



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 35

**Agenda Date:** June 20, 2024

**In Control:** City Council A Session

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**DEPARTMENT:** Finance Department

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Approval of tax-exempt bonds for purposes of the Internal Revenue Code and to comply with the San Antonio Housing Trust Public Facility Corporation's organizational documents.

**SUMMARY:**

This Ordinance approves the issuance by the San Antonio Housing Trust Public Facility Corporation of its "Multifamily Housing Revenue Bonds (Cedar Ridge Terrace Apartments) Series 2024" in a maximum aggregate amount of \$35,000,000 for purposes of Section 147(f) of the Internal Revenue Code, as amended, and in order to comply with the San Antonio Housing Trust Public Facility Corporation's organizational documents.

**BACKGROUND INFORMATION:**

Section 147(f) of the Internal Revenue Code, as amended (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.

When the City created the San Antonio Housing Trust Public Facility Corporation (the

“SAHTPFC” or “Issuer”), it required in the Issuer’s organizational documents that all bonds issued by the Issuer be approved by the City prior to their issuance. The attached Ordinance approves the Multifamily Housing Revenue Bonds (Cedar Ridge Terrace Apartments) Series 2024” (the “Bonds”) for purposes of complying with this requirement.

The City was contacted regarding the Issuer’s financing the costs of acquiring, constructing, and equipping a 239-unit affordable multifamily housing facility (the “Project”) located at approximately the northwest corner of Research Plaza and S. New Braunfels Avenue, in City Council District 3, for the benefit of Brooks Senior Apartments Limited Partnership (the “Borrower”). All units in the Project will be made available to families with average incomes less than or equal to 60% of the median income. In addition, the rent in the Project will be restricted to 30% of the tenant’s income. These restrictions will remain in place for 40 years. A telephonic public hearing with respect to the Project and issuance of the Bonds was held on May 20, 2024, in compliance with the Code.

#### **ISSUE:**

To meet the requirements of the Code, the Borrower has requested that the City Council adopt an Ordinance confirming public approval of the financing plan and issuance of one or more series of Bonds by the Issuer in an aggregate maximum stated principal amount of \$35,000,000, all of which will be used to finance the costs of acquisition, construction and equipping of the Project. The consideration and approval of the Ordinance 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 \$2,500 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 San Antonio Housing Trust Public Facility Corporation of its Multifamily Housing Revenue Bonds (Cedar Ridge

Terrace Apartments) Series 2024.