule or award. A public hearing will be held at a date, time and place announced in the notice. A public hearing will be held at a date, time and place announced in the notice. A public hearing will be arranged in a manner convenient and accessible to the public.

III. ORGANIZATION AND STRUCTURE OF THE TRUST

A. BOARD OF TRUSTEES

The advisory and operational authority for the management of the San Antonio Housing Trust is vested in a Board of Trustees according to the Declaration of Trust. The eleven members of the Board are appointed by City Council for two year terms. Trustees serve in a fiduciary capacity without compensation. The Board of Trustees is empowered, subject to City Council approval,
to promulgate rules and regulations for the operation of the Trust, to seek and evaluate proposals for Trust assistance, and to make disbursements of Trust funds.

B. EXECUTIVE COMMITTEE AND OTHER COMMITTEES

The Board of Trustees may designate, by resolution adopted by a majority of the whole Board, an Executive Committee that will serve at the pleasure of the Board. The Executive Committee will consist of a Vice Chair, the Secretary or Treasurer, two other Trustees, and the Chair of the Trust. The Executive Committee will have and may exercise any authority of the Board of Trustees granted in the enabling resolution in the management of the business and affairs of the Trust, including authority over the use of the corporate seal. However, the Executive committee will not have the authority of the Board in any matter relating to:

1. amending the Declaration of Trust;
2. approving a plan of merger or consolidation;
3. recommending the sale, lease or exchange of property or assets of the Trust except in the usual and regular course of its business;
4. recommending to the Board a voluntary dissolution of the Trust or a revocation of dissolution;
5. amending or repealing these Rules or adopting new Rules;
6. filling vacancies in or removing a member of any committee appointed by the Board;
7. fixing the compensation of any member of the Executive Committee.

The number and designated positions of the Executive Committee may be changed by a resolution adopted by a majority of the whole Board of Trustees. Other committees may be established by a majority vote of the whole Board of Trustees present to perform the duties and functions expressly delegated by resolution. The Board will set the number and terms of committee positions, but any committee must include at least two Trustees.

The Chair of the Board or its designee will appoint Trustees, officers, or others to specific committee positions. The rules of procedure of any committee will be set by the Board, or, by resolution, by the committee. Any committee may be abolished or any committee member removed for any reason and at any time by a majority of the whole Board of Trustees. Ad hoc committees will expire upon completion of their appointed tasks.

Written notice of the time, place and agenda of all committee meetings will be given by the committee chair to the committee at and will keep and deliver a copy of minutes of its proceedings to the Secretary of the Board and will report briefly on its activities at each Board meeting.

C. OFFICERS OF THE BOARD OF TRUSTEES

The officers of the Trust will consist of the Chair of the Board, a Vice Chair of the Board, the Secretary, the Assistant Secretary, the Treasurer, and the Managing Trustee, who is the City
Finance Director, and any other officers that the Board may establish and designate by resolution adopted by a majority of whole Board. Any person may hold any two or more offices of the Trust except the offices of Chair, Secretary and Treasurer. The officers of the Trust will be appointed each year by the Board of Trustees at its annual meeting. Unless an officer resigns, dies or is removed from office, he will hold office until his successor has been chosen and qualified.

1. **PRESIDING OFFICER** The Chair of the board will preside at all meetings of the Board of Trustees. The Chair will have other powers and duties not inconsistent with these Bylaws as may be assigned by the Board. The Vice Chair will have the powers and duties of the Chair in its absence.

2. **VICE CHAIR** A Vice Chair will act under the director of the Chair and in his absence have the duties and powers of the Chair. A Vice Chair will have other duties and powers as the Chair or the Board of Trustees may assign.

3. **SECRETARY** The Secretary will have the general powers and duties usually vested in such an office, including keeping all records, documents and the corporate seal at the principal office of the Trust; affixing the corporate seal to any instrument requiring it and attesting the same by his or her signature when authorized by the Board of Trustees or after the instrument has been signed by the Chair, a Vice Chair or other authorized officer or agent; keeping the minutes of the meetings of the Board of Trustees, the Executive and other committees of the Trust recorded in one or more books provided for that purpose, with the time and place, how they were called or authorized, the notice given, the names of those present, and the proceedings therein; and issuing proper notices in accordance with these regulations. The Secretary will have such other powers and duties not inconsistent with these Bylaws as may be assigned by the Board of Trustees or the President.

