



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 18

Agenda Date: May 9, 2024

In Control: City Council A Session

DEPARTMENT: Finance Department

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Approval of financing for the purposes of the Internal Revenue Code.

SUMMARY:

This Ordinance approves the issuance by the Las Varas Public Facility Corporation of its Multifamily Housing Revenue Notes (Union Park Apartments), Series 2024 in a maximum aggregate amount of \$22,000,000 for the purposes of Section 147(f) of the Internal Revenue Code.

BACKGROUND INFORMATION:

Section 147(f) of the Internal Revenue Code (the “Code”) requires that the issuance of any private activity bond obligations be approved by the applicable elected representative of the governmental unit in which the project is located after a public hearing following reasonable public notice.

The City was contacted regarding Las Varas Public Facility Corporation (the “Issuer”) financing the costs of acquiring, rehabilitating, and equipping a 100-unit affordable multifamily housing facility to be known as the Union Park Apartments (the “Project”) located at approximately 4622 South Hackberry, in City Council District 3, for the benefit of Union Park Apartments, L.P. (the “Borrower”). All units in the project will be made available to families whose income is 60% or

less of the median income. In addition, the rents will be restricted to the Texas Department of Housing Tax Credit rents for the tenant income adjusted for family size. These restrictions will remain in place for 30 years. A public hearing with respect to the Project and issuance of the Notes was held in the City of San Antonio on April 11, 2024, in compliance with Section 147(f) of the Code.

No comments were received at the public hearing.

ISSUE:

To meet the requirements of the Code, the Borrower has requested that City Council adopt an Ordinance confirming public approval of the financing plan and issuance of one or more series of Notes by the Issuer up to a maximum aggregate amount of \$22,000,000, all of which will be used to finance the costs of acquisition, rehabilitation and equipping of the Project. The consideration and approval of this action is consistent with the City's practice of providing consent for projects located in San Antonio that involve qualified institutions obtaining tax-exempt financing for capital improvement projects through conduit issuers.

ALTERNATIVES:

If the City does not adopt the Ordinance, neither the financing nor the Project will be effectuated.

FISCAL IMPACT:

The Ordinance does not obligate the City to pay the debt or Bonds, and does not obligate or create any expectations of, or liabilities for, the City. The Borrower is solely responsible for paying all debt service and other costs associated with the Bonds. The Borrower will pay the City an administrative fee of \$22,000 upon the adoption of the requested Ordinance and the fee will go to the Affordable Housing Fund.

RECOMMENDATION:

Staff recommends approval of the Ordinance approving the issuance by the Las Varas Public Facility Corporation of its Multifamily Housing Revenue Notes (Union Park Apartments), Series 2024 for purposes of Section 147(f) of the Internal Revenue Code.