



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: {{item.number}}

Agenda Date: December 2, 2021

In Control: City Council A Session

DEPARTMENT: Finance Department

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Approval of tax-exempt bonds to comply with the San Antonio Housing Trust Public Facility Corporation's organizational documents and Section 303 of the Texas Local Government Code.

SUMMARY:

This Ordinance approves the issuance by the San Antonio Housing Trust Public Facility Corporation of its "Senior Bonds (Lofts at Creekview) Series 2021-A" and its "Subordinate Bonds (Lofts at Creekview) Series 2021-B" (the "Bonds") and in order to comply with the San Antonio Housing Trust Public Facility Corporation's organizational documents and Section 303 of the Texas Local Government Code. 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.

BACKGROUND INFORMATION:

When the City created the San Antonio Housing Trust Public Facility Corporation (the "Corporation") it required in the organizational documents that all bonds issued by the Corporation be approved by the City prior to their issuance pursuant to and Section 303 of the

Texas Local Government Code. The attached ordinance approves the Bonds for purposes of complying with this requirement.

The City was contacted regarding the Corporation financing the costs of acquiring, constructing, and equipping an approximately 301-unit affordable multifamily housing facility (the “Project”) to be located at 3623 East Commerce in San Antonio, Texas for the benefit of SAHT Creekview Lofts, LLC (the “Borrower”). Initially, 5% of units in the project will be made available to families whose income averages 50% or less than the median income, 10% of the units will be made available to families whose income averages 60% or less of median income and 35% of the units will be made available to families whose income averages 80% or less of median income. Because the Corporation will be the sole member of the LLC that owns 100% of the project, the Corporation will have control to set rents and income limitations on the Project.

ISSUE:

To meet the requirements of the Corporation’s organizational documents, the Borrower has requested that City Council adopt an Ordinance confirming its approval of the financing plan and issuance of the one or more series of Bonds by the Corporation up to a maximum aggregate amount of \$68,000,000 all of which will be used to finance the costs of acquisition, construction and equipping of the Project. The consideration and approval of 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 issuers whose bonds are subject to City Council approval.

ALTERNATIVES:

If the City does not adopt an Ordinance confirming public approval of the bond issuance by the Corporation, this financing cannot 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.

RECOMMENDATION:

Staff recommends approval of an Ordinance approving the issuance by the San Antonio Housing Trust Public Facility Corporation of its Senior Bonds (Lofts at Creekview) Series 2021-A and Subordinate Bonds (Lofts at Creekview) Series 2021-B.