4. **ASSISTANT SECRETARY** An Assistant Secretary will be appointed and said Secretary will have the power and duty of the Secretary's office but only in the absence of the Secretary, in affixing the corporate seal to any instrument requiring it and attesting the same by his or her signature when authorized by the Board of Trustees or after the instrument has been signed by the Chair, a Vice Chair or other authorized officer or agent.

4.5. **TREASURER** The Treasurer will be responsible for all funds and securities of the Trust and will have the general powers and duties usually vested in such office of a Trust, including receiving and documenting all monies due and payable to the Trust; depositing all monies received in the name of the Trust in a depository designated by the City Council; disbursing monies of the Trust under the direction or orders of the Board and City Council; entering regularly in the books kept by the Treasurer a complete and accurate account of all monies received and disbursed by the Trust; rendering a statement
of the financial accounts of the Trust to the Board and City Council as requested; exhibiting the books of account in his custody to any Trustee upon request; and submitting a full financial report to the Board of Trustees at the annual meetings.

D. MANAGING TRUSTEE

The City Finance Director is designated by the Declaration of Trust to be the Managing Trustee and serves as a Trustee ex officio. The Managing Trustee is responsible for maintaining the financial records, administering the Trust property, and reporting to the Board of Trustees on the status of the Trust assets. The Managing Trustee will serve as fiscal agent for the transfer and exchange of funds or other property to or from the Trust.

E. MEETINGS OF THE BOARD OF TRUSTEES

The Board of Trustees will meet at least quarterly for the purpose of disbursing Trust funds and managing the operations of the Trust. Special meetings will be held as needed to conduct the business of the Board of trustees. Notices of regular and special meetings are posted with the City Clerk seven days pursuant to State law with the City Clerk before the scheduled meeting date and mailed to interested persons who apply to the Secretary of the Board of Trustees to receive notices. All meetings of the Board of Trustees will be conducted pursuant to State law. Although not subject legally to the Texas Open Meetings Law, all meetings of the Board of Trustees will be conducted in the spirit of the Texas Open Meeting Law through substantial compliance with its provisions. All meetings of the Board of Trustees are accessible to the handicapped. Parliamentary procedures of the Board will be guided by Robert’s Rules of Order. The Chair, with approval of the Board, may prescribe the order of business.

F. STAFF

Administrative and technical support for the Board of Trustees will be provided by the San Antonio Housing & Development Center San Antonio Housing Trust Foundation, Inc., pursuant to an annual administrative services contract required to be approved by the City Council, which will be responsible to the City Manager. The primary staff position of the San Antonio Housing Trust Foundation, Inc. is the Executive Director Housing Finance Development manager. The Manager serves Secretary to the Board of Trustees and is responsible for maintaining a record of the proceedings of meetings of the Trustees, as well as any books, documents and papers filed with the San Antonio Housing Trust. The Executive Director is responsible for the day-to-day operations of the San Antonio Housing Trust Foundation, Inc.

G. NEIGHBORHOOD AND DOWNTOWN ADVISORY COMMITTEES

Two advisory committees are authorized by the Declaration of Trust; each is composed of fifteen members appointed by City Council. The Advisory Committees are authorized to advise the Board of Trustees on housing need, priorities and solutions and are charged to be development-
IV. STANDARDS AND PROCEDURES FOR TRUST PROPERTY AND FUNDS

A. PUBLIC FUNDS AND PROPERTY

The funds and property held in the name of the San Antonio Housing Trust are public property, subject to the laws of the State of Texas, the Charter of the City of San Antonio, and the ordinances enacted by City Council.

1. Private Contributions

The Trust may receive contributions of cash, personal tangible or intangible property, and real property interests.

B. PROCEDURES FOR MANAGING TRUST ASSETS

The Managing Trustee will manage and preserve Trust assets according to policies and procedures established for the management of City assets and property.

V. PROCEDURES AND STANDARDS FOR DISTRIBUTION OF TRUST FUNDS

A. TYPES OF ASSISTANCE AVAILABLE

The Trust may provide assistance to eligible programs and projects in the form of secured or unsecured grants; secured primary or secondary, interest-bearing or interest-free loans; matching grants or loans; or as “seed money” low-interest loans to nonprofit or for-profit minority or women business enterprises, community or housing development corporation, or community-based organizations to support affordable housing development.

B. DETERMINATION OF FUNDS AVAILABLE

At each quarterly meeting of the Board of Trustees, the Managing Trustee will report quarterly on the interest earnings and other assets of the Trust to the Board of Trustees. In accordance with the authority granted by the Declaration of Trust, Article II, Sections 2.1 & 2.2 (p. 6), the Board of Trustees will determine, in the best interest of the Trust, how much of the interest Trust Funds and all earnings, principals, if any and income and principal, if any, should be disbursed subject to City...
Council approval. - The Board of Trustees will establish, within the bounds of the Declaration of Trust, the allocation of funds to the neighborhood and downtown areas. The Board will also determine the allocation of funds to any particular program or project previously approved for Trust assistance, subject to the authorization of the Board of Trustees and City Council.

C. AUTHORIZATION OF BOARD OF TRUSTEES AND CITY COUNCIL

Prior to announcing the availability of funds, the Board of Trustees must approve by majority vote a Funding Resolution establishing the availability of funds and the allocation of funds for the neighborhood and downtown areas and for other programs or projects. Following passage of the Funding Resolution, the Board will submit a proposed ordinance to City Council for approval of the availability and allocation of funds.

D. ANNOUNCEMENT OF FUND AVAILABILITY

Upon approval by City Council of an ordinance ratifying the Funding Resolution, the Board of Trustees will issue a Notice of Fund Availability. The Notice will announce the availability of funds, state the allocation of funds to the neighborhood and downtown areas, describe briefly the procedure and schedule by which the funds will be disbursed, and certify the passage of a Funding Resolution of the Board of Trustees and the approval of City Council by ordinance. The Notice will be posted by the City Clerk and mailed to interested parties. The Board will issue a press release announcing the issuance of the Notice of Fund Availability.

E. USE OF INCOME

The San Antonio Housing Trust Foundation, Inc. (SAHTF) is authorized to annually utilize loan interest income up to one percent (1%) of the Trust total loan portfolio from previous awards for the purpose of offsetting losses incurred in conducting housing operations. These funds are not to be utilized for salaries or other items covered by the annual budget. The SAHTF annual audit will include a line item documenting these fund expenditures.

VI. PROCEDURES FOR APPLICATION FOR TRUST ASSISTANCE

Upon determining the availability and allocation of funds, the Board of Trustees will determine the procedures by which individuals or organizations may apply for Trust assistance. The Board will adopt a resolution prescribing the process and schedule for announcing a Request for Proposals, for receiving and reviewing proposals, and for awarding the disbursement of funds.

A. REQUEST FOR PROPOSALS PROCEDURES

The Board of Trustees may issue a Request for Proposals to elicit responses from individuals and organizations seeking Trust assistance for programs or projects that provide affordable housing opportunities. The Request for Proposals may seek proposals for general
programs that may be sponsored by the Trust or by other entities with Trust assistance or participation; for specific projects by individuals or organizations for housing preservation or development; for the designation of Neighborhood Development Zones, or other geographic areas within the neighborhood or downtown areas, that would receive special attention for Trust assistance; and for other variations as determined by the Board of Trustees to achieve the purposes of the Trust.

A Request for Proposals may focus on a specific type of housing activity, e.g., rehabilitation, new construction, single-family, multi-family, homeownership, or rental; a particular population in need of affordable housing, e.g., very low income, elderly, single-parent families, single adults, handicapped and disabled, and the homeless; a particular use of funds, e.g., secured or unsecured grants, secured primary or secondary loans, etc.; or a specific geographic area to maximize the impact of Trust assistance in a neighborhood.

B. FORM, CONTENT AND NOTICE

A Request for Proposals will announce the amount of funds available, the types of programs or projects eligible for proposal, the schedule and format for submitting proposals, and the criteria for evaluating proposals.

1. Notice

A Request for Proposals will allow at least thirty days for the submission of proposals. Each Request for Proposals will be posted by the City Clerk, mailed to interested parties, and advertised in at least one local, daily newspaper of general circulation. Copies of a Request for Proposals will be available at the administrative office of the Trust.

2. Letter of Intent

Individuals or organizations intending to submit an application or proposal in response to a Request for Proposals will be required to submit a letter of intent to the Secretary of the Board of Trustees at least ten days before the deadline stated in the Request for Proposals. The letter of intent should summarize the proposal for a program or project by describing the program or project goals and objectives, identifying the persons or organizations who will be responsible for the management and completion of the program or proposal, indicating the financial and other resources committed or expected to be available for the program, and finally stating the amount of Trust assistance to be sought. The letter should be no longer than five pages, single-spaced, and written in an easily readable format.

All letters of intent received by the Secretary of the Board of Trustees will be treated confidentially for the exclusive use of the Board of Trustees and staff in evaluating proposals. The identification of the sponsor, the project or program proposed and any other information contained in the letter of intent will not be released to the public.
3. Format

All proposals submitted must be typed on the forms provided in the Proposal Package or in the format and style prescribed in the instruction for the Request for Proposals. The narrative portions of the proposal should be written in clear, concise language. Technical terms used should be separately defined. Financial statements and program budgets should be written in a commonly used format.

In general, proposals will be required to provide the following information, in addition to describing how the review criteria below will be met:

a. Project or program summary and program goals and objectives
b. Personnel and organizational authority and responsibilities
c. Personal or organizational financial statements
d. Project development pro forma or program operating budget
e. Committed or anticipated financial and other resources
f. Eligibility affidavits and disclosure statements
g. Affirmative marketing plan
h. Non-discrimination statements
i. Tax, title and audit reports
j. Project blueprints, site plans, surveys and location map
k. Project or program completion schedule and performance criteria
l. Housing affordability plan

4. Filing

All proposal packages must be received by the Secretary of the Board of Trustees no later than 5:00 p.m. on the date stated as the deadline in the Request for Proposals. All packages submitted will be recorded in a log and will be stamped with the date and time of receipt. Applications submitted after the deadline will not be considered by the Board of Trustees under the pending Request for Proposals.
C. ALTERNATIVE DISBURSEMENT PROCEDURES

The Board may create other processes or programs for disbursing Trust funds, e.g., to permit the Board of Trustees to apply directly or indirectly through state or federal housing programs to use Trust funds to match or leverage greater housing funds, to fulfill the purposes and best interests of the Trust. Application and disbursement procedures proposed as an alternative to the Request for Proposals procedures may be established through the rule-making procedures required by these Rules and Regulations and the Declaration of Trust, which will require an opportunity for public review and comment and the approval of City Council.

D. ELIGIBLE APPLICANTS OR SPONSORS

The Trust may distribute funds to individuals or organization, which may be for-profit or nonprofit, private or public, a partnership or joint venture. Applicants must prove to the satisfaction of the Board of Trustees that they, either individually or through prior or current business associations, applicants have conducted business, are not delinquent in payment of any federal, state or local personal or property taxes; that they have not filed bankruptcy petition within the past ten years; that they are not in default on any loan or extension of credit for which payment is due; that there are no convictions or charges pending for arson or arson-related crimes; that there are no adjudications or outstanding complaints of discrimination in violation of any federal, state or local fair housing law; and that they satisfy any other standards established by the Board of Trustees in any Request for Proposals or other application procedure.

E. ELIGIBLE PROGRAMS AND PROJECTS

The Trust may assist any program or project that fulfills the purposes of the Trust to provide affordable housing opportunities for low and moderate income residents. Programs or projects may support homeownership, rental, cooperative, single-family, multi-family, single-room occupancy, permanent, transitional, temporary or other forms of affordable housing that the Board deems suitable for Trust assistance. Programs or projects seeking Trust assistance may engage in rehabilitation, new construction, conversion or adaptive re-use, and other types of housing development.

F. ELIGIBILITY CRITERIA

Proposals for programs or projects seeking Trust assistance must demonstrate to the satisfaction of the Board of Trustees that:

1. the affordable housing units or the opportunity to reside in affordable housing would not be possible without the assistance of the Trust;

2. any Trust funds will be used only to assist the creation of specific affordable housing units or to assist low or moderate income individuals or families obtain affordable housing, and that projects that may contain middle-income units will
use Trust funds for such units only as incidental and necessary to benefiting low or moderate income families and not to exceed 25% of the Trust assistance awarded for the project;

3. the sponsors of projects to rehabilitate existing structures or develop new affordable housing units will have a substantial equity interest in the project;

4. the sponsors of programs or projects will follow minority, handicapped, women-owned and small business enterprise and employment goals and performance standards established by the City of San Antonio by City Council Resolution No. 88-01-02 (January 5, 1989); by City Council Resolution No. 89-19-48 (May 4, 1989); and by City Council Ordinance No. 68364 (November 22, 1988); and any future resolutions or ordinances that City Council may promulgate to promote equal enterprise and employment opportunities.

5. the affordable housing units or program services will be available without unlawful discrimination;

6. the sponsor of the program or project has conferred with neighborhood or downtown area residents and businesses that may be interested in or be affected by the implementation of the proposed program or project through a community meeting or other forum that provides a fair and reasonable opportunity for resident participation in developing a project or program;

7. the affordable units developed with Trust assistance will remain affordable for a period of time, which may range from the term of the Trust assistance to the useful life of the unit as a residence, as specified in the Request for Proposals and negotiated in the Agreement for Trust Assistance;

8. the program or project is financially feasible;

9. the sponsor of a project for new development has site control;

10. the sponsor will satisfy other criteria, standards or conditions that the Board of Trustees and City Council may establish in a Request for Proposal or other application procedure, as well as an Agreement for Trust Assistance executed between the sponsor and the Trust.

VII. CRITERIA FOR REVIEW OF APPLICATIONS AND PROPOSALS

A. REVIEW CRITERIA
The Board of Trustees will review proposals for programs and projects submitted according to the
following criteria to determine which proposals, if any, best fulfill the purpose of the Trust:

1. the number of affordable housing units to be developed or assisted or the number of low and moderate income persons to be assisted;

2. the proportion of units in a project or program that will be affordable to low and moderate income persons;

3. the amount of Trust funds committed per affordable housing unit or per low and moderate income person;

4. the proportion of Trust assistance of the total project or program cost;

5. the track record of the project or program sponsor in completing development projects, in managing or marketing residential projects, or in administering programs of a similar type and scale;

6. the timeliness in which affordable housing units will be developed or in which low and moderate income persons will be assisted;

7. the number of years that affordable housing units developed with Trust assistance will remain affordable;

8. the number of affordable housing units that will be accessible to the elderly and handicapped;

9. the existing infrastructure, facilities and other public services, e.g., sidewalks, parks, schools, police and fire protection, grocery and retail shopping, etc.;

10. the amenities that will be available to residents either by the project development or through other sources;

11. whether the project or program will provide equity opportunities for low and moderate income families;

12. the impact on school districts, property tax bases, governmental services, and the “neighborhood economy” by the project or program;

13. the impact of the project or program on the aesthetics of the neighborhood and its existing housing stock;

14. the number of existing housing units on the market to be used for affordable housing opportunities;

San Antonio Housing Trust
Final Rules and Regulations
for the Operation of the San Antonio Housing Trust
9/17/04 final PXS/HY-re
15. the offer of an equity participation or reversionary interest to the Trust in consideration of the receipt of Trust assistance.

16. the history of credit or insurance redlining in the community where the project or program will be located; and

17. other criteria that may be prescribed by the Board of Trustees, and approved by City Council, for its consideration in reviewing proposals or applications for Trust Assistance.

B. RELATED PARTY AND PRIOR RELATIONSHIP DISCLOSURE

All sponsors or applicants must disclose any relationship of affinity or consanguinity as well as any existing or prior contractual or employment relationship between its principals, agents or employees and any Trustee or officer of the Trust.

C. ADDITIONAL INFORMATION

The Board of Trustees may request additional information from a sponsor or applicant to complete its evaluation of a proposal.

D. ORAL PRESENTATION

The Board of Trustees may request that a sponsor or applicant appear before the Board to present its proposal and to respond to any questions or comments.

E. NEGOTIATIONS

The Board of Trustees may negotiate with a sponsor of a proposal to agree to terms that are in the best interests of the Trust as a condition of an award of Trust assistance.

F. AMENDMENTS TO APPLICATION OR REQUEST FOR PROPOSALS

The Board of Trustees may amend any substantive or procedural provision of an application or request for proposals in the best interest of the Trust. The Board must follow the rulemaking procedures prescribed by the Declaration of Trust and these rules, including providing an opportunity for public review and comment and seeking the approval of City Council. Additionally, if an announcement for applications or a request for proposals has already been issued, the Board will inform any applicant or sponsor that has timely submitted a Letter of Intent of the proposed amendment with the agenda for the meeting at which the amendment will be discussed. If applications or proposals have already been received when an amendment is
considered and approved by the Board and City Council, the Board must issue a supplemental announcement for applications or request for proposals.

G. ACTION ON PROPOSALS OR APPLICATIONS SUBMITTED

After receiving and evaluating proposals or applications, the Board of Trustees may vote to approve all, part or none of the proposals or applications received based on its evaluation of proposals under the eligibility and review criteria above.

VIII. PROCEDURES FOR AWARDING AND MONITORING TRUST ASSISTANCE

A. PROPOSAL REVIEW PROCESS

Upon completion of the Citizen Participation process prescribed by these Rules and Regulations, each proposal submitted will be reviewed by the Project Review Committee of the Board of Trustees. Any written comments or testimony received through the Citizen Participation process will be appended to each proposal for consideration. Each proposal will be evaluated according to criteria established by the Declaration of Trust, the Rules and Regulations of the San Antonio Housing Trust, the Resolution of Principles and Priorities, the Request for Proposals, generally accepted planning and accounting principles, and applicable federal, state, and local laws and regulations. The Committee will refer proposals that pass those criteria to the Chair of the Board of Trustees.

The Board will periodically meet to review the proposals referred to it and approve by majority vote those proposals that best satisfy the terms of each Request for Proposals. The Board will then report to the City Council Housing Task Force those proposals that it wants to award Trust assistance before referring them to City Council for final approval.

Upon approval by the City Council of the Board of Trustees recommended award of Trust assistance to particular sponsors or projects, the Board will issue Letters of Award and publicly announce the awards.

B. LETTER OF AWARD

Upon the approval of the award by the City Council, the Board of Trustees will issue a Letter of Award to specific sponsors of programs or projects certifying that the sponsor will receive Trust assistance conditioned on terms specified in the Request for Proposals, these Rules and Regulations, the Declaration of Trust, and in an Agreement for Trust Assistance. Letters of Award will state the amount of funds to be provided, the type of assistance offered, when funds will be disbursed, and the period by which an Agreement for Trust Assistance will be negotiated and executed between the sponsor and the Trust. The Letter of Award will notify the sponsor that no funds will be issued until the Agreement for Trust Assistance is executed and approved by the Board of Trustees and City Council. The Agreement of for Trust Assistance will limit the
period of funds availability for a period of two years from the execution date of the Agreement of Trust Assistance.

C. AGREEMENT FOR TRUST ASSISTANCE

The Board of Trustees will establish terms for the receipt of Trust assistance, for monitoring the use of Trust funds, and for certifying compliance with the terms of the award of Trust assistance in an Agreement for Trust Assistance negotiated with each sponsor. Each Agreement for Trust Assistance will be reviewed and approved by the City Attorney or his designee before execution. The executed Agreement must be approved by the Board of Trustees and City Council. Each sponsor or project that receives an award will execute an Agreement for Trust Assistance setting forth the terms of the award. The form Agreement for Trust Assistance has to be approved by the City Attorney’s Office and, City Council, and the Trust has to shall use the said form for each said agreements.

In general, the Agreement will prescribe the following matters:

1. Obligations of the sponsor or applicant
2. Cross-default protection on other City-funded loans
3. Term of obligations
4. Project completion schedule or program operation period
5. Performance standards
6. Use of Trust assistance for enumerated costs
7. Obligations of the Trust
8. Compliance reporting, monitoring and auditing
9. Disbursement schedule

The Agreement for Trust Assistance will include any other matters to promote the performance of the Agreement and protect the interests of the Trust.

D. TECHNICAL ASSISTANCE

Individuals or organizations intending to submit a proposal or apply for Trust assistance for a project or program may seek assistance from the San Antonio Housing & Development Center. However, neither the availability nor the unavailability of services from the San Antonio
IX. MISCELLANEOUS

A. AMENDMENT OF RULES AND REGULATIONS

These Rules and Regulations may be amended by the Board of Trustees in accordance with the Declaration of Trust, after complying with the Citizen participation process described above, and upon the approval of City Council.

B. SEVERABILITY

If any provision of these Rules and Regulations or its application to any person or circumstance is held to be unlawful or otherwise invalid by any court of competent jurisdiction, other provisions will not be affected and will be severable.

CERTIFICATION

I HEREBY CERTIFY that I am the currently elected and acting Chair of the Board of Trustees of the City of San Antonio Housing Trust and that the foregoing twenty-six (26) [verify] pages are a full, true and correct copy of the Final Rules and Regulations for the Operation of the San Antonio Housing Trust as amended and as adopted by the Board of Trustees under Resolution No. 1102-10408-01 on the 30th day of November, 1989, and approved by City Council under Ordinance No. 70722 on December 7, 1989 on September 23, 2004.

WITNESS my signature this 13th day of December, 1989, in San Antonio, Bexar County, Texas.

CHAIR

SECRETARY

